



dr.jsmlm

Dr JS Moroka Local Municipality

ANNUAL REPORT
2016-2017

TABLE OF CONTENTS

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY.....	1
CHAPTER 2 –GOVERNANCE.....	25
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE.....	39
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE.....	73
CHAPTER 5 FINANCIAL PERFORMANCE.....	77
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS.....	99

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

VISION

The Dr J S Moroka Local Municipality vision aims to project the ideal situation that the municipality would like to be in the foreseeable future. Municipal vision: - **"An effective, efficient public institution delivering quality sustainable services to better the lives of the people"**.

THE FOLLOWING ARE SOME OF THE KEY SERVICE DELIVERY ACHIEVEMENTS:

- Supply, Delivery and Installation of Vehicle Testing Equipment at Libangeni Traffic and Registering Authority.
- Supply and Delivery of Waste Skip Containers for Transfer Stations
- Women's awards held;
- Children's reading contest;
- Mayor's Cup;
- Youth Summit;
- Establishment of 3 NYDA Offices (Mdutjane, Mbibane & Mathanjana);
- Moral regeneration prayer in collaboration with SABC Ikwekwezi;
- Construction of a surfaced road using internal staff in-conjunction with Public Works at Libangeni as a capacity building exercise;
- Resealing of Bus and taxi route at Dihekeng- 2km of surfaced road resealed;
- Stormwater control at Mabusabesala- 0.5 km of stormwater channel constructed;
- Stormwater control at Ga-Morwe – 0.6 km of stormwater channel constructed;
- Stormwater control at Siyabuswa C – 1km of stormwater channel constructed;

KEY DEVELOPMENT POLICIES:

The Municipality's progress would be measured through satisfying its key developmental objectives. The key policy development objectives would be used as a basis for service delivery in the municipality:

- Implementation of the revenue enhancement strategy
- Shorten turnaround time for responses to complaints forwarded to the municipality, through the Presidential Hotline and the Public Protector
- Provision of bulk water services
- Phasing in of water borne sewerage to all other wards
- Ensure community access to secure tenure
- Improve the local economy through revised LED strategy
- Short-and long-term job opportunities

- Broaden Executive Mayor's Bursary Scheme to include scarcely skilled disciplines e.g. water services
- Employee's Assistance Program
- Implement the Record Management System
- Intensify community participation and accountability by councillors through monthly community meeting
- Facilitate and empower **Co-operatives**
- Sustained improvement of the audit opinion regarding financial statements
- Facilitate and regularly update the Indigent Register so as to be accurate
- Adherence to the Performance Management System
- Continue to participate in HIV/AIDS, TB and Cancer-programmes
- Partner with other educational stakeholders to improve the education level in the municipality and grade 12 pass rate
- Continue hosting the Mayoral Cup but also include other sporting codes into the Mayoral Cup

METHODS USED / IMPLEMENTED TO IMPROVE PUBLIC PARTICIPATION AND ACCOUNTABILITY.

Public Participation is the barometer whereby performance of the municipality is gauged in relation to good governance and the enhancement of democracy. The following activities would ensure good governance:

- Continued and regular meetings with traditional leadership;
- Conduct preparation meetings before all municipal events, especially before Integrated Development Plan-and Budget Imbizos;
- Announcements of meetings and events through loud hailing;
- Notices in print media
- Regular updating of the municipal website relating to public participation
- Engaging in different forums such as the Local Economic Development -and Youth Forum

CHALLENGES

There were a number of community actions that emanated from perceived inadequate service delivery in Ward 7 and Ward 26. The unhappiness that led to demonstrations were about irregular supply of water and inaccessible roads which are not adequately maintained. In Siyabuswa the residents marched to the offices of the municipality and their main issue was lack of title deeds and also about the new property rates.

All the issues were successfully addressed by the municipality. The water supply was improved and the roads maintenance programme was implemented. It was also explained to the community that the municipality has been engaging the province and the district municipality with regards to tittle deeds.

CORRECTIVE ACTIONS TAKEN TO ENSURE THAT STRATEGIC OBJECTIVES AS STIPULATED IN THE IDP ARE ACHIEVED.

- Channel the greater part of the capital budget to bulk water projects
- Implement and extend the bulk sewer system to areas without sewer connections
- Improve and sustain the flow of water in the reticulation system
- Fill key managerial positions
- Increase the staff compliment in the Project Management Unit

POLITICAL ANALYSIS

Council consisted of a total of 62 councillors of which 36 are males and 26 are females. High turnover of councilors occurred with the new administration that took office on the 6th August 2016. Some of the issues that prevailed when the political office bearers took office: - There was backlog of service delivery issues in relation to water and sanitation.

THE FOLLOWING POLITICAL INTERVENTIONS WERE INITIATED TO IMPROVE THE AUDIT OPINION

- Ensure accountability for all expenses incurred
- Minimal deviation from policies
- The Audit Steering Committee, attended by the Executive Mayor, MMC(Member of Mayoral Committee) for Finance and the MMC for Technical Services should deal with issues raised by the Auditor General and other audit related matters
- Implemented the approved audit action plan.
- Ensured there is compliance with the all legislative requirements
- Established the Audit Steering Committee to deal with issues raised by the Auditor General
- Held meetings with management and established the support from Provincial Treasury and provincial COGTA.

STRATEGIC ALIGNMENT TO PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY.

Strategic alignment was initiated as follows:

“Building Local Economies to create more employment, decent work and sustainable livelihoods”;

- In implementing the manifesto we have granted 08 students bursaries to learn in the field of Engineering as a scarce skill;
- The municipality has been able to establish the LED forum to assist with facilitation of local economic development;
- The Municipality is in the process of reviewing the LED strategy to assist local economic development

“Improving local public services and broaden access to them”;

- Our service delivery backlogs are huge on sanitation (51%), we have resolved to deliver VIP toilets through co-operatives;
- We still need to improve on how we deliver water to the communities especially in the 14 villages in Mathanjana Magisterial Area

“Building a more united, non-racial, integrated and safer communities”;

- We need to review the SDF as it was seen not to be credible;
- We need to finalize the town planning for Moripe Gardens

“Promoting more active community participation in local government”;

- As a Municipality we have achieved the public participation targets and time-frames, however we are still lacking with regard to internal and external **communication**. Improvement in that department is required;
- We have established the IDP Forum but we still need to establish the business forum

“Ensuring more effective, accountable and clean Local Government that works together with National and Provincial Government”

- We are still lacking on the turnaround time for problems raised by the community even though the municipality communicate with the community regarding the water disruptions as they occur.

FUTURE ACTIONS

The following actions must be put in place to ensure that in future, the municipality perform and meet all its obligations and service delivery challenges:

- Develop and adopt departmental procedure manuals.
- Ensure full implementation of the Revenue Enhancement Strategy.
- Ring fencing of water services revenue.
- Focus on local economic development so as to grow the economy and create jobs within the municipality.
- Fast-track skills development programme with other stakeholders.

- Invent innovative, alternative service delivery methods to eradicate service delivery backlogs.
- Finalize the Record Management System.

AGREEMENTS / PARTNERSHIPS

The municipality did not enter into any agreements or Public – Private Partnership with external stakeholders during the 2015/2016 financial year.

STATEMENT OF CORRECTIVE ACTIONS WHEREBY SERVICE DELIVERY CAN BE IMPROVED:

PROJECT	CHALLENGES	REMEDIAL ACTIONS/ MEASURES TAKEN TO ACHIEVE THE TARGET
Traffic Contravention Management System	Delay in approving the operations by the Director for Public Prosecutions	Constant Communication with the Director for Public Prosecutions.
Supply, delivery and Installations of Vehicle Testing Equipment	Delay in approving the operations by the MEC for Community Safety, Security and Liaison	Political intervention to speed-up the approval
Gamorwe to V3 Reservoir Bulk System	Late delivery of MCC(Motor Control Centre)	Acceleration of works
Upgrading of Digwale Bulk line from 25mm AC pipes to 400mm Upvc pipes	Slow progress on site	Penalties granted to the contractor for not finishing the work on time

CONCLUSION

The achievement of the goals as set out in the 2016/2017 Municipal Integrated Development Plan will need the efforts of all in this municipality administratively , politically and the community. The challenges that we are facing are not insurmountable.

EXECUTIVE MAYOR
COUNCILLOR MADILENG W.T

MUNICIPAL MANAGER'S OVERVIEW

Section 121(3) of the Municipal Finance Management Act 2003, read together with section 46 of the Municipal Systems Act 2000, prescribes the minimum contents of an annual report of a municipality. I have also considered the importance of credibility, reliability, usefulness and relevance of the annual financial statements and performance information as contained herein.

This Annual Report therefore provides an authoritative record of the activities of Dr. JS Moroka Local Municipality which we embarked on during the period of 2016/2017 financial year. The report presents us with an opportunity to reflect on our achievements since the last reporting period, and also to provide a detailed account of our performance as a municipality against our strategic plans and resources that were at our disposal for the period of 2016/2017.

The Integrated Development Plan (IDP), Budgets, Service Delivery and Budget Implementation Plans (SDBIP's), Performance Plans and Agreements of section 56 managers, still remains the key service delivery planning tools which we have to utilize in an effort to deliver sustainable services to our communities. In order to achieve the vision of *"An effective, efficient public institution delivering quality, sustainable services to better the lives of people"* the municipality endeavors to align our planning with policy priorities adopted by the National and Provincial Governments, as well as ensuring that there is alignment of programs between ourselves, the District, Provincial and National Government. The alignment with five (5) National Key Performance Areas was adhered and incorporated during the planning period.

In the previous reporting period, we identified a number of initiatives for implementation in this reporting period. Key to these initiatives is the programs related to sustainable water provision, creating a conducive environment for economic activities to uplift the economy of the Dr. JS Moroka Local Municipality and infrastructure investment.

LOCAL GOVERNMENT: OUTCOME

A responsive, accountable, effective and efficient local government system:

- Output 1: Implement a differentiated approach to municipal financing, planning and support;
- Output 2: Improving access to basic services;
- Output 3: Implementation of the Community Work Programme;
- Output 4: Actions supportive of the human settlement outcome;
- Output 5: Deepen democracy through a refined Ward Committee model;
- Output 6: Administrative and financial capability;
- Output 7: Single Window of Coordination.

LOCAL GOVERNMENT: KEY PERFORMANCE AREAS

- Basic service delivery and infrastructure development
- Municipal institutional development and transformation
- Local Economic Development (LED)
- Municipal financial viability and management
- Good governance and public participation
- Spatial rationale

FUNCTIONS AND POWERS OF THE MUNICIPALITY IN RELATION TO SECTION 155/156 OF THE CONSTITUTION AND CHAPTER 3 OF THE MSA

Dr J.S. Moroka Municipality has a policy on Delegation of Powers in terms of Section 59 of the Municipal Systems Act, 32 of 2000. These Delegations of Powers have been reviewed and adopted by the council and also powers and functions conferred in terms of the Constitution and exercise them subject to Chapter 5 of the Municipal Structures Act. The powers and functions of local government are reflected in the list below include the allocation of powers and functions authorized/adjusted by the MEC following the recommendations of the Municipal Demarcations Board.

POWERS AND FUNCTIONS OF LOCAL GOVERNMENT

- Air pollution.
- Building regulations.
- Potable, bulk, water reticulation.
- Municipal roads & storm water management system.
- Trading regulation.
- Billboards and the display of advertisements in public places.
- Cleansing.
- Municipal airport.
- Municipal public transport.
- Markets.
- Municipal abattoirs.
- Refuse removal, dumping and solid waste.
- All municipal recreational facilities.
- Noise pollution.
- Street trading and street lighting.
- Traffic and parking.

AUTHORIZED /ADJUSTED IN TERMS OF SECTION 84 OF THE MSA.

- Municipal roads which form an integral part of road transport system.
- Municipal public works relating to any of the above functions.
- Solid waste disposal sites.
- The establishments conduct and control of cemeteries and crematoria.
- Water Service Authority (in terms of water services).

POWERS AND FUNCTIONS ALLOCATED TO NKANGALA DISTRICT MUNICIPALITY

- Municipal planning.
- Disaster management and firefighting.

ENTITIES RELATED TO THE MUNICIPALITY AND THE SHARING OF POWER WITH THESE ENTITY/IES:

Dr JS Moroka Local Municipality does not have an entity.

SECTOR DEPARTMENTS AND THE SHARING OF FUNCTIONS BETWEEN THE MUNICIPALITY AND SECTOR DEPARTMENTS:

The working relationship with other Provincial Sector Departments has been adequate. The following are some of the support provided to the municipality over the years:

- CoGTA PMS training; MPAC Workshop; Induction and Training of Ward Committees
- Provincial Treasury: mSCOA and GRAP updates; Annual Audit Support.
- SALGA : Councilors' Development Programme; New GRAP standards; Strike Management; Management Induction Course.

A SHORT STATEMENT ON THE CURRENT FINANCIAL HEALTH OF THE MUNICIPALITY

The financial viability of the municipality is currently anchoring on National Grants which constitute 80% of our total revenue budget. Own revenue generation only contribute 20% of the budget. This ratio does not reflect well on the financial viability of the municipality due to over reliance on grants. Also taking into consideration that when the national fiscal is pressed, the equitable share that is given to municipalities does not increase by even the CPI %. For 2016/2017 financial year our equitable share has increased only by R600 thousand instead of 5.6% CPI which would have rendered the municipality with R18 million.

There are two main problems that causes low revenue collection for Dr JS Moroka Local Municipality, which are as follows:

- Small revenue base for billing.
- Major problem on revenue generation

The table below indicate the Own Revenue performance for the municipality for the past three financial years:

Revenue Type	2016/2017	2015/2016	2015/2014
Sale of services	12 819 490	41 848 065	49 840 534
Other revenue	26 762 458	22 797 115	22 053 366
Total Collection	39 581 948	64 645 180	71 893 901
Revenue Trends	14%	70%	80%

Current revenue Challenges:

- Slow payment by Departments and neighbouring Local Municipalities.
- Poor revenue generation.
- Inaccurate data on the financial system.
- Small revenue base which needs to be increased.

Remedial actions to be implemented in 2016/2017 financial year:

- Installation of prepaid water meters as a strategy to increase revenue collection and conserve water.
- Increase of revenue base through selling of stands and making municipal land available to developers.
- Implementation of PPP contracts that can generate more cash inflow to the municipality and also that can create jobs for locals.
- Review and enforcement of bylaws.
- Review and Implementation of Revenue Enhancement Strategy.

In conclusion the municipality needs to generate more than R100 million for 2017/2018 to ensure that the municipality remain financially viable. This can be achieved by noticeable improvement on revenue generation, realisation of 40% collection on arrear consumer accounts, robust implementation of credit control and debt collection policy and implementation of revenue enhancement strategy.

THE INTERNAL MANAGEMENT CHANGES IN RELATION TO SECTION 56/57 MANAGERS.

The following are the 2016/2017 internal management changes in relation to Section 56/57 managers:

- The position of the Chief Financial Officer (CFO) was vacant upon the resignation of Mr. ZG Skhosana in March 2016. The position was since advertised and Mr. KP Mashego was acting as the CFO until the end of financial year.
- The Executive Manager Community Development Services' position was still vacant by end of 2015/2016 since the position became vacant in February 2015 and Mr. MF Monkoe has been acting since then. He has since been appointed as Executive Manager as from the 1st August 2016.

RISK MANAGEMENT

Risk Management forms part of management core responsibilities and is an integral part of the internal processes of the Municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on Municipal service delivery capacity.

The following were the top 5 risks in the 2016/2017 financial year and measures to mitigate the risks:

RISK	MEASURES TO MITIGATE THE RISK
Overstatement of debtors	1. To perform monthly reconciliation on billings. 2.To implement the recommendation received from data cleansing report 3.To capacitate staff for billing unit (human capital) 4.Implement credit control and debt collection policy 5. Implement the writing off of bad debts policy
Insufficient maintenance of infrastructure	Development of proper infrastructure asset maintenance plan upon completion of asset verification and unbundling of infrastructure assets

Revenue loss due to unmetered water supply	1.To rollout the installation of new and replacement the conventional meters with smart prepaid meters in order to address the challenge of unmetered water supply 2.Reviewal of Water Services Development Plan 3.Enforcing the Water Services Bylaws
Inaccurate billing of consumers and sundry accounts	1. The appointment of the debt collector and the attorneys 2.Appointment or appropriate secondment of technical person to deal with water restrictions (Official to report to the CFO) 3. To implement credit control and debt collection policy
Mismatch of the Local Economic Development Strategy with the current economic trends	To source external support on review of LED Strategy from Nkangala District Municipality

SERVICE DELIVERY IMPROVEMENTS

The IDP is aligned to the Budget and implemented through the Service Delivery and Budget Implementation Plan (SDBIP). By end of 2016/2017 the achievement of implementing projects on the SDBIP was 75%. Out of 92 targets that were set, 69 were achieved and a total of 23 was not achieved. An action plan and remedial actions are initiated and continuously monitored to improve on the targets not achieved and the overall efficiency and effectiveness of municipal activities. Some of the administrative policies made during the year include initiating restrictions on the attendances of conferences and other events outside the municipality and the minimisation of the use of meeting accommodation other than our municipality's own venues

The Weltevreden water supply system also supplies Sekhukhune District Municipality and Thembisile Hani Local Municipality and this put water supply constraints on the system. In addition, the demand within the Municipality has also increased massively and this can be associated with the increasing population within the water supply areas. The Municipality is currently in the process of developing operation and maintenance plans for the Weltevreden water supply system. These will assist to proactively maintain municipal water infrastructure thus ensure its sustainability. The Municipality endeavours to render basic water level of services to all households within its jurisdiction. Basic level of service is defined as having access to water supplies within 200m walking distance from any household

The municipality has taken an interest in green energy, thus it has entertained few ideas of alternative source of energy. The Municipality have seen the efforts by the world at large, though summits like COP17 that was held in our own country in Durban. This will assist it costs reduction for the municipality in the long run and also reduce the greenhouse gas emission. The biggest hindrance in this regards has been theft and vandalism of the existing infrastructure like transformers.

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MR MAHLANGU M.J
MUNICIPAL MANAGER

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

MUNICIPAL BACKGROUND

Dr. JS Moroka Local Municipality is a Category B municipality which falls in the Nkangala District Municipality in the Mpumalanga Province. . Its headquarters are situated at 2601/3 Bongimfundo Street at Siyabuswa.

This municipality is named after the late Dr. James Sebe Moroka, who was an active ANC leader and President from 1949 until 1952. Dr. JS Moroka was also known for his iconic struggle against apartheid and oppressions. He was a medical doctor and a great-grandson of Chief Moroka I of the Barolong Boo Moroka in ThabaNchu the then District of Bophuthatswana .

The Mpumalanga Province is divided into different tourism sectors namely the Highlands Meander, the Panorama, the Lowveld Legogote, the Grass and Wetlands area, the Cosmos Country and, finally, the Cultural Heartland in which Dr. JS Moroka Local Municipality falls.

The municipality has 61 villages, 31 wards with total population of 249 705 and 62162 household. The Municipality is predominantly rural with no much economic activities which result to high unemployment rate at 46.6% and high poverty levels. The Tshwane, Ekurhuleni and Johannesburg Metropolitan areas are the most important employment centers and large numbers of people commute daily to these areas. The Community of Dr J.S. Moroka Municipality and Thembisile Municipality compete in Gauteng Province for employment opportunities. The municipality is one of the six municipalities forming the Nkangala District Municipality and is situated in the western part of Mpumalanga Province border. It borders Gauteng Province to the south-west and Limpopo Province to the north.

Dr J.S Moroka Local Municipality consists inter alia of three nodes which are Siyabuswa Township, the Libangeni/Siyabuswa four way cross next to Moripe Gardens and Marapyane informal settlement. Dr J.S. Moroka Municipality measures up to 1416, 4240 km² and the altitude of 933m to 950m above sea level. The Municipal area's climatic conditions are characterized by warm summers and moderate winters.

The annual rainfall in the Municipal area varies between 500mm and 650mm. This profile will present information regarding the distribution of this population, the households where they reside and the services they have access to. (Statistics South Africa Population growth is estimated at 1, 06%) number of households in the Dr J.S. Moroka Municipality.

The demographic profile depicts the following in regard to the population within Dr J.S. Moroka Local Municipality as is illustrated in a table 1 on population composition. It indicates a slight dominance of female at 53% as in comparison to 47% male presence. The population (0-14) has shown decline with 32, 62% in comparison to 38, 41 % (Census 1996) and 37.19 % (census 2001) the population remains fairly young with people of 15-64 constitute 59.45 % and African communities are still dominance at 99, 44%.

Table1: population composition

Demographics	1996	2001	2011
Population size	259 302	243 313	249 705
Annual Population Growth	0.64%	0.26%	0.26%
POPULATION COMPOSITION			
Male	47%	45.70%	47%
Female	53%	54.30%	53%
Sex Ratio	87%	84.15%	88.87%
% population (0-14 years)	38.41%	37.91%	32.62%
% population (15-64 years)	53.94%	55.62%	59.45%
% population (65+years)	7.65%	6.47%	7.93%
% population (14-35)	38.92%	38.62%	37.47%

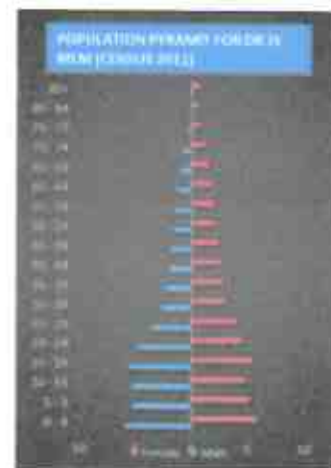
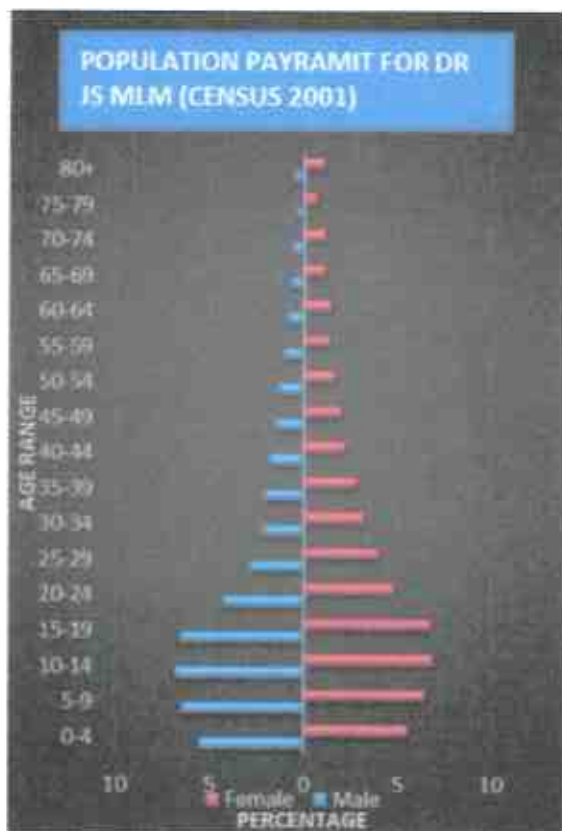
Table 2: Population group

Population group	1996	2001	2011
African/Black	99.89%	99.85%	99.44%
Coloured	0.08%	0.08%	0.10%
Indian/Asia	0.02%	0.02%	0.27%
White	0.02%	0.05%	0.06%
Other			0.13%
% persons with disability	7.39%	5.8%	

Table 3: Gender Ration

Description		Census years		
		1996	2001	2011
Gender	Male	47%	45%	47,1
	Female	53%	54%	52,9
Gender Ratio		87%	84,15	88,9

The age and sex structure of the population is a key determinant of population change and dynamics. The shape of the age distribution is an indication of both current and future needs regarding educational provision for younger children, health care for the whole population and vulnerable groups such as the elderly and children, employment opportunities for those in the economic age groups, and provision of social security services such as pension and assistance to those in need. Age and sex structure of smaller geographic areas are even more important to understand given the sensitivity of small areas to patterns of population dynamics such as migration and fertility (source: stats SA 2011)



Educational attainment: Educational attainment is a key indicator of development in a population. There are several ways in which one can evaluate access to educational services in a population. This is evaluated here by observing the level of school attendance of the population within local district council versus attendance outside the local area. The higher the proportion of the population that chooses to move to neighboring district council or local municipality, the more likely that this is an indication of insufficient educational provision in the local area.

Table: 4 Highest Educational level by Gender

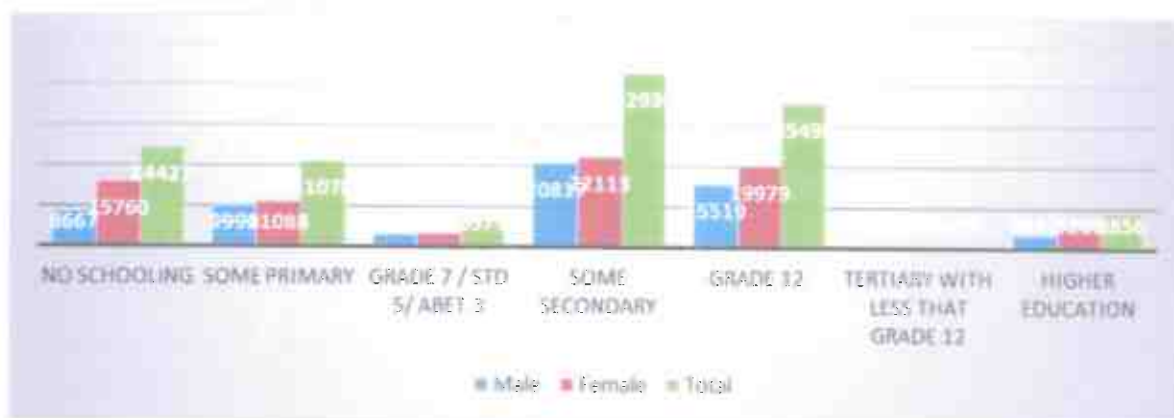


Table : 5 Highest Educational level by Gender for Person weighted, MP316: Dr JS Moroka, 20 - 34

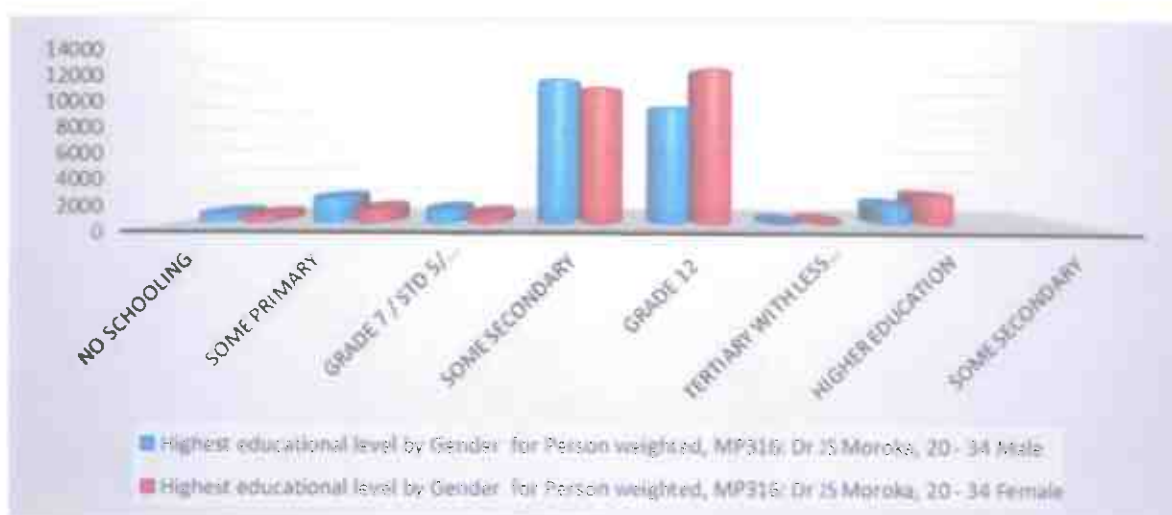


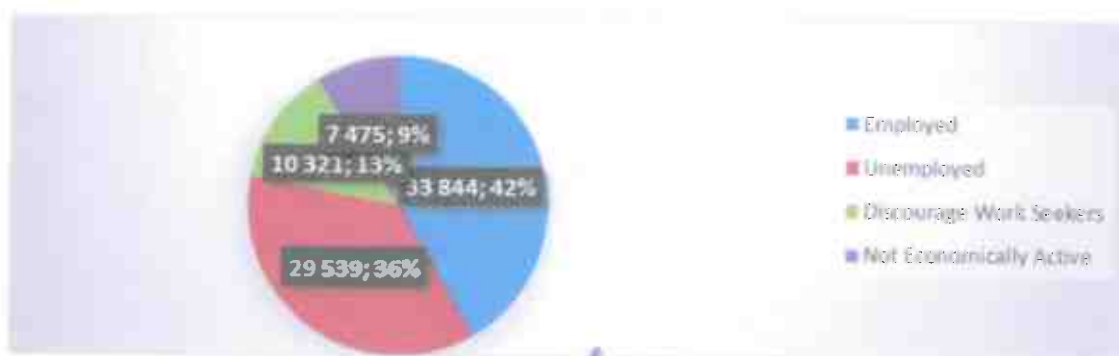
Table: 6 Education Attainment

Indicator	1996	2001	2011
No schooling	31.32	33.37	17.51

Matric only	15.42	15.42	25.78
Matric +	3.31	5.12	6.51

Economic Analysis

There are 63 383 economically active (employed or unemployed but looking for work) individuals within the municipality, 46, 6% of whom are unemployed. Of the 31 063 economically active youth aged 15–34 years in the area, 61,4% are unemployed.:



Poverty in Dr J.S. Moroka Local Municipality

Poverty Rate has drop from 56% (census 2001) 39.90% (census 2011). Unemployment rate: 15-65 years has drop at 46.60% in comparison to 55.77%. Census 1996 and 60.70% census 200. Person with disability and women unemployment rate has decrease at 49.81% in comparison to 66.24% census 2001. Youth 15-35 year's unemployment rate decrease at 60.66% in comparison to 75.27% Census 2001. General statistics on household income indicates improvements /decline therefore it gives the positive trend because people are employed:

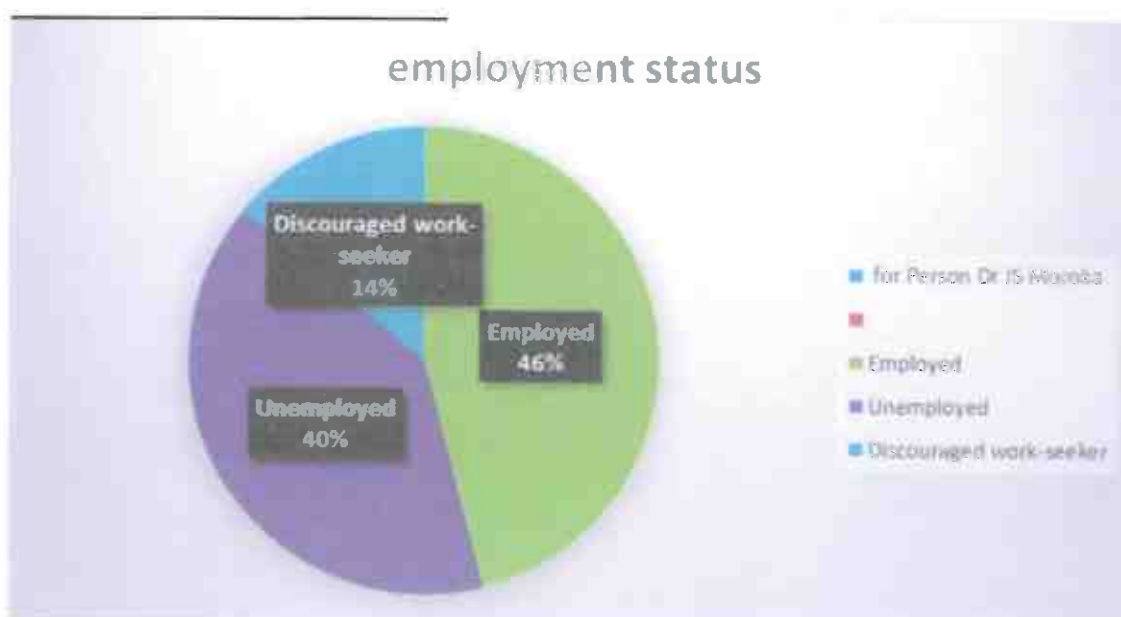
Indicator		1996	2001	2011
Poverty			56.50	39.90
Unemployment rate	General(15-65 years)	52.64	60.70	46.60
	Persons with Disability(15-65 years)		55.77	58.99
	Women(15-65 years)	62.26	66.47	49.81
	Youth(15-35 years)		63.47	75.27

Table 7: Human Development Index

R 1 - R 4800	3 627
R 4801 - R 9600	6 087

R 9601 - R 19 600	15 236
R 19 601 - R 38 200	13 643
R 38 201 - R 76 400	7 039
R 76 401 - R 153 800	3 849
R 153 801 - R 307 600	1 975
R 307 601 - R 614 400	661
R 614 001 - R 1 228 800	87
R 1 228 801 - R 2 457 600	41
R 2 457 601 or more	44

EMPLOYMENT



Household(HH) profile and services

The household number within Dr J.S. Moroka Local Municipality has grown from **54339** (Census 2001) to **62162**(Census 2011) with the annual growth of 1,35% and the average size of household has drop at 4,01 in comparison to 4.45% (census 2001) the provision to the community has slightly improved in the provisioning of the electricity(lightning) 96.87% in comparison to 91.81% (census 2001),sanitation flush chemical 15.94% compare to 13.44 (census 2001) refuse removal 13.65 compare to 12.33%(census 2001) and access to water: water tap inside yard 55.74% has decrease by 65.08% compare to 73.61 Census 2001. The tenure status has improved from 72.08% compare to 73.61 % census 2001. The tenure status has improved from 72.08% census 2001 to 82.37% census 2011.

Table 8: This is an indication that the life of people within the municipal area is improving in terms of accessing the basic services.

Household Profile & Services				1996	2001	2011
No. of households				48,270	54,339	62,162
Annual Growth Rate of HHs (%)				1.18	1.18	1.18
					1.35	1.35
Average HH size				5.25	4.45	4.01
% of HHs with access to: Water (municipal tap				72.14	73.61	65.08
Electricity(lightning)				74.57	91.81	96.87
Sanitation(flush/Chemic al)				9.56	13.44	15.94
Refuse removal (at least once a week)				13.79	12.33	13.65
Tenure Status: % ownership				95.80	75.08	82.37

FINANCIAL HEALTH OVERVIEW

The financial viability of the municipality is currently anchoring on National Grants which constitute 84% of our total revenue budget. Own revenue generation only contribute 16% of the budget. This ratio does not reflect well on the financial viability of the municipality due to over reliance on grants. Also taking into consideration that when the national fiscal is pressed, the equitable share that is given to municipalities does not increase by even the CPI %. For 2016/2017 financial year our equitable share has increased only increased by R600 thousand instead of 5.6% CPI which would have rendered the municipality with R18 million.

There are two main problem that causes low revenue collection for Dr JS Moroka Local Municipality, which are as follows:

- Small revenue base for billing.
- Low revenue generation

The table below indicate the Own Revenue Performance for the municipality for the previous financial years:

	2016/2017	2016/2015	2015/2014
Service charges	41 848 065.48	44 482 038	16 157 161
Other revenue	22 797 114.70	21 889 307	26 762 458
Total Collection	64 645 180	38 046 468	39 581 948
Revenue Trends	70%	-4 %	14%

Current Revenue Challenges:

- Slow payment by Provincial and National Departments and also neighbouring Local Municipalities
- Poor revenue generation.
- Inaccurate data on the financial system.
- Small revenue base which needs to be increased.

Remedial actions to be implemented in 2016/2017 financial year:

- Improve on revenue generation such as removal of waste and provision of sustainable water across the municipality.
- Increase of revenue base through selling of stands and making municipal land available to developers.
- Implementation of PPP contracts that can generate more cash inflow to the municipality and also that can create jobs for locals.
- Review and enforcement of bylaws.
- Review and Implementation of Revenue Enhancement Strategy.

Dr JS Moroka Local Municipality is a developing and growing municipality striving for service delivery excellence. Therefore many challenges are faced with regards to financial planning and are ever changing due to the dynamic setting of local government. The priority from the financial perspective is the viability and sustainability of the municipality. The financial plan and related strategies are in place to address a number of key areas in order to achieve this goal.

When it comes to revenue collection the status of the municipality is not as expected since the collection rate is at 12%, beyond that the municipality is grant reliant, the main driving force is the non-payment of municipal services by various categories of consumers coupled by the unmetered water supply to the majority of consumers within the municipal area of jurisdiction.

The unemployment rate is standing at above 50% which is still a contributory factor to the current financial status of the municipality.

It should be noted that the municipality will be engaging in a debt collection process by ensuring that all service consumers who have an ability to pay for municipal services but not willing to do so will face legal processes from the municipality.

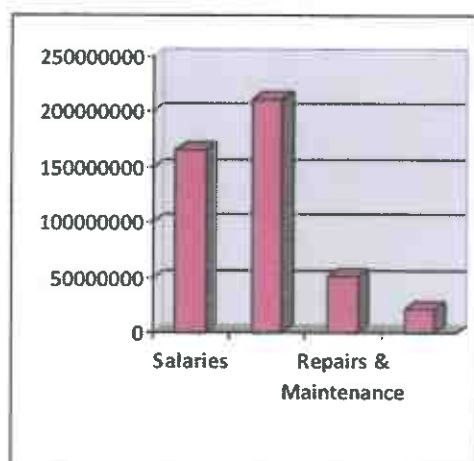
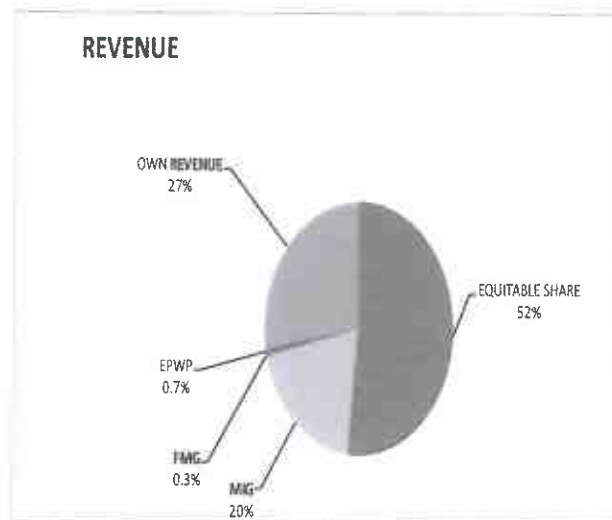
REVENUE AND EXPENDITURE SUMMARY

REVENUE SOURCES	2016/2017	2015/2016	2015/2014
REVENUE	607 971 227	608 825 120	560 143 828
OPERATING EXPENDITURE	(449 900 077)	(429 499 888)	(356 126 130)
CAPITAL EXPENDITURE	(123 602 000)	(124 751 000)	(126 975 960)
SURPLUS / DEFICIT	34 469 150	54 574 232	77 041 738

REVENUE FROM GRANTS AND SUBSIDIES

GRANT SOURCE	2016/2017	2015/2016	2015/2014
MUNICIPAL INFRASTRUCTURE GRANT	119 102 000	131 371 598	140 254 402
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	-	830 776	890 703
WATER SERVICE OPERATING GRANT	-	18 825 507	10 978 915
FINANCE MANAGEMENT GRANT	1 625 000	1 600 000	1 600 000
EXPANDED PUBLIC WORKS PROGRAMME	4 257 000	3 257 000	3 406 000
EQUITTABLE SHARE	314 608 000	314 082 297	270 810 000
TOTAL	439 592 000	469 967 178	427 940 020

The following graph gives a breakdown of the main revenue categories fro 2016/2017 financial year



OPERATING EXPENDITURE BY TYPE

OPERATING EXPENDITURE BY TYPE	2016/2017	2016/2015	2015/2014
EMPLOYEE RELATED COSTS	166 002 764	161 644 700	138 994 040
COUNCILLORS REMUNERATION	21 190 112	20 856 106	21 019 089
GENERAL EXPENSES	210 976 144	205 644 452	155 130 766
REPAIRS & MAINTENANCE	51 731 057	41 354 630	40 982 235
TOTAL	449 900 077	429 499 888	356 126 130

CAPITAL EXPENDITURE BY VOTE

CAPITAL EXPENDITURE BY TYPE	BUDGET 2016/2017	BUDGET 2016/2015	BUDGET 2015/2014
WATER	80 909 670	95 528 783	112 483 910
SANITATION	13 601 575	10 289 612	5 200 000
FACILITIES	5 170 000	3 565 353	1 000 000
ROADS	20 991 952	14 014 494	5 921 072
ELECTRICITY		1 414 176	
LED	2 928 803	11 372 061	
TOTAL	123 602 000	136 184 479	124 604 982

CAPEX 2016/2017



In conclusion the municipality needs to generate more than R200 million for 2016/2017 to ensure that the municipality is financial viable. This can be achieved by installation of prepaid water meters, realisation of 60% collection on consumer accounts and implementation of revenue enhancement strategy.

ORGANISATIONAL DEVELOPMENT OVERVIEW

The Administration and Corporate Services Department have a wide variety of tasks that are related to the human resources support function of the municipality. These include municipal department and divisions to develop policies, by-laws, organizational structure, capacity building, recruitment, selection and appointment, legal and sound labour relations. The department ensures at all times, that through execution of its functions, it adheres to the municipal vision and mission.

For the period reported, an Executive Manager Community Development Services was appointed which brought a total number of four senior management positions being filled, i.e. Executive Manager Administration and Corporate Services, Municipal Manager and Technical Services.

The department encountered few litigations ranging from service providers to the municipality. Though the task seemed demanding the Administration and Corporate Services managed to finalise most of them. Municipal By-laws and policies were developed and reviewed thorough consultation meetings with respective stakeholders was embarked upon. The department created three positions for By-Law Enforcers to implement and enforce municipal by-laws.

The municipal Human Resource Development Unit helped capacitating municipal personnel. A number of training programmes and relevant courses were offered. External bursaries, addressing scarce skills shortages were awarded to deserving learners and their study progress was monitored through the submission of academic results. Employment equity was developed and submitted to the Department of Labour.

Records management is another challenge which the department had to deal with. More work still needs to be done to ensure sound operation of the records management system. Positive strides have been recorded; a File plan was developed in house, thereafter was submitted to provincial archives for approval.. The key challenge is shortage of dedicated personnel to deal with the function.

Council sitting and provision of the secretariat functions were conducted as per the approved schedule of Council meetings. All the Council committee meetings were arranged and agenda issued on time to councilors.

AUDITOR GENERAL OPINION

- Audit opinion for 2016/2017: Qualified Audit Opinion
- Audit opinion for 2015/2016: Qualified Audit Opinion
- Audit opinion for 2014/2015 : Qualified Audit Opinion

STATUTORY ANNUAL REPORT PROCESS

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

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The purpose of an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

Nine major characteristics should be applied within the political and administrative structures of a municipality / municipal entity to ensure good governance:

- *Participation:* Participation could be either direct or through legitimate intermediate institution or **representatives**.
- *Rule of law:* Good governance requires legal frameworks that are enforced impartially.
- *Transparency:* Transparency means that stakeholders are provided with information on why decisions were made that directly affect them.
- *Responsiveness:* Good governance requires that institutions and processes try to serve all stakeholders with a responsible timeframe.
- *Consensus oriented:* Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved.
- *Equity and inclusiveness:* Society's wellbeing depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.
- *Effectiveness and efficiency:* Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal.
- *Accountability:* Accountability is a key requirement of good governance. Accountability cannot be enforced without transparency and the rule of law.
- *Sustainability:* Sustainability is the capacity to endure, how systems remain diverse and productive over time. It is the potential for long-term **improvements**, which in turn also depends on the responsible use of natural resources

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1. POLITICAL GOVERNANCE

The system of governance in the municipality is an Executive Mayoral System. The Executive Mayor is the political head with a complement of 5 Members of the Mayoral Committee who are heading different Departments.

The Executive Mayor is supported by a team of 5 councillors who are full time councillors. The Members of the mayoral committee heads the Section 80

Committees which are composed of the departmental heads of those particular departments.

The speaker is the chairperson of the Municipal Council therefore acts as a custodian of the rules of Council and therefore heads the Rules and Ethics committee which is established in terms of Section 79 of the Municipal Structures Act. Other committees of council that have been established in terms of the same section of the Act are executing an oversight role over the Executive on behalf of Council.

The Municipal Public Accounts Committee performs an oversight over the Annual report and the financial report and comments on such report before it is adopted by council.



CLLR G.J. SKHOSANA
FORMER EXECUTIVE MAYOR
(18 Aug 2016 – 21 Sep 2017)



CLLR W.T. MADILENG
CURRENT EXECUTIVE MAYOR



CLLR R.S. MATHEBE
SPEAKER



CLLR M.S. NTLAILANE
FORMER: CHIEF WHIP
CURRENT: MMC: FINANCE, PLANNING &
LED



CLLR T.L. MADONSELE

FORMER MMC: ADMIN & CORPORATE SERVICES (18 Aug 2016 – 21 Sep 2017)

CURRENT: MMC: PUBLIC SAFETY & TRANSPORT



CLLR D.P. MAHLANGU

FORMER MMC: PUBLIC SAFETY & TRANSPORT (18 Aug 2016 – 21 Sep 2017)

CURRENT: MMC: ADMIN & CORPORATE SERVICES



CLLR J. SEGALAGALA

FORMER MMC: FINANCE, PLANNING & LED (18 Aug 2016 – 21 Sep 2017)

CURRENT: CHIEF WHIP



CLLR D.M. MDLULI

FORMER MMC FOR SOCIAL DEVELOPMENT (18 Aug 2016 – 21 Sep 2017)

CURRENT: MMC: WATER & INFRASTRUCTURE



CLLR J.M. SEKWALA

FORMER MMC FOR WATER & INFRASTRUCTURE (18 Aug 2016 – 21 Sep 2017)

CURRENT: MMC: SOCIAL DEVELOPMENT

CHAIRPERSONS OF SECTION 79 COMMITTEES



CLLR L.B SIBANYONI
CHAIRPERSON:
FINANCE, TOWN
PLANNING & LED



CLLR M.W MASHISHI
CHAIRPERSON: SOCIAL
DEVELOPMENT
SERVICES



CLLR M.E SEKANKA
CHAIRPERSON:
LOCAL GEOGRAPHIC
NAMES



CLLR A.N KOMAPE
CHAIRPERSON: PUBLIC
SAFETY & TRANSPORT



CLLR S.P APHANE
CHAIRPERSON: WATER
& INFRASTRUCTURE



CLLR S.L NKADIMENG
CHAIRPERSON:
ADMIN, CORPORATE
SERVICES & HR



CLLR M.G MTSHWENI
CHAIRPERSON:
MUNICIPAL PUBLIC
ACCOUNT COMMITTEE



CLLR R.S MATHABE
CHAIRPERSON: RULES
& ETHICS COMMITTEE

2.2. ADMINISTRATIVE GOVERNANCE

The role of the Municipal Manager is as prescribed in Section 55 of the Local Government: Municipal System Act, 2000 (Act no. 32 of 2000) read with section 60, 61 and 62 of the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003) which provides inter alia that as head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal Council, responsible and accountable for –

- The management of the municipality's administration in accordance with this Act and other legislations applicable to the municipality;
- The implementation of the municipality's integrated development plan, and the monitoring of progress within implementation of the plan; and
- Managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure
 - That the resources of the municipality are used effectively and economically.
 - That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
 - That the municipality has and maintains effective, efficient and transparent systems;
 - Financial and risk management and internal control; and
 - Internal audit operating in accordance with any prescribed norms and standards.



MR MAHLANGU B.S

FORMER MUNICIPAL MANAGER



MR MAHLANGU M.J

CURRENT MUNICIPAL MANAGER



MR MASHEGO K.P

ACTING CFO 2016/2017



MR LETSOALO T

CURRENT CFO



MR BABEDI L.E

EXECUTIVE MANAGER: TECHNICAL SERVICES



MS RAMPEDI M.R

**EXECUTIVE MANAGER: ADMINISTRATION &
CORPORATE SERVICES**



MR MONKOE M.F

**EXECUTIVE MANAGER: COMMUNITY
DEVELOPMENT SERVICES**

2.3 INTERGOVERNMENTAL RELATIONS

The relationship with other municipalities all over the district is coordinated through the District Municipality. The interaction with other municipalities is achieved through the District Forums. Such participation enriches the capacity of the municipality as we share and network on ideas that are instrumental towards the development of our municipality.

The municipality also participated in the following:

- Municipal Manager's Forum;
- Mayor's Forum;
- EXCO Lekgotla;
- Premier Co-ordinated Forum; and
- Technical Premier Co-ordinated Forum

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION 16/17

2.4 PUBLIC MEETINGS

Nature and Purpose of the meeting	Date of events	Number of participating Municipal Councillors	Number of participating Municipal Administrators	Number of community members attending	Dates and manner of feedback given to community
IDP IMBIZO	20/09/2016	40	22	494	Feedback are given through ward committee meeting and community meetings
	22/09/16	36	24	272	
	23/09/2016	27	13	416	
	27/09/2016	50	16	689	
	28/09/2016	41	19	455	
IDP OPEN DAY	30/09/16	23	15	442	Through ward committee and community consultation meetings
	03/05/2017	48	21	247	
	05/05/2017	32	19	572	
	06/05/201	27	15	494	

The purpose of these meetings is not only to help and involve the communities in **decision-making** processes of the municipality but also obtaining feedback on service delivery and challenges they face day-to-day. These public meetings bridge the gap between the municipal council and its communities.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria	Yes/No
Does the municipality have impact, outcome, input, output indicator?	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?	N/A
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align directly 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 frame	YES

COMPONENT D: CORPORATE GOVERNANCE

RISK MANAGEMENT

Risk Management forms part of management core responsibilities and is an integral part of the internal processes of the Municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on Municipal service delivery capacity.

The following were the top 8 risks in the 2016/2017 financial year and measures to mitigate the risks:

RISK	MEASURES TO MITIGATE THE RISK
Probability of improper practice with regard to incidences of theft, fraud and corruption	<ol style="list-style-type: none"> 1. To roll-out workshops on Municipal policies and procedure manuals. 2. Ensure accountability by Senior Management on application of Municipal policies. 3. Assign the responsibility of Fraud and Corruption to the Risk Management Committee

	4. To fast-track the approval of the Whistle Blowing policy and the establishment of the anti-fraud and corruption hotline
Inadequate information and personnel management	<ol style="list-style-type: none"> 1. Procurement of electronic records management system 2. Development of Municipal BCP and DRP 3. Conduct induction programme for all officials 4. Development of the compliance check-list 5. Development of Human Resource Strategy
Inability to maximize revenue collection	<ol style="list-style-type: none"> 1. Gazette and enforce By-Laws 2. Continue with the services of Debt collector 3. Conduct data cleansing 4. Installation of the smart meters.
Insufficient mechanisms to attract value added industries i.e. manufacturing sector	<ol style="list-style-type: none"> 1. There is resuscitation of economic development in the small towns (Black industrialist) 2. Establishment of the local economic development forum 3. LED Strategy is under review 4. Development of the tourism development strategy 5. Class with law enforcers and benchmark with other municipalities 6. Enforce compliance on land use management by-laws 7. Improve the partnership between the municipality and Misa/MEGA to FastTrack investments

Non alignment between the SDF and the IDP	<ol style="list-style-type: none"> 1. Ensure that planning is guided by the SDF in the Municipality. 2. Ensure that Land issues become a standing agenda item during the Mayor's Forum
Ineffective Governance and Public Participation	<ol style="list-style-type: none"> 1. Implementation of performance management systems 2. Link the communication from both internal and external 3. Fully implement the recommendations from oversight structures 4. Fully Implement Risk Enabling documents 5. Enforce the feedback mechanism by the municipality to the ward committee
Ineffective social and economic development	<ol style="list-style-type: none"> 1. Conduct awareness campaign to educate the communities 2. Operationalize the vehicle testing station 3. Appointment of staff to ensure effective community service delivery 4. Motivate for budget provision to procurement and maintenance of equipment 5. Development of the Maintenance policy (Facilities) 6. Ensure involvement of the community through the Municipal Programs 7. Appointment of Disaster Management staff
Poor sustainable basic service delivery	<ol style="list-style-type: none"> 1. Implementation of the Revenue Enhancement Strategy 2. Ensure adherence to the procurement plans 3. Development of service provider performance rating tool and project risk register and ensure monitoring.

	4. Development of policies and maintenance plan 5. Development of Infrastructure Master plans
--	--------------------------------------------------------------------------------------------------

2.7 ANTI-CORRUPTION AND FRAUD

A draft anti-corruption strategy was developed however it was approved by the Mayoral Committee. The committee **recommended** that the strategy should also include the anti-fraud component. The following key risk areas have been identified in accordance with the institutional risk register, i.e. Finance, SCM, Fleet Management and Technical Services. Councillors are excluded from the procurement processes as prescribed by schedule 1 of the MSA of 2000.

2.8 SUPPLY CHAIN MANAGEMENT

Currently, the Supply Chain Management Unit (SCM) comprises of six staff members, and the positions includes Demand, Acquisition, Logistic, Disposal, Risk, Performance, Senior Procurement, intern and Assistant Manager. The main objectives of the SCM unit are to ensure effective and efficient procurement of goods and services, to support the strategic objectives of the municipality through procuring at the right place, right time, right quantity, right quality and at a right price; to ensure that goods and services are procured in line with section 217 of the constitution and the all applicable legislation; to assist the municipality in achieving a clean audit opinion, through ensuring compliance with the SCM policy and all applicable pieces of legislation when procuring goods and services.

During the SWOT analysis of the Supply Chain Management Unit the following were realized:

Strengths:

- 1 **Communicating** and managing the sitting of Bid Committees
- 2 Attending to procurement requests received
- 3 Ability to procure goods and services in line with the SCM policy
- 4 Ability to enforce compliance to legislative requirements in procuring goods and services
- 5 Dedication of SCM role players towards service delivery

Weaknesses:

- Poor record keeping
- Poor control of tender documents sales
- Poor procurement planning i.e. unavailability of procurement plans

Opportunities:

- Capacity building through training of all SCM role players
- Filling all vacant posts within the SCM unit
- Review of the SCM policy to increase efficiency
- Preparation of council approved procurement plans
- Conducting workshops for local business people on tendering processes and encourage participation and advancing LED objectives of council.

BY-LAWS

By-Laws Introduced during 2015/2016 Financial year		
Newly Developed	Public participation conducted prior to adoption of By-Laws (yes/no)	By-Laws Gazetted (yes/no)
Cemetery draft by law	Yes	YES
Abattoir and keeping of animals draft by law	Yes	No-still undergoing public participation
Building draft by law	yes	No-still undergoing public participation
Food keeping of animals draft by law	Yes	No-still undergoing public participation
Solid, Drainage and plumbing and sanitations draft by laws	Yes	No-still undergoing public participation
Pounding and keeping of animals	Yes	No-still undergoing public participation
Street and miscellaneous draft by law	Yes	No-still undergoing public participation
Swimming pool/baths draft by law	Yes	No-still undergoing public participation
Water draft by law	Yes	YES
Street workers, salon, draft by law	Yes	No-still undergoing public participation
Noise control draft by law	Yes	No-still undergoing public participation

WEBSITES

For the period under review the municipality had a functional website, managed by an external consultant. The website was fully functional and was updated frequently with information as reflected by the table below. Information listed on the website depends upon departments submitting data for publication on the website. The ICT unit is responsible for this function and it reports to the Head of Department, Corporate and Admin Services.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	March 2015
All current budget-related policies	Yes	March 2015
The previous annual report (2013/2014)	Yes	January 2015
The annual report 2015/2016 published/to be published	Yes	January 2016
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2015/2016 and resulting scorecards	Yes	June 2015
All service delivery agreements 2015/2016	No	N/A
All long-term borrowing contracts 2015/2016	No	N/A
All supply chain management contracts above a prescribed value (give value) for Year 2015/2016	No	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2015/2016	No	N/A
Public-private partnership agreements referred to in section 120 made in Year 2015/2016	No	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2015/2016	Yes	July 2015

PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No public satisfaction survey was done in 2016/2017.

MUNICIPAL COMMITTEES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

MUNICIPAL COMMITTEES	PURPOSE OF COMMITTEE
Risk Management Committee	To ensure that risks identified and their controls are managed effectively
Audit Committee	Advisory role to Council in terms of Section 166 of MFMA
Specification committee	To ensure that the specification is drafted in an unbiased manner
Evaluation Committee	To ensure that SCM policy and regulation together with procurement processes are adhered to
Adjudication Committee	To ensure that SCM policy and regulation together with procurement processes are adhered to
Budget Steering committee	Alignment of budget with MTREF
Local Labour Forum	To ensure good relationship between employee and employee and consultative forum
Administration, Corporate Services & Human Resource	Oversight role
Water & Infrastructure	Oversight role
Social Development Services	Oversight role
Public Safety and Transport	Oversight role
Finance, Town Planning and LED	Oversight role
Municipal Public Accounts Committee	Oversight role
Local Geographic Names Committee	Oversight role
Rules & Ethics Committee	Oversight role
IDP Rep Forum	Identify and consult with all relevant stakeholders in drafting of the IDP plan
IT Steering committee	IT compliance

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

3.1. WATER PROVISION

The Municipality has a 68ML capacity Weltevreden Water Purification Plant and more than 200 boreholes that are used for water supply services. Water supply in the municipality is characterized by the eastern and the western systems. The eastern areas are supplied by surface water from the Weltevreden Water Purification Plant whereas the western areas have historically been dependent on groundwater resources and tanker services as their source of water. The bulk water network supplying potable water from the Weltevreden Water Purification Plant only extends up to Lefiso and Lefiswane in the north and Marapyane and Semothase/Loding in the west.

The Weltevreden water supply system also supplies Sekhukhune District Municipality and Thembisile Hani Local Municipality and this put water supply constraints on the system. In addition, the demand within the Municipality has also increased massively and this can be associated with the increasing population within the water supply areas. The Municipality is currently in the process of developing operation and maintenance plans for the Weltevreden water supply system. These will assist to proactively maintain municipal water infrastructure thus ensure its sustainability. The Municipality endeavour to render basic water level of services to all households within its jurisdiction. Basic level of service is defined as having access to water supplies within 200m walking distance from any household.

At present, it is estimated that less than 9% (5086 households) still requires basic levels of service for water. For households that are already being serviced; more than 10% (8700 households) experience discontinuous water supply. Amongst others, villages within the Wards; 02, 07, 10, 11, 12, 13, 16, 19 and 20 constantly have interruptions and discontinued water supplies. These include the following villages: Libangeni; Senotlelo; Makometsane; Mapotla; Makopanong; Ga-Mmakola; Digwale; Loding; Madubaduba; Mmaduma and Two-line.

The discontinuous water supply services prompt communities to resort to illegal connections to the bulk water infrastructure. This further leads to unacceptable losses of water resulting from inferior quality of work by inexperienced plumbers doing illegal connections to households. Furthermore, the tampering with the bulk water supply system immensely compromises the quality of water within the distribution network. Gardens and car washes also contribute to water shortages. The western part of the Municipality does not have bulk potable water supply hence the Municipality rely on underground-water (boreholes). Villages that are mostly supplied through underground water are:

Mmamethlake; Nokaneng; Phake; Rankaile; Ratlhagane; Thabeng; Mantlole and Masobe.

In summer there's over usage of the underground water and this affects the quantities and life span of the boreholes. Another challenge experienced with some of the boreholes is poor water quality (saltiness).

At present revenue collection for water services is collected from households, and it is not as per consumption. Households are expected to pay a flat rate fee to the Municipality for all services received; as a result the Municipality does not apply free basic water provisioning. This also contributes water wastage by households since the flat rate fee is independent of their water consumption patterns.

3.2 WASTE WATER (SANITATION) PROVISION

Sanitation services within the Municipality are characterised by the sewerer sanitation facilities in the Siyabuswa and Toitskraal areas and vastly the non-sewered onsite sanitation facilities in the largest part of the Municipality. As much as the Municipality endeavour to provide conventional sewer-based sanitation services in the form of water-borne flush toilets in all areas; the current lack of consistent, reliable and uninterrupted water supply limits the type of sanitation technology to Ventilated Improved Pit (VIP) and CWB toilets. The large part of the Municipality which is highly dependent on groundwater source is provided with of Ventilated Improved Pit (VIP) and CWB toilets as a means to meet the Municipal obligation to provide basic sanitation services.

Municipal Wastewater Treatment Plants:

Siyabuswa Sewage Treatment Plant:-

The capacity of the Siyabuswa Sewage Treatment Plant is 10 Ml/d. This plant collects domestic wastewater from Siyabuswa covering approximately 8237 households. Operational challenges such as blocked sewers are experienced from time to time, some of which are due to theft of manhole covers, unauthorized disposal of solids into manholes as well as channelling of storm-water (surface run-off) into manholes.

Apart from treating the domestic wastewater from Siyabuswa, the plant also receives septage (wastewater from septic tanks) collected from households within the Municipality. The sudden increase in organic and nutrient loads induced by the receipt of septage at the Plant have a great potential to upset the biological wastewater treatment processes resulting in non-compliant effluent. There is a lack of a disposal site for septage, in addition to the By-Laws regulating handling of septic tanks installations.

The previous refurbishment project for the plant has significantly improved the operation and performance of the plant; however sporadic power failure (due to ESKOM load shedding) negatively impact on the operation of newly installed pumps,

motors and other **electro-mechanical** equipment. In general, power failures also result in the discharge of partially treated effluent thus posing an environmental and health hazard. The treated effluent from the plant is discharged into the nearby Elands River. Shortages of staff especially Class III Process Controllers is also a challenge at the Siyabuswa Sewage Treatment Plant, more especially that the draft Regulation 17 requirements for Process Controllers are stricter than the previous Regulation 2834.

Vaalbank Waste Stabilisation Ponds

The Vaalbank (Libangeni) Waste Stabilization Ponds have a capacity of 0.07ML/d and only serves the nearby Police Station and also serves as a disposal site for septage. The residences within Libangeni are currently using on-site sanitation such as VIP and CWB toilets. There are no flow meters and monitoring of both influent and effluent quality at these Ponds. No personnel are dedicated to this plant; however the process controllers from Siyabuswa Sewage Treatment Plant visit the Ponds at least once a month for visual inspections. The security fence around Vaalbank Waste Stabilization Ponds has been vandalized and this poses a health and environmental hazard to the local community. A project to carry out a feasibility study for sanitation in Vaalbank is due to start. Part of the project outputs is to identify the sustainable sanitation solutions for the Vaalbank (Libangeni) Township, including cost estimation for addressing the challenges at the Waste Stabilization Ponds.

The Municipality is currently in the process of developing operation and maintenance plans for all wastewater treatment works. These will assist to proactively maintain municipal water infrastructure thus ensure its sustainability.

Toitskraal Wastewater Treatment Works.

The Toitskraal Wastewater Treatment Work treats domestic wastewater from Toitskraal area. The plant is based on rotating biological contactors (RBC) technology and its design capacity is not known. The plant is currently under the Department of Public Works and the process of handing it over to the Municipality is underway. Currently the Municipality is only providing operational support at the plant in terms of minor maintenance activities. One of the challenges experienced at the Plant is non availability of Process Controllers.

Rural Sanitation

As previously mentioned, the current lack of consistent, reliable and uninterrupted water supply limits the type of sanitation technology to Ventilated Improved Pit (VIP) toilets. The large part of the Municipality which is highly dependent on groundwater source is provided with of Ventilated Improved Pit (VIP) and CWBs toilets as basic acceptable level of service for provision of sanitation. Currently the backlog for provision of basic sanitation is 36.39% (35 570 households), which constitute of; 36.02% still using pit toilets without ventilation and 0.37% using other types of

sanitation facilities. The sanitation backlog affects all Wards within the Municipality except Ward 3 and 4 which are serviced by water-borne flush toilets.

3.3 ELECTRICITY

Dr JS Moroka Municipality solely depends on the Department of Energy for funding electricity projects and Eskom for implementation thereafter. The Municipality further depends solely on Eskom in terms of electricity matters including electricity provision in its entire Municipal area of jurisdiction. The Millennium Development Goals target for electricity is 2016. The Municipality does not have any significant electricity backlogs due to the fact that all Villages in the Municipality are fully electrically reticulated and energized with the exception of the newly and recently created Village extensions.

It can therefore be noted that in terms of the basic provision for electricity, Dr JS Moroka has made significant achievements in such a way that it can be considered that millennium development goals targets will either be achieved by 2016 or have already been achieved depending on the analyzing of the situation by an individual. The only challenge the Municipality faces from time to time relates to the informal allocation of land by Traditional Authority resulting in the land occupant's thereafter immediately expecting or demanding electricity from the Municipality. Where electricity reticulation projects are implemented, challenges are that the implementation process is not expeditiously done and sometimes leads to Community members crying foul in terms of the Municipality's commitment to meeting their needs.

Electrical technology is a subject which is closely related to the technologies as we are looking towards 2018 to make better life to the households living in our areas of jurisdiction to benefit from electricity. Dr JS Moroka Municipality has approximately 64 377 (As per national verification) total number of households with 63 868 total number of households receiving Electricity from Eskom program. This leaves the balance being those needing posts connections as well as those needing minor reticulation. Furthermore, 567 households were electrified in 2016/17 financial year in result to unauthorized extension.

Bulk Supply

The electrification network is available for all villages except for the new village extensions that are mostly perpetuated by the unauthorized site allocations.

Demarcation of New Extension

The demarcation of new extensions is currently the challenge that the Municipality faced with. Most Tribal Authorities within the Municipality are still allocating stands (households) without any prior consultation with the Municipality so that advance plans can be initiated on electricity matters that will immediately affect households. It

is however important to make known to household owners settling on private lands that they are expected to incur the full cost for electricity supply and connections to their households. Proclamation of the landowner is another challenge as the Municipality through Eskom is unable to electrify those areas whose ownership remains unresolved such as Phaaake.

Community Lighting

Community lighting is a serious challenge as most of our areas do not have street lighting and are living in darkness. This promotes high rate of crime to our community such as housebreaking, robbery, high jacking etc. The municipality has thus far electrified 265 high-mast lights.

Priorities:

- To ensure that Eskom as the bulk provider meets the municipality's present and future needs in terms of the capacity
- To ensure provision by Eskom reliable and affordable electricity access to all residents of Dr. J.S. Moroka Municipality in accordance with National Energy Regulation South Africa (NERSA).
- To ensure that Eskom electrification plans: Development plans are informed by the Municipality's IDP and also approved by the Municipality.
- To provide community lighting to the Community.
- Ensure electricity backlog is corresponding to what is on the ground level.
- To have a routine maintenance of all Municipal Infrastructure in accordance with the municipality's organogram
- To ensure that all the Large Power Users (LPU's) and Small Power Users (SPU's) are functioning correctly.
- To have recorded Municipal Electricity data.
- To identify all electricity infrastructure.

Activities:

- To provide power backup systems to all key municipal facilities.
- To ensure all electrical projects are to be fully discussed with electrical division prior implementation of projects.
- To ensure that Eskom strengthens the capacity on areas of concern.
- To ensure that DoE allocate budget for electrification of households Extensions.
- To have funds available to procure and install alternative energy sources (solar system)

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Waste Management is a core function of local government and a basic service delivered by Dr JS Moroka Local Municipality. It is also a generator of revenue for the municipality and therefore Dr JS Local Municipality must put mechanisms in place to deliver this service on a sustainable manner using the most cost-effective way. The percentage of dwellings accessing the service is 31561 Households 13.6% of the total number of household 62 162. The basic provision of refuse removal to indigent household is to ensure that at least poor people have access to basic refuse removal services from municipality.

According to Section 11.4 of the Waste Act (59 of 2008) requires local municipalities to develop Integrated Waste Management Plans. The Draft IWMP of Dr JS Local Municipality was submitted to council for adoption on the second quarter of the current financial year, and it will serves as an effective institutional framework for the following purpose:

- Pollution and waste minimization;
- Impact management and remediation;
- Holistic and integrated planning with the intention to develop mechanisms to ensure that integrated pollution and waste management considerations are integrated into the development of government policies, strategies and programmes; and
- Alignment of waste management with all spatial and economic development planning processes within the municipal space.

The Waste Management Plan will focus on a system that will ensure the least possible volumes of waste at licensed landfill site. In order to achieve this, the emphasis would be on the following:

- Waste education;
 - Effective law enforcement; and
 - Material recovery and treatment plants.
- The key elements of the Integrated Waste Management Plan are:
- Waste Avoidance;
 - Waste Reduction;
 - Re- use & Re-cycle;
 - Treatment of waste; and
 - Disposal at landfill.

This can only be achieved if effective awareness campaigns can be identified amongst the community and business to establish a culture of recycling at source and participate enthusiastically in waste minimization efforts. The rate of participation and an intervention is to improve the rate of the waste collection by ensuring that each

household is supplied with a pack of recycling bags every three months. This program may start in July 2015 and we foresee a significant participation rate. The municipality is going to embark on a comprehensive Hlwekisha on Waste education programme at schools which will focus on educating learners regarding the handling of certain types of waste and appropriate disposal thereof. The proposed programme at certain primary schools will also assist in enhancing the re-cycling programme. One of the challenges to implement this awareness and education campaign for recycling is adequate human resources to champion this programme.

The municipality has insufficient capacity to collect refuse regularly on a weekly basis. This service is currently rendered to Siyabuswa and Libangeni residential areas. The current EPWP employees are targeting the illegal dumping sites, parks and open spaces. The status of waste disposal in terms of landfill sites, with regard to licensing, compliance with license condition and transportation mechanism. One landfill site at Libangeni is authorized and waiting to be licensed by the Department of Environmental Affairs. The service providers for infrastructure development have been appointed. Infrastructure **implementation** plans has been submitted and the construction commenced in January 2015.

Dr JS Moroka local municipalities face a number of challenges with respect to delivering, an effective and sustainable waste service to all households, including insufficient budget, skilled capacity, lack of appropriate equipments and poor access to areas to be serviced. These challenges are exacerbated by growing semi-urban populations who need access to municipal services and migration from rural to semi urban area within our municipality. The rapidly growing economy within the municipality is also expected to see increasing volumes of waste being collected from household, industrial area, businesses and institutions. Presently twenty five (25) wards are without solid waste removal while seven (7) have access to refuse removal this is due to lack of resources. Areas with solid waste removal are Wards 3,4,5,6,16 and 17 and the frequency of removal and the reliability of the service is once a week and skip containers are used for businesses and government institution.

3.5 HOUSING

The Dr JS Moroka Local municipality has established two townships through Nkangala District Municipality in Libangeni and Moripe Gardens. Residential development is a very important component of any TOD. Government has an opportunity to impact directly in this regard by way of government subsidized housing and it can set the trend in terms of densities, housing typologies and tenure alternatives around a railway station (TOD). The more people are located around such a node the more sustainable the node should be. The Mpumalanga Department of Housing, in conjunction with the local municipalities will have a significant contribution to make to the Moloto Development Corridor in this regard by creating Green fields projects on the out skirts of these stations.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Section 97 of the Municipal Systems Act, Act 32 of 2000 among others stipulates that a credit control and debt collection policy must provide for (c) provision for indigent debtors that is consistent with its rates and tariff policies.

In view of the above, Council has approved an indigent policy to provide for the following Consumer Services:

- Water
- Electricity
- Refuse removal
- Sewer where applicable

Indigent Programme summary

In terms of clause 7.5 of Free Basic and Indigent Support policy indigent registration are considered throughout the year and if an application is favorably considered, a subsidy will be granted during that municipal financial year and be subjected for verification annually. For 2016/2017 financial year the municipality has 4 394 registered indigent which receive 100% subsidies on rates and service charges levied by the municipalities. The below table depicts number of household per area that are currently beneficiaries of the policy:

AREA	TOTAL
ALLEMANSDRIFT B	40
ALLEMANSDRIFT C	309
ALLEMANSDRIFT D	96
DIGWALE	349
DIGWALE RDP	89
DR JS MOROKA	550
GAMARIA	42
GA-PHAAHLA	282
KAMEELRIVIER-D	5
LEEUFONTEIN C	3
LEFISWANE	89
LODING	93
MABUSABESALA	122
MADLAYEDWA	56
MADUBADUBA	39
MAKOMETSANE	41
MAPHOTLA	208
METSIMADIBA	96
MMAKOLA	72

AREA	TOTAL
MOLAPOAMOGALE	94
MORHONONONG	8
RAMANTSHO	9
RAMOKGELETSANE	99
SEHOKO	24
SEMOTLHASE	7
SIYABUSWA A	537
SIYABUSWA B	6
SIYABUSWA C	178
SIYABUSWA D	7
SIYABUSWA E	111
THABANA	19
TROYA	165
VAALBANK A	344
VAALBANK B	153
Waterfall-B	52
GRAND TOTAL	4 394

Indigent registrations are being handled at the pay point and unit offices. Field workers also visit the areas that are far from the pay points.

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

Roads Infrastructure is the main transportation system and all roads are classified and owned by different spheres of government. Provincial roads are maintained under Mpumalanga Public Works, Roads and Transport (PWRT), District Roads are under the Nkangala District Municipality and Municipal roads (Local bus and taxi routes) are maintained by Dr JS Moroka Local Municipality. A number of provincial and district roads are found with the jurisdiction of Dr J.S Moroka Local Municipality; with the Moloto Road (Route R573) and Kwa-Mhlanga - Mkhombo Dam Road (Route R568) crossing within our Municipal boundaries.

The municipality considers the ITP (Integrated Transport Plan) which was prepared in terms of the provisions of the National Land Transport Act (NLTA) Act5 of 2009, for a period of five years 2014/15 to 2018/2019. The ITP serves to provide overall guidance on transport service delivery in the municipality through identifying gaps in the transport systems and formulating systematic interventions to address the gaps. The ITP will also provide the transport-related inputs into the municipality's Integrated Development Plan (IDP) which is the primary planning and budgeting tool to realize the municipality's vision.

There is currently no road network asset management system in the municipality, which is essential for guiding the municipality on the prioritization of road network development and maintenance. The road network asset management system would also help to ensure efficient use of resources, especially in the case of the Dr JS Moroka municipality where resource limitations are one of the primary concerns. In the absence of a road network asset management system, therefore, the municipality does not have a systematic method to help to develop and maintain its road network.

The Municipality has a total length of approximately 867Km of internal gravel roads of which 125km is bus and taxi roads. Approximate 500Km is maintained annually (Includes re-gravelling and blading). The municipality is however unable to maintain all of its gravel roads due to insufficient resources. 87 km of the total 210 km of bus and taxi road is paved which leaves 58.60% backlog. The Municipality has thus far been able to increase number of paved bus and taxi routes from 36% to 41% since 2011 which is 5% backlog reduction to-date.

Status with regard to maintenance:

The Municipality has a network of roads which mostly is gravel roads. These roads are used by buses and taxis to ferry commuters to and from work, shopping stores and other their desired destinations. Gravel roads are to a low pavement standard and as such their design life is shorter than that of a surfaced road.

Even though the Division uses SANRAL guidelines, SANS code of standards and other related governing legislatures to construct these roads, but due to a high number of unskilled operators we are unable to reach optimum allowance standards.

Even though surfaced roads are frequently maintained through potholes patching programmes there still a high backlog of uncompleted surface roads as well as proper storm water channels to assist in control of run-off water on the ground and on our roads, furthermore the Division extends its responsibility to assist with maintenance of provincial and district roads.

Status of the integrated Transport plan:

The Municipality has not yet implemented the integrated transport plan and as such the municipality relies on the District Municipality for such matter.

Status of roads with regard to public transport, major economic belts etc.:

The municipality works jointly with PWRT to maintain all the above mentioned roads, this assists in that roads remain in a suitable driving condition at all times.

To date the Municipality has upgraded 1851, 35km of gravel roads (both local and provincial) using internal human and non-human resources of the Municipality as a capacity building exercise – this is in conjunction with the Mpumalanga Department of Public Works, Roads and Transport.

Status of arterial or internal roads:

With three of the magisterial units to maintain, there are different types of roads found within the villages. Mathanjana unit is mostly sandy as such minimal number of gravel roads are found in this unit while Mdutjana and Mbibane have most of the gravel roads in the municipality. Most of the paved roads are also found in Mdutjana followed by Mbibane unit.

Our roads need frequent maintenance as there are inadequate storm water control drainages thus they are eroded timely. Although they are mostly in good conditions but they are prone to be badly damaged during rainy seasons. There is a vast need of upgrading some of the gravel roads to asphalt pavement as a solution for poor materials found within the area of concern which make poor road wearing course.

Access to basic services:

➤ Total number of households with access to:

Water

With	Without
48 599	13 768

Electricity

With	Without
65 604	653

Sanitation

With	Without
33 795	30 582

Refuse removal

With	Without
13 567	52 117

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

DR J.S Moroka Municipality is an agent of the province in the administration of driver's licenses, vehicle licenses and a Vehicle Testing station as part of Libangeni Registering Authority. However the Vehicle Testing Station is not yet operational and community members are send to other municipality for other services like testing of motor vehicles.

Previously the municipality had a backlog in the booking of driver's license and learner's licenses, applicants would have to wait up to a months before securing an appointment. People had to queue a night before at the entrance of the Licensing Offices to secure an appointment. To alleviate this problem an internal control measures has been taken by introducing appointment list to control or reduce long queue, licensing staff were trained as examiners of learner's licenses and two examiners of drivers licenses were appointed. This means that the applicants can secure booking for driver's and learner's license within (seven) 7 days.

This led to applicant from neighbouring municipalities flocking in large number to Libangeni DLTC for the improved system of getting an appointment within 7 days and the office is experiencing a problem of servicing applicant with limited resources which led to services move slowly. Mathanjana Registering Authority performs only registration and licensing of motor vehicles and these lead to the community of Moretele to suffer because not all services are rendered by the Registering Authority. Its grading need to be reviewed so as far as to cover renewal of driver's licenses' applications, testing of learners licenses and processing of professional driving permit.

Priorities:

To provide effective and efficient Licensing Services and to ensure that all driver's using the road are competent.

Activity:

To provide responsive, accountable, effective and sustainable public services.

3.9 WASTE WATER (STORMWATER DRAINAGE)

Areas without the Roads & Stormwater service:

All wards within the municipality have services though some have very limited services in terms of storm water channels and paved roads. The maintenance team responsible for this activity, periodically conducts investigations to better address challenges resulting from lack of storm water infrastructure.

Earth drains are constructed as a temporary means to convey storm water away from human inhabitants. This is done until a permanent solution is sourced.

Availability of Storm water management plan or system:

The Municipality has roads and storm water master plan in place which is revised on an annual basis.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

Town planning is about land, development, planning and management. Land development is managed and controlled through the Land Use Management Scheme which is a document manual we use either to approve or disapprove land development applications. These are applications we receive as a municipality from the land owners, developers, **co-operatives**, non-profit organisations and any other interested parties. Land development applications include applications for consent, rezoning, township establishment, subdivision and consolidation of stands, and many more. All regulations relating to land use rights are governed by the land use management schemes, spatial development framework and by-laws of the municipality.

The planning function for Dr JS Moroka Local Municipality was entrusted to Nkangala District Municipality as published in the Mpumalanga Provincial Gazette Volume 10 No. 959 date 26 May 2003. This basically means that all town planning functions of the municipality still had to be performed through Nkangala District Municipality. This process was gazetted due to the fact that the Municipality did not have capacity at the time and it can be reviewed provided that the Municipality's Town Planning section is fully capacitated with relevant and required resources.

Since all issues of rezoning, consolidations and final approvals of the Spatial Development Framework and the schemes, have to be approved at district level. The

process of submitting all applications for land use rights to the district delays service delivery or response time of the municipality.

It is important to note that Dr JS Moroka has thirteen (13) formalized townships which have a lot of unused public open spaces to this date and as result feasibility studies are required on those public open spaces for the purpose of developing schools, churches, recreational areas, businesses and many more. The thirteen (13) proclaimed townships in the municipality are referred to as R293 areas.

The critical issue of concern is that Town Planning Section is not consulted in most of the **developments** that are taking place within the municipality. This implies that Town Planning department is not taken as a first point of call when **developments** takes place within the municipality. However, the implementation of the new Act (SPLUMA) in municipalities will address most of the town planning related issues and challenges.

Priorities:

Our primary goal is to ensure that the following priorities are been realised:

- Implementation of the Finalised SPLUMA By-law and regulation as approved by the legislature (Parliament).
- Establishment of the Tribunals within the District to consider land development applications.
- Establishment of Sustainable Human Settlements by following proper procedures in most areas of the municipality.

Activities:

Our activities include the following:

- Township establishment of areas like Moripe Gardens, Toitskraal, Kameelrivier D, Libangeni, Wolwekraal, Portion 48 of Valschfontein 33-JS and Mmametlhake.
- Reviewal of Scheme Maps
- Formulation of Land Use Management Scheme in terms of SPLUMA.
- Development of Precinct Plans for areas earmarked for spatial development.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is the process of building strong, responsive, inclusive and adaptive economies. The strategy is driven by local assets and realities, a diverse industry base and commitment to equality of opportunities and sustainable practices have emerged as those that will ensure a strong foundation for long-term stability and growth. Even within this parameters what constitutes success in local economic development and the strategies to accomplish it will look different from place to place. Despite these differences, leadership is consistently identified as critical factor in effective economic development.

Co-operatives have been regarded as sector to expand economic activity and address the needs of the unemployed. Hundreds of co-operatives have been set up in the area, many under the jobs for growth programme, other linked to either the department of agriculture or department of social services and finally some have been set up by producers, workers and business people themselves. Majority of these co-operatives still lack business management skills, understanding on co-operatives values, ethics and principles

TOURISM DEVELOPMENT

With the completion of Dr JS Moroka Tourism centre and the SMME centre by Nkangala District Municipality and subsequent commitment and support by Open Africa Tourism Route developers, to re-develop Kamoka Tourism Route, the development of Mkhombo & Mdala Nature Reserves, the facilitation on Tourism ambassadors, tourism monitors and tourism buddies, this demonstrates the commitment that the municipality has in-terms of tourism development.

Priorities:

- Development and marketing of tourism product that the municipality got to offer;
- Training and capacity building co-operatives ;
- Strengthening development of co-operatives as primary sector to develop and sustain local economy;
- Review of the Local Economic Development Strategy;
- To encourage and promote the use of Co-operatives as vehicle to poverty eradication and job creation;
- To make Local Economic Development everyone's business;
- Work on re-launching and strengthening the Local Economic Development Forum.

Activities:

- Establishment of incubator programme for the development and training of co-operatives;
- Improve communication between the municipality and sector department at various levels of government;
- Work closely with government parastatals such as SEDA, MEGA, MTPA, IDC, MRTT, NYDA and last but not least NDA;
- Continue marketing DR JS Moroka Municipality as favourable place for doing business (investments);
- Position Co-operatives at the centre.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES: ARCHIVES: MUSEUMS: GALLERIES: COMMUNITY FACILITIES: OTHER (THEATRES, ZOOS, ETC)

Out of the 61 villages that are within the Municipality, there are only five (5) Public Libraries, one being a container stationed at Masobye. The other four (4) libraries are at Maphotla, Siyabuswa, Libangeni and Marapyane. Mdtjana and Mathanjana has 2 Libraries each Leaving Mbibane with one (1) Library. The Municipality has signed the protocol agreement with the Department of Culture, Sports and Recreation with regards to Library Service within the Municipality. The Libraries are currently staffed by both provincial and municipal staff. Currently the monthly statistics of library users is at around 16000 for all the five Libraries combined.

As a section the Library has so far conducted outreach programs in three magisterial districts of our Municipality targeting primary and high schools. The response received from the principals regarding the impact that our programs have are remarkable. To extend public participation to include the illiterate, semi-literate, emerging authors within our Municipality a vigorous marketing in a form of our Annual Event Book Indaba. Partnership with the Institutions like the American Embassy, UNISA and University of Pretoria were entered to for the exchange of program. A mobile library is also available the Municipality upon request to service areas that are far from libraries.

Priorities:

- Ensure that we encourage a culture of reading to create a nation of readers;
- To provide books for children in their home language;
- Forge and strengthen community partnership and outreach;
- Ensure that there is an effective co-ordination and consultation on matters regarding community libraries and information services between us and provincial department.

Activities:

- Staff to participate in LIASA, other professional library conference, seminars and workshops, and serve on committees, provincially and nationally;
- Increase outreach programmes to all 55 villages by acquiring a mobile library that will visit all areas that are far from the existing libraries;
- Introduce and develop systems which support resource sharing, including interlibrary loan among our libraries;
- To promote and ensure access by people with disabilities and other categories of persons **disadvantaged** by unfair discrimination;
- Celebrate National Library calendar Mandela Month, readerthon and literacy day.

3.13 CEMETORIES AND CREMATORIUMS

The Municipality has 1 cluster cemetery and 102 village cemeteries throughout the municipal area. The Cluster cemetery and village cemeteries are maintained by EPWP contract employees. 78 Villages cemeteries are fenced and 24 village cemeteries still need to be fenced. The municipality is currently not rendering crematoria services within its jurisdictional area.(impossible)

The Municipality experiences quite a sizeable number of grave digging requests on weekly basis. This exerts pressure on the 2 municipal officials that have to ensure that the whole Dr JS Moroka is serviced. Often officials in this section are required to perform beyond the call of duty as communities only want their graves to be dug on Fridays and Weekends. Currently, it is only the Head Office that is responsible for the coordination of grave excavation with the assistance of three operators. The cemeteries section is also responsible for burial, exhumation, pauper and reburial of deceased people. Numbering of individual graves especially at Mogononong cluster cemetery is in progress. There is unauthorized access of people who bury their beloved ones without permit.

This has an effect on proper recording of individual graves vandalism at Siyabuswa cluster cemetery due to no security personnel. Most village cemeteries are without water. It must also be noted that there are a quite a number of village based cemeteries which are not on the Municipal records especially family graves and traditional graves. Ideally, these village based cemeteries need to be properly fenced and closed on being full to address the current problems. With the concept of the cluster cemeteries being in place, provision needs to be made in demarcating the cemeteries to make provision for a crematorium as currently it is not catered.

Priorities:

- To encourage communities to utilize the cluster cemeteries to minimize the travelling between villages;
- To have security personnel at cluster cemeteries;

- Establishment of 2 more cluster cemeteries in Mathanjana and Mbibane Unit offices;
- Closing up of individual village cemeteries when they are full.

Activities:

- Establish additional cluster cemeteries in our area of jurisdiction.
- Ensure numbering of graves where there are cluster cemeteries.
- Development of community awareness programme on usage and registration of graves contained in the by-laws
- Ensure proper control and management of graves.
- Establishment of a crematorium within cluster cemeteries.

3.14 CHILD CARE: AGED CARE: SOCIAL PROGRAMMES

Transversal section focuses on issues such as mobilizing advocacy, Children's Education, Women, People with Disability, Elderly, HIV/Aids, and Moral Regeneration. The municipality has managed to implement programmes as planned, however there are still some challenges internally and externally which need to be addressed, mostly on none functionality of forums.

Children:

In terms of the African Union a child is defined as "every human being under the age of 18 years". Children between the ages of 2 to 6 years of age are expected to be in Early Childhood Development Centers (ECDs). Children between the ages of 7 to 18 years are expected to be in school; with the inclusion of all those children from the age of 15 to 18 years attending FET colleges. The municipality assists children on Services such as water, safe parks and provides school uniforms where possible, including sanitary towels for destitute learners. There are still challenges in the provision of water and sanitation some schools within the municipality. These are matters which can be addressed by the municipality and Department of Education.

Women

The total percentage of women estimated at 52.9% and men at 47.1% (according to STATS SA 2011) Therefore the planning for the municipality and other departments need to focus on women development. Awareness around **ABET** Centers is still minimum and not known to women, and its timing for attending classes is still a critical on the factor that is in the afternoon, where women need to cook and assist children as they come back from school. The other problem is a safety as they will be leaving classes to home at night. Economic Development for women, is still a challenge as most of women within the Municipality are unemployment and having a challenge on entrepreneurs skills; as their business mostly involves catering, tailor making, decoration, hawkers for vegetable and fruits at shopping complexes, and the most challenge is that they are working in solo.

The gender equity is still a challenge within the municipality where men dominate more than their women counterparts were in out of 587 employees (top management 2 males and 1 female 33.33% Management 3 males and 2 females 40%, assistant's managers 22 males and 6 females 21%. Councilors 38 males councilors and 24 female councilors, 39% and on management at 45% professionally qualifications, 12 males and 6 females, skilled 53 males 61 females, semi-skilled 88 males and 63 females, unskilled 326 males and 126 females).

The Municipality is in 39 % and it has decrease with 1% from the previous council. The launching of women caucus on the 4th December 2013 and 16 Days of Activism for No Violence against Women and Children Campaign in 2007, it's only done in two months main while the violence is taking place throughout the year (365 days). There is a need to step up efforts and institutionalize the campaign by developing 365 days plan of Action for "No Violence against Women and children in Dr JS Moroka Local Municipality and spread the work in our community.

Elderly Persons:

Most of elderly persons need care that will be carefully followed by the caregivers; it might be members of the family or volunteer persons, because at this stage elderly persons are very fragile and need to be treated with high care. The Municipality has no place of safety for elderly persons, that is registered with the social development Department, and this brings a challenge as there are elderly persons that they don't have family members and others being abuse by their children and warrant a need to be removed from the families and put at the palace of safety. The need for campaigns around issue of elderly persons by the municipality as they are still members of the community.

Person with Disability:

The Municipal Systems Act 32 of 2000 mandates municipalities to deliver basic services to local communities within their jurisdiction to ensure acceptable and reasonable quality of life which, if not provided would endanger public health, safety and the environment. Demand for inclusive approach is growing steadily; posing a challenge to local government to act in order to achieve government priorities such as MDG's and vision 2014.

There are persons with disabilities that are residing within the municipality and it includes children, women, elders and men. Person with disability (PWD), they are mostly changed ones when service delivery is delayed. Our municipality is still struggling with the placement of person with disabilities as there is a need of 2% (12 persons) that need to be employed by the municipality. There are (04) four schools that are catering for children with disabilities under Mbibane managerial district and Mathanjana managerial district.

Persons with disability still face a challenge particularly with the social grant; some persons with disability receive temporary grant and this is a problem since often times the notion is not explained well and thus leaving the grant recipient with a lack of information concerning their grant agreement or clauses. Other factors which are a challenge include assessments done by Doctors to assess eligibility of receiving a disability grant. The other challenge is brailing of Municipal document as it disadvantage blind person with the information as they are unable to read printed documents.

HIV/ Aids and TB, STI:

HIV / AIDS is currently seen as a major public health problem and accounting for the highest number of deaths in the country. Statistics already indicates that one out of five people are HIV positive. Apart from addressing preventative and curative approaches it is important to address social conditions aggravating the vulnerability of communities to HIV /AIDS, such as poverty especially among rural women. Linkages between community care and support services and health facilities should be developed to ensure holistic approach. The municipality has launch the Local Aids Council (LAC) that will assist on the planning and implementing of programs and projects related to HIV /Aids and TB and STI epidemic. Members of LAC are from Home Based Care's, Traditional Healers, Sector Departments (Department of Health, Department of Agriculture, Department of Justice, Department of Social and SASSA) only department that are participating at LAC. The challenge is the attendance by Traditional Leaders and Sector Departments it's very poor and this it hinder the contribution on how to deal with the issues related to this epidemic.

Priorities:

- To continue to have a sound relationship with Sector departments and strengthen the transversal forum;
- Support and caring for person with HIV and Aids and non-communicable diseases;
- Mobilize, advocate for women, children, elderly and person with disability;
- Promotion of sign language and Braille documentation;
- Reinforce and accelerate commitment to the realization of gender equality and women's empowerment within municipality;
- Strengthen working relations between female councilors and female officials.

Activities:

- HIV/Aids, cancer and TB awareness campaigns quarterly;
- Disability awareness campaign;
- IDP rep forums for sector forums;
- Commemoration Mandela day (distribution of school uniform and sanitary towels);
- Community Economic builder wards for women;

- Reading contest for children (age 9 to 12);
- Workshops on development (for women councilor and female officials);
- Launching of Moral Regeneration Movement.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

Not applicable for Dr JS Moroka Local Municipality

COMPONENT F: HEALTH

3.17 CLINICS

Not applicable for Dr JS Moroka Local Municipality. Provincial Government's function.

3.18 AMBULANCE SERVICES

Not applicable for Dr JS Moroka Local Municipality. District Municipality's function.

3.19 HEALTH INSPECTION: FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

Not applicable for Dr JS Moroka Local Municipality.

COMPONENT G: SECURITY AND SAFETY

3.20 POLICE

Not applicable for Dr JS Moroka Local Municipality. Provincial Government's function.

3.21. – 3.22. FIRE AND OTHER (DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

Disaster Management has now become an important concept in the contemporary South Africa. So this requires adequate attention and support by all sectors of society including government as demanded by the Disaster Management Act 57 of 2002. Nkangala District Municipality is providing Disaster Management services on a large scale within Dr JS Moroka Local Municipality. Dr JS Moroka Local Municipality provides immediate Disaster relief, coordinates, support and other initiatives throughout the local municipal area. The unit is housed in the municipal head offices in Siyabuswa and currently occupied by one official dealing on matters of disaster

management and fire services. The Municipality gets assistance from fire and rescue services in Nkangala District Municipality operating from Thembisile Hani Municipal area. This is a challenge due to the distance between Thembisile Hani and Dr JS Moroka Municipality due to the vastness of the municipal area.

In most cases, fires that brake out in municipal residential areas could not be contained on time and properties are lost due to the turnaround time. The Nkangala District Municipality has intervened by constructing a fire station to service the Dr JS Moroka Local Municipality. A Fire Protection Association for the municipality has been launched to assist farmers and neighboring communities when disaster strikes, especially veld fires.

Priorities:

- Formulate a comprehensive disaster management plan to co-ordinate with all roll players;
- To establish an effective, safe, prompt and responsive team that will assist in the prevention, mitigation and proper management during disaster and fire.

Activities:

- Review the Disaster management plan;
- Rolling out stake holders and community awareness programs;
- Purchasing of a proper equipment;
- Training of ward committees on disaster functions.

COMPONENT H: SPORT AND RECREATION

3.23 SPORT AND RECREATION

The municipality has fifteen community halls, five stadiums. Four stadiums are under upgrading which include rehabilitation of the soccer fields, volley ball and net ball courts to comply with sporting code/ laws of the game. The municipality has made some strides to address water shortage and theft through installation of water tanks and provision of security officers to completed facilities. Although there are security officers in completed facilities, vandalism is occurring during community events. Some facilities have been constructed without the inclusion of a guard house and proper paved parking bays.

Credit should be given to the Nkangala District Municipality for a continual support by constructing an additional community hall in the Mbibane jurisdictional area. The municipality has no in-house maintenance team to deal with day to day maintenance which lead to a high cost of minor repairs.

Priorities:

- To improve compliance to OHS and Batho Pele Principles;
- To ensure that vandalism is reduced in sports, recreational and social facilities;
- Ensure that more sporting codes are accommodated in Sports and Recreational Facilities;
- To ensure that the office challenge is temporarily addressed;
- To ensure that guard houses are provided in all facilities;
- To ensure that security is provided in all completed Municipal Facilities;
- To improve parking space;
- To provide additional sporting codes in sports and recreational facilities;
- To ensure that community halls are provided;
- To ensure that additional personnel is provided in Facilities division.

Activities:

- Provision of sign/direction boards, fire extinguishers and ramps for people with disabilities in unit Municipal Offices;
- Construction of parameter walls in facilities;
- Construction of guard houses;
- Provision of additional mobile offices;
- Provision of security personnel all completed Municipal Facilities;
- Construction and upgrading with inclusion of other sporting codes to some facilities;
- Rehabilitation of soccer fields in stadiums;
- Construction of parking bays;
- Construction of additional community halls;
- Appointment of relevant disciplines in Facilities Division.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24 EXECUTIVE AND COUNCIL

Section 53 of the Municipal Systems Act (Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the municipal manager must be defined.

Municipal Council:

- Governs by making and administering laws, raising taxes and taking decisions that affect people's rights;
- Is a tax authority that may raise property taxes and service levies;
- Is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers, individual councilors or officials;

- Can delegate responsibilities and duties for the purposes of fast and effective decision making;
- Must strive towards the constitutional objects of local government;
- Must consult the community with respect to local government matters; and
- Is the only decision maker on **non-delegated** matters such as the approval of the IDP and budget.

Executive Mayor:

- Is the executive and political leader of the Municipality and is in this capacity supported by the mayoral committee;
- Is the social and ceremonial head of the Municipality;
- Must identify the needs of the Municipality and must evaluate progress against key performance indicators;
- Is the defender of the public's right to be heard;
- Has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters; and
- Performs the duties and exercise the responsibilities that were delegated to him by the council.

Mayoral Committee:

- Its members are elected by the Executive Mayor from the ranks of councillors, with the exception of the Deputy Executive Mayor who is elected by the council and is an ex officio member of the mayoral committee;
- Its functional responsibility area is linked to that of the Executive Mayor to the extent that he must operate together with the members of the mayoral committee;
- Its primary task is to assist the Executive Mayor in the execution of his/her powers - it is in fact an "extension of the office of Executive Mayor"; and
- The committee has no powers of its own – decision making remains that of the Executive Mayor.

3.25 FINANCIAL SERVICES

Dr JS Moroka Local Municipality is a developing and growing municipality striving for service delivery excellence. Therefore many challenges are faced with regards to financial planning and are ever changing due to the dynamic setting of local government. The priority from the financial perspective is the viability and sustainability of the municipality. The financial plan and related strategies are in place to address a number of key areas in order to achieve this goal. These strategies are detailed below:

Revenue Enhancement Strategy:

Revenue enhancement and maintaining of existing revenue sources are essential for sustainable service delivery. Municipal budgets must be appropriately funded to ensure a financial going concern which is capable of providing and extending service delivery.

- The following actions are considered;
- To seek alternative sources of own revenue to increase funding for capital projects;
- Expand revenue base through implementation of new valuation roll;
- The ability of the community to pay for services;
- Identification and pursuance of government grants;
- Tightening credit control measures and increase debt collection targets;
- Improve customer relations and promote a culture of payment;
- Realistic revenue estimates. Going back to basics to ensure MTREF are appropriately funded;
- Create an environment which enhances growth, development and service delivery.

Operational Financing Strategies:

Financial planning and effective management of municipal cash resources will ensure that the municipality meets their service delivery mandate.

The strategies are:

- Ensure integrity of billing systems and accuracy of accounts;
- Eliminating spending on non-priority items;
- Ensure 100% spending of government conditional grants to prevent withholding of equitable share;
- Standardize chart of accounts;
- Effective cash flow management to ensure continuously a sufficient and sustainable cash position;
- Enhance budgetary controls and financial reporting;
- Direct available financial resources towards meeting the projects as identified in the IDP;
- To improve supply chain management processes in line with regulations.

Capital Financing Strategies:

One of the greatest challenges facing municipalities is the decline in public trust in service delivery. Investment in municipal infrastructure is critical to sustaining growth, rehabilitating ageing infrastructure and eradicating service delivery backlogs.

The strategies are:

- Ensure capital programme is based on priorities, programmes and projects of the IDP;
- Improve creditworthiness;
- Ensure capital replacement reserve is cash backed;
- Expedite spending on capital budget especially projects that are funded from conditional grants;
- Maximizing of infrastructural development through the utilization of all available resources.

Financial Management Policies:

The purpose of financial policies is to provide a sound environment to manage the financial affairs of the municipality.

The following are key budget relating policies:

- Budget policy;
- Tariff policy;
- Credit Control and debt Collection Policy;
- Property Rates Policy;
- Cash Management and Investment Policy;
- Assets Management Policy;
- Debt Impairment and Write off Policy;
- Supply chain Policy.

Revenue and Medium Term Expenditure Framework Forecast:

The medium term expenditure and revenue framework (MTREF) is based on the priorities, programmes and projects of the IDP and implemented according to the service delivery and budget implementation plan (SDBIP) to ensure delivery on the IDP key performance indicators.

Budget Assumptions:

The selected key assumptions relating to this budget are as follows:

- Government grants for years 2015/2016 to 2016/2017 are as per the Division of Revenue Act;
- The CPI has been estimated at 5.8% per annum.
- Growth in the salary wage bill has been provided for in the budget at 5.8 %
- Provision has been made for tariffs increases relating to services as follows:
7.5% Household, 8,5% Government, 9.5% Business

3.26 HUMAN RESOURCE SERVICES

It is upon the institution to attract suitable and competent candidates for positions that are strategic for service delivery. In its operation, there's a need to implement the recruitment and selection policy and other policies that govern the human resource management. At the moment, most employees need to be informed of the policies that are applicable to local government. This implies that the human resource division shall develop and review all policies within its powers and functions.

In addition, there's a need to fill the vacant positions that will be beneficial for service delivery purposes. It shall be our priority to identify vacant positions in the organogram that shall be aligned to the objectives and goals found in the Integrated Development Plan of the municipality. One of the major tasks of the human resource division is to develop and review the job descriptions and evaluate jobs within the entire workforce. Every employee shall be able to operate and execute his/her tasks and duties competently.

One of the main area of concern in the workplace is the need to develop the retention strategy of the municipality. This strategy shall be drawn from the exit Interview comments and recommendations. This initiative shall reduce the level of resignations and increase job satisfaction among employees.

Priorities:

- The HRM unit is to priorities the recruitment and selection of competent candidates;
- The reviewable and adoption of the organogram;
- Conduct Job evaluation;
- Development and reviewable of Job descriptions;
- Development of the employee retention strategy;
- Development, reviewable and monitoring of the EE Plan and submission of the report.

Activities:

- To develop the Human Resource Strategy;
- Placement of staff as per the organogram;
- To develop and adopt human resource policies.

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Municipality utilizes its Information and Communication Technology Systems to communicate with other spheres of government and other stakeholders around the world through the usage of Microsoft Exchange Email System and the Website which

is accessible on www.moroka.gov.za. Furthermore the Municipality also uses other Government Portals to ensure that it remains up to date with developments in Local, Provincial and National Governments. The Information and Communication Technology has also introduced the IT Helpdesk Services for service and incident management purposes and also the SharePoint portal used for intranet and electronic notice board.

The Municipal Satellite Offices have been connected via the Wireless Radio Networks to ensure that users have access to ICT Systems based at the Municipal Head Offices. More Wireless Radio Network devices are needed to improve the speed and also for redundancy purposes. The Municipality utilizes the Geographical Information System for Geographical location when searching for villages, vacant land / stands within its jurisdiction and for sales purposes. The VoIP telephone system has since been implemented at Municipal Head Offices which needs to be extended to other municipal satellite offices to minimize telephone bill to ensure that these satellite offices are accessible via extensions instead of direct telephone lines through the municipal local area network which requires some improvements to accommodate data and voice traffic.

Priorities:

- To improve the existing LAN & WAN to ensure reliability, security and redundancy across the Municipal ICT Infrastructure;
- To improve and standardized the existing telecommunication system for all municipal satellite offices through rolling out of VoIP telephone system across;
- To investigate other means of alternative and reliable energy to ensure uninterrupted power supply to the Municipal ICT infrastructure across all Offices;
- To provide routine maintenance and support provision for the current & existing ICT Infrastructure to keep abreast with the ever changing technology this includes hardware, software and network;
- To improve the ICT usage within the Municipality for the purpose of successful

interaction and reliable communication.

Activities:

- Installing high-performing and intelligent Network Switches to ensure that Municipal ICT Infrastructure is reliable, secured and that there's redundancy across;
- Extend the installation of the VoIP telephone system to other Municipal Satellite Offices in order to standardize tele-communication system and also to reduce the municipal telephone bill;
- Continuous Maintenance on the electrical standby generator and uninterrupted power supply (UPS) which will secure and reduce the effects due to fluctuations in the power cuts and interruptions across municipal satellite offices;
- **Establishment** of the Off-Site Data Recovery Site or Hot site for critical systems to ensure redundancy and business continuity;
- Continuous maintenance and support provision to the entire ICT Infrastructure to meet the current and future IT Technological trends growth and needs.

3.28. RECORDS MANAGEMENT AND ARCHIVAL UNIT

The unit falls under the auspices of National Archives and Records Services Act. The act requires all governmental bodies to establish and put in place systems for proper records management and records keeping systems. The unit provides for the development and management of organisation wide records management programme, which is designed to ensure that record keeping and records management practices effectively meet the organization's objectives and ensure compliance to National Archives Act 43 of 1996. The unit provides for the establishment of a centralized, effective and efficient registry services within the municipality.

Priorities:

- Develop a Schedule for Records Other than Correspondence System;
- Upgrading of the Electronic Document Management System;
- Review of the Records Management Policy;
- Review of the Registry Procedure Manual;
- Conversion of manual records into electronic records.

Activities:

- Implementation of the approved Records Management Policy, Registry Procedure and **Correspondence** Policy;
- Procurement and Installation of Electronic Document Management System;
- Translation of Promotion of Access to Information Manual in terms of Promotion of Access to Information Act 2/2000;
- **Implementation** of the Schedule for Records Other than Correspondence System.

3.29 PROPERTY: LEGAL: RISK MANAGEMENT AND PROCUREMENT SERVICES

PROPERTY:

Dr J.S. Moroka local municipality is approximately 1 416, 4240 square kilometres in area composed of 61 villages and only two proclaimed townships namely Siyabuswa and Libangeni. Most villages in the Municipality fall under the jurisdiction of traditional leadership which is a system inherited from the previous administration. In terms of land administration all pieces of land falling within the municipality is supposed to be owned and administered by the municipality, in Dr J.S. Moroka most of the pieces of land still fall under the state as in the Department of Agriculture, Rural Development and Land Affairs (DARDLA), Department of Public Works, Province of Mpumalanga and those that are privately owned. Supposedly during the transition from the previous government to the new one, proper transfers of land were not accordingly done.

For proper land administration by the municipality, land transfers have to be effected accordingly. The vast amount of land in Dr JS Moroka Municipality is registered with the National government, tribal or communal land and is administered by traditional authorities through gazetting done by the Mpumalanga government. It is critical that the municipality through Department of Agriculture, Rural Development and Land

Affairs continue with the implementation of the Land Tenure Upgrading to enable individuals to have formal ownership. Land reform in terms of land claims affects land ownership, only 3 land claims that were successful within the jurisdiction of the Municipality till to date. The municipality is currently busy with the process of transferring farm portions registered with the State and Province to the Municipality. Portions of land that are purchased by the municipality bordering with other municipalities are often demarcated to be out of the municipality by the board, and this creates problems too.

The Municipality has purchased Farm Kameelrivier 160 JR portion 1 a portion of portion 7 in 2009, the farm is already registered under DR, JS. Moroka Municipality the farm, and in terms of the Spatial Development Frame work it is earmarked for residential, commercials, professional services and tourism prospects. The municipality has already adopted a precinct plan on one part of the portion which was developed by the Nkangala District Municipality on its behalf. The purchase of this farm was an attempt by the Municipality to reclaim some of the privately owned land that lies idle for development purposes as well as to develop the Libangeni/ Siyabuswa economic node.

Priorities:

- Land ownership by individuals in the municipality is a priority for land development and property rates payment;
- Acquisition of land by the municipality is imperative for land development and for proper spatial planning;
- Unoccupied sites or stands and open spaces lying fallow in Siyabuswa and Libangeni are to be acquired back by council to discourage illegal dumping on them;
- **Encroachment** of the servitude and sites has to be attended to by land-use inspectors and the municipal legal services.

Activities:

- Land Tenure Upgrading has to be done to provide individuals with title deeds;
- Purchasing land by the municipality should be considered in areas where municipal development is required;
- **Repossession** of unoccupied stands and empty spaces lying fallow by the municipality should done through the legal services;
- Surveying of land and issuing beacon certificates will be done to sort out encroachment.

LEGAL:

The municipality as established through the Municipal Systems Act, Act 32 of 2000, is a legal person or juristic person as defined by law. The municipality as a juristic person can be sued, may face litigations and can also apply for litigation against individuals or other juristic persons like individual institutions. As a juristic person and employer the Municipality is governed the prescripts regulating the local Government to wit, Municipal Systems Act, Municipal Structures Act, Municipal Finance Management Act, Labour Relations Act, Basic Conditions of Employment and the Employment Equity Act which are legislations governing providing the framework for compliance and proper interaction between the management and the employees.

The municipality as the employer has to act within the parameters of the law in its relations to its employees.

Priorities:

- Deal with all municipal litigations, legal suites and interdicts;
- Ensuring compliance for the Municipality;
- Review all Service Level Agreements and Contracts between the municipality and individuals and also including other organizations;
- Review municipal By-Laws not to be in contrast with the Constitution;
- Ensure proper Contract Management for the Municipality.

Activities:

- Deal with all the legal processes relating to litigations by individuals and organizations against the municipality as well as interdicts by the municipality against its clients;
- Develop the compliance register for the Municipality;
- Review Service Level Agreements, Contracts, Leases and Memorandums of Understandings between individuals, organizations and the municipality;
- Review all drafted By-Laws within the municipality to ensure none is in contrast with the constitution;
- Monitor and evaluate the compliance to such SLAs, Contracts, Leases and MOUs by the municipality and its clients.

LABOUR RELATIONS

The municipality is the employer in terms of the labour laws, relevant Local Government legislation and Collective Agreements. Like any employer the relationship it has with its employees is governed and regulated in terms of the Labour Relations Act. Other Collective Agreements in addition to the Basic Conditions of Employment, are applicable to conditions of service. Workers' rights as entrenched in the Constitution and further effected by the Labour Relations Act are central to the peaceful and stable workplace in the municipality. Both the employer

and the employee are required to act within the parameters of the law with its engagements against each other and in exercising the right in terms of any law. All recognised employees are to be treated fairly, equally and irrespective of the number of employees it represents in the municipality. It remains the choice of every employee to join any recognised Union, and the municipality does not promote or encourage employees to join a particular trade union.

Priorities:

- To ensure that the conduct of municipal employees are in compliance with the Code of Conduct, and to continuously educate and remind them of the provisions of this Code. To ensure and maintain discipline and labour peace in the Municipality, and a harmonious relationship between the employer and the employee;
- Maintain a well constituted and functional Local Labour Forum in terms of the Main Collective Agreement;
- Advise the both the management and the organised labour to ensure that the Policies, processes and decisions of the Municipality are in compliance the Labour Laws and Collective Agreements, in as far as the conditions of service are concerned;
- Ensure that the Minimum Service Level Agreements are negotiated, concluded and signed by municipality and the organised labour.

Activities

- Co-ordinate all disciplinary processes and procedures for and behalf of the Municipality;
- Provide or co-ordinate a continuous skills training for managers, shop stewards and members of the Local Labour Forum on application and **implementation** of conditions of service and discipline;
- Serve as a resource office and provide a secretarial support for the Local Labour Forum. Facilitates and co-ordinates the meetings of the of the Local Labour Forum;
- Advise on compliance/non-compliance with the Collective Agreements.

RISK MANAGEMENT

The Risk Management Unit was established in December 2012 and that the establishment of this Unit was informed by section 62 (1) (c) (i) of the Municipal Finance Management Act No. 56 of 2003. The individual responsible for this Unit is at the level of a Risk Officer but acting as an Assistant Manager. Dr JS Moroka Local Municipality environment is conducive for effective and efficient functioning of Risk Management systems that may arise as a result of risks relating to both internal and external factors such as but not limited to reputational risks, financial risks, service delivery risks, third party performance risks, social environment risks, fraud and corruption risks and the knowledge and information management risks.

Objectives:

- To coordinate, monitor, maintain and improve the effective and efficient functioning of Risk Management systems;
- The culture of Risk Management in the entire Municipality will be inculcated in order to improve the Risk Management maturity level;
- To ensure that Risk Management supports the effective functioning of core business processes and allow more reliable decision making.

PROCUREMENT SERVICES

Supply chain management unit assists the municipality in acquiring goods and service in order to achieve its strategic objective, this include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost. However the latter is to be carried out in the manner that is fair, equitable, transparent, competitive and cost-effective, in compliance with the supply chain management policy.

The supply chain management unit has the following subsection:

- Demand Management;
- Acquisition and Logistics Management.

Priorities:

- Ensure full adherence and compliance to the municipal supply chain management policy.

Activities:

- Review the Supply Chain management policy annually;
- Update the Municipal Database.

COMPONENT J: MISCELLANEOUS

BUSINESS LICENCE ADMINISTRATION

Dr JS Moroka Municipality has limited control ownership of land were mostly owned by the Provincial government (Former KwaNdebele) these lead to people allocating themselves on wetland site. The allocation of land by traditional Authority lead to people operating their businesses on residential site without proper consultation with the municipality on rezoning the residential site to business site

Priorities:

- Implementation of the draft business policies and street-trading by-laws;
- Municipality need to encourage business outlets to form business forum;
- Develop land Use Management Scheme to minimize mushrooming on site;
- Increase the personnel in the business section to reduce backlog.

Activities:

- Manage the issuing of licence and Permit in accordance with applicable legislation;
- To ensure Municipality co-ordinate quarterly business meetings with business outlets into three Magisterial, Mathanjana, Mbibane and Mdutjana;
- Improve the standard of communication between the Municipality and other stakeholders e.g. South African Police Service and Department of Health;
- Conduct physical Inspection on the businesses that operate around our jurisdiction for compliance;
- Ensure sites are used for the purposed for which they were determined for and conditions and requirements for special scenarios of development in the municipality.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

See attached ANNEXURE B

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

The objective of service delivery to the community is anchored on the skills that employees are possessing. The municipality is successfully providing bursaries to the needy community members through the Executive Mayor's Bursary Scheme. Note that some bursary holders who completed their training have been absorbed into the workforce of the municipality. All the employees of the municipality are undergoing training as per the skills audit that covers the respective positions within departments and divisions.

Although the training and development initiatives are undertaken, there's a need to identify the skills gaps and backlogs in strategic divisions and departments. Recently, the municipality is investigating the means to train the unemployed community members. It is the municipality's interest to train its employees in order to reach its Integrated Development Plan's objectives and goals.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The municipality's primary focus is to ensure that departments are neither over- nor understaffed, and that employees with appropriate talents and skills are available to carry out tasks in the right jobs at the right time to support the municipality to achieve its strategic objectives.

As part of the Human Resource Management Plan, the municipality's human resource focuses on filling of critical vacancies, skills audit, and capacity building intervention for Councillors and officials, performance recognition and develop human equity plan.

Vacancy Rate: Year 2016/2017		
Designations	Total Approved Posts	Vacant No.
Municipal Manager	1	0
Section 56	4	1
All other posts	852	292
Total	857	297
Turn-over Rate		
Details	Total Appointments No.	Terminations (Resignations/Deaths) during the Financial Year No.
2016/2017	76	22

DEPARTMENT	FILLED POSTS	VACANT POSTS	TOTAL POSTS
Senior Management (MM & Sec 56)	4	1	5
Administration & Corporate Services	38	26	64
Office of the Municipal Manager	39	19	58
Community Development Services	241	102	343
Finance	66	31	97
Technical Services	172	118	290
Total	560	297	857

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

HR Policies and Plans			
Name of Policy	Completed %	Reviewed %	Date adopted by council/com ment
1. Overtime policy: R206.09.2013ND	100	100	2013
2. Recruitment and Selection Policy: R272.05.2014ND	100	100	2014
3. OHS Policy: R166.06.2013ND	100	100	2013
4. Sexual Harassment Policy: R128.03.2013ND	100	100	2013
5. Cellular Phone allowance Policy: R127.03.2013ND	100	100	2013
6. Learnership and Internship Policy: R188.07.2013ND	100	100	2013
7. Employees Assistance Programme: R188.07.2013ND	100	100	2013
8. Private work and Declaration of Interest Policy: R188.07.2013ND	100	100	2013
9. Leave Policy: R188.07.2013ND	100	100	2013
10. Records Management Policy: R265.05.2015ND	100	100	2015
11. Acting allowance Policy: R212.12.2013ND	100	100	2013
12. Telephone usage Policy: R264.03.2014ND	100	100	2014
13. ICT Policy: R114.06.2017ND	100	100	2017
14. Prevention of Fraud and Corruption Policy:	100	100	2016
15. Remuneration and benefits policy – R559.12.2015ND	100	Developed	2015
16. Job evaluation Policy – R559.12.2015ND	100	Developed	2015
17. Placement Policy – R559.12.2015ND	100	Developed	2015

4.3 INJURIES, SICKNESS AND SUSPENSIONS

In the 2016/2017 financial year, the municipality had no injuries or duty case. The table below provides reflective figures of all the approved and recorded leave taken for 2016/2017 financial year

Leave Type	Total leave days taken	No of Employees
Sick	2 097	67
Maternity	1 355	22
Family Responsibility	254	9
Annual Leave	8 681	1 832
Study	97	07

4.4 PERFORMANCE REWARDS

The municipality did not pay any performance related rewards or bonuses in the 2016/2017 financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

The Workplace Skills Development Plan (WSP) is in place and co-signed by The Department of Labour as required by relevant legislation. Training is provided to staff in line with the plan and reported monthly and quarterly to the LGSETA

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6.EMPLOYEE EXPENDITURE

Summary of Employee Remuneration	Budget Year 2016/17			2015/16 Actual
	Original Budget	Adjusted Budget	Actual	
R thousands				
Employee Related Costs				
Basic Salaries and Wages	133 037	104 293	110 399	107 190
Pension and UIF Contributions	24 740	20 879	23 031	20 708
Medical Aid Contributions	9 267	7 665	8 829	7 790
Overtime	8 757	7 234	3 359	7 309
Performance Bonus	9 985	8 924	8 608	8 718
Motor Vehicle Allowance	3 352	4 226	4 380	3 145
Cellphone Allowance	955	769	931	816
Housing Allowances	1 433	1 023	2 099	1 556
Other benefits and allowances	524	669	1 375	1 332

Payments in lieu of leave	—	—	2 415	3 080
Long service awards	—	—		
Post-retirement benefit obligations	—	—		
Sub Total - Municipal Staff	192 050	155 681	165 426	161 645

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 INTRODUCTION

The aim of this chapter is to provide an overview of the financial performance of the municipality thorough measuring of results. This section will focus on the reinforcement of the municipality's finance, as an objective that the financial performance of the institution against all financial management plans and expenditure items.

The municipality is one of the rural in the country and still depends solely on the government grants in order to render services to its communities.

The municipality is not simply central to the provision of basic services, but progressively more the drivers of infrastructure improvement.

The management of revenue is governed by policies that are directly aligned to revenue management and debt collection such as billing systems and indigent policies.

Highlights have been achieved in terms of reviewing indigent policies on regular intervals and the capacity to administer them. However, it should be noted that continued improvement is the key to achieving the desired result over a period of time.

In line with the Auditor General's report, there is also a concern that the increasing level of debtors may undermine the liquidity of the municipality. The municipality has developed the revenue enhancement strategy in order to curb the accumulation of debt and the enforcement of the Debt collection and credit control policy. The service providers were appointed to collect the outstanding debt due to the municipality.

This section will further provides the opportunity for planning, so as to ensure that future budgetary allocations are brought in line with IDP and functional area activities and outputs. Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque

financial management practices and reports result in misdirected and under-utilisation of resources.

The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management. Effective municipal financial management has the following interrelated elements:

- Planning and Budgeting
- Asset and Liability Management
- Revenue and Expenditure Management
- Supply Chain Management
- Other Financial Management
- Accounting and Reporting, And
- Oversight & Operational Continuity

5.2 FINANCIAL PERFORMANCE STATUS

The matrix below highlights financial performance measures achieved in terms of their compliance dates within the Finance Section.

Objectives	Performance Measure/service delivery indicator	Performance	
		Target	Actual
To develop a medium term financial framework (budget)	Three-year capital and operational budget approved by council	May 2016	May 2016
	Approval of the adjustment budget by council	Feb 2017	Feb 2017
To provide a framework for financial accountability	Approved Service Delivery and Budget Implementation Plan (SDBIP)	May 2016	May 2016

	<i>Adoption of Tariff Structure</i>	<i>May 2016</i>	<i>May 2016</i>
<i>To manage and control revenue</i>	<i>Monthly billing</i>	<i>Monthly</i>	<i>Monthly</i>
	<i>Credit control policy enforcement</i>	<i>01/07/2016</i>	<i>Partial,</i>
<i>To manage the cash-flow of the council to ensure timely payment of creditors and servicing of long term liabilities.</i>	<i>Creditors paid within 30 days</i>	<i>Monthly</i>	<i>Partially due to Cash flow (low revenue collection by the municipality)</i>
<i>To prepare and submit Annual Financial Statement (AFS) to AG for 2016/17 FY</i>	<i>AFS submitted to AG</i>	<i>31 August 2017</i>	<i>31 August 2017</i>
<i>To monitor and control the budget & expenditure</i>	<i>Submission of monthly financial report to Provincial & National Treasury</i>	<i>Monthly</i>	<i>Monthly</i>

5.3 STATEMENTS OF FINANCIAL PERFORMANCE

5.3.1 REVENUE

The major income streams of the Municipality can best be disclosed at the table below, giving a bird's eye view of total income and disclosing the dependency of the Municipality on grants and subsidies from the State, as income from grants represents 80% of total income of the Municipality. Own income generated from the sale of water, the raising of assessment rates and other income represent 20% of the total income of the Municipality. This percentage indicates an upward trend when

compared to the previous year's percentage of 15%. The difference between Services charges Water, for Households v/s the actual collection, is a great concern for the municipality, while for Businesses and Government shows a drastic improvement in actual cash collected.

The generation of own income streams will become more and more important if the current increase in investment in infrastructure is to be continued, through reticulation and installations of water meters in areas where there is a source, and in return the municipality will generate revenue collection.

The graph below presents the summary of the income as compared with the previous year and budget.

Dr J.S. Moroka - Financial Performance Revenue					
Description	Ref	Budget Year 2016/17			Budget Yr 2015/16
		Original Budget	Adjusted Budget	Actuals	
R thousands	1	A	A1	B	C
Revenue By Source					
Property rates	2	27 366	21 996	57 694	19 639
Property rates - penalties & collection charges			–		
Service charges - electricity revenue	2	–	–	–	–
Service charges - water revenue	2	23 698	23 567	52 265	34 978
Service charges - sanitation revenue	2	438	438	6 703	3 475
Service charges - refuse revenue	2	2 515	1 273	6 465	4 079
Service charges - other		375	375		
Rental of facilities and equipment		150	150	334	235
Interest earned - external investments		10 500	10 500	3 940	5 960
Interest earned - outstanding debtors		2 500	2 500	20 846	9 357
Donations received			–	35 071	36 990
Fines		500	500	2 282	2 371
Licences and permits		7 500	7 500	3 314	3 510
Agency services			–		
Transfers recognised - operating		439 592	439 592	427 703	469 967
Other revenue	2	41 158	28 404	5 249	4 648
Gains on disposal of PPE					
Total Revenue (excluding capital transfers and contributions)		556 291	536 795	621 866	595 208

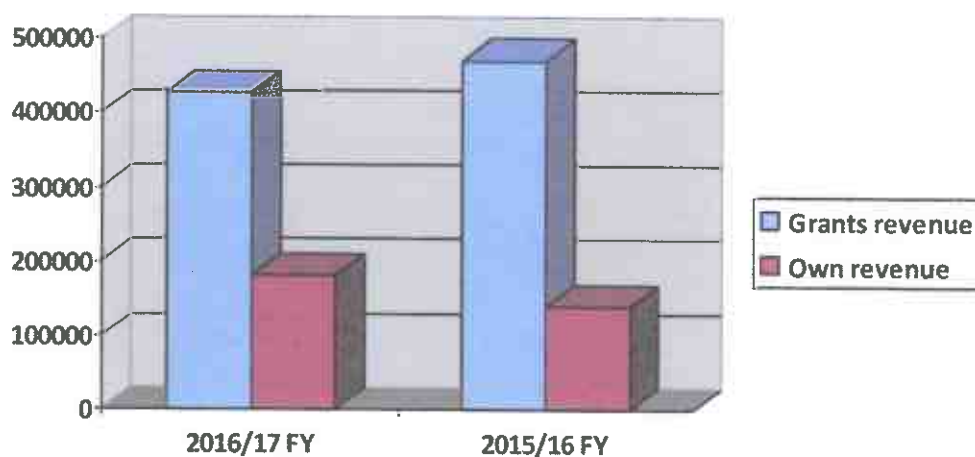
NOTES

- Property rates shows a drastic increase due to the increase in billing for Government properties;
- Services charges shows a drastic increases as well, mainly due to the increase in number of consumers billed;
- Interest on outstanding debtors is mainly due to non-payment of services by the consumers;
- Interest earned on external investment shows a decrease in the interest received, mainly due to the early withdrawals of the funds invested due to cash flow challenges.

Included in the amounts disclosed for Grants revenue includes all the grants received from National and Provincial Government, and part of the Equitable Share grants was withheld by the treasury.

Although it is good and fair to receive grants from Government, it can also have a negative impact, as the Municipality becomes more and more dependent on Government to fund operational and capital expenditure due to the accumulation of the debt.

The graph below will illustrate the comparison between own revenue and grants revenue:



It is clear from above that the municipality still depends more on Government Grants in order to implement service delivery to the communities within its jurisdictions.

5.3.2 EXPENDITURE

TOTAL OPERATING EXPENDITURE

MP316 Dr J.S. Moroka - Table B4 Adjustments Budget Financial Performance (expenditure) -

Description	Ref	Budget Year 2016/17			Budget Yr
		Original Budget	Adjusted Budget	Actuals	2015/16 Actuals
R thousands	1	A	A1	B	C
Expenditure By Type					
Employee related costs		192 050	166 056	165 426	161 645
Remuneration of councillors		21 176	19 749	21 205	20 856
Debt impairment		50 000	50 000	40 071	153 200
Depreciation & asset impairment		140 000	140 000	54 393	35 294
Finance charges		159	159	1 603	1 568
Bulk purchases		-	-	-	-
Other materials		40 810	40 810	60 259	41 355
Contracted services		42 000	55 109	76 168	49 618
Transfers and grants		3 569	3 569	1 961	2 149
Other expenditure		131 494	127 675	135 498	154 380
Loss on disposal of PPE					
Total Expenditure		621 258	603 127	556 584	620 064

- Employee Related Costs – shows a small variance between the final budget and actuals incurred, and no over spending were incurred. In comparison with prior year audited figures, it shows a smaller difference, mainly due to the controls implemented for overtime;
- Remuneration of councillors, shows over-spending, due to the implementation of upper limits;
- Repairs and Maintenance shows a huge amount spend between the final budget and actuals, mainly due to the Maintenance of the infrastructure within the municipality;
- Contracted services- shows a huge amount spend, mainly due to the utilisation of specialised professionals, in designated areas;
- Transfers and grants, shows a drastic increase, due to the implementation of the revised indigent register.

The graph below will indicate the comparisons between the final budget, actuals percentage spent per each expenditure incurred.



5.3.3 CONDITIONAL GRANTS

Grant Source	Total Allocation	Grant received to date	Value of Condition met	Liability Balance	Expenditure in %
MIG	R 119 102 000	R 119,102,000	R 119,102,000	R 0	100%
FMG	R 1 625 000	R 1 625 000	R 1,625,000	R 0	100%
EPWP	R 4 257 000	R 4,257,000	R 4,257,000	R 0	100%
TOTAL S	R 124 984 000	R 124,984,000	R 124,984,000	R 0	100%

The municipality has managed to spend 100 percent on all the conditional grants allocated to the municipality, as per the above table

5.4 ANNUAL FINANCIAL STATEMENTS – 2016/2017

The Annual Financial Statements for the year ended June 2017 have been compiled and were submitted to the office of the Auditor General on 31 August 2017.

The Annual Financial Statements have been prepared in accordance with GRAP standards.

The notes to the Annual Financial Statements include additional information where available, as required by the Municipal Financial Management Act no.56 of 2003.

The notes to the Annual Financial Statements disclose the required information in terms of section 123 of the Municipal Finance Management Act. Refer Annexure, as part of the 2016/2017 attachments.

5.4 ASSET MANAGEMENT

The municipality is currently using the manual asset register, and still need to be automated in to the financial system. The updated asset register is available for inspection.

5.5 CAPITAL EXPENDITURE

The following information relates to capital expenditure incurred through Own Funding and Conditional grant (MIG):

PROJECTS BY VOTE	ORIGINAL BUDGET	ADJUSTED BUDGET	EXPENDITUR E TO-DATE	% TO-DATE
WATER	R 75 300 000	R 80,909,670	R 80,730,163	99%
SANITATION	R 14 402 000	R 13,601,575	R 9,639,615	71%
FACILITIES	R 8 300 000	R 8,098,803	R 2,181,436	27%
ROADS & STORMWATER	R 25 600 000	R 20,991,952	R 28,628,875	136%
TOTAL	R 123 602 000	R 123,602,000	R 121,180,089	98%

As at the end of financial year, 98% expenditure was achieved against the allocated budget.

5.6 SOURCES OF FINANCE

For the municipality to continue improving the quality of services provided to its community it needs to generate the required revenue. In these tough economic times strong revenue management is essential to the financial sustainability of every municipality. The reality is that the municipality is faced with development backlogs and poverty. The expenditure required to address these challenges will certainly always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

5.7 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The Municipality has grown immensely in terms of managing, storage, treating monitoring and delivering safe potable water as well as collection and treatment of waste water to the citizens of Dr J.S Moroka Local Municipality. The scope of responsibility ranges from bulk water supply from Weltevreden water purification plant and boreholes to the drinking water for water supply.

The Municipality produces on average a circa 42ML/pd from the Weltevreden treatment works. Unacceptable losses of potable water are being experienced due to illegal, inferior quality by inexperienced plumbers doing unauthorized connections to households, gardens, car washes and lack of infrastructure in some areas.

A considerable percentage of the population in Dr J.S Moroka Local Municipality still regularly complaints about intermitted water supply. The problem occurs more severe during the hot summer months from late September until the first heavy rain of summer. Intermittent water supply is chiefly attributed by:

- Unequal distribution of water;
- None collection of revenue /Low rate of cost recovery;
- Illegal connection due to the none availability of infrastructure;
- Ageing infrastructure;
- Reactive operation & maintenance infrastructure;
- Lack of maintenance plans/ strategies;
- High volume of leakages;
- None availability of water meters.

There are major challenges facing the provision of water effective and efficient water services in the entire municipality these ranges from: The target of achieving 100% of coverage of water supply infrastructure to all that do not have access to water is based on the minimum walking distance of 200m basis on nearest tap and has been the basis on deciding the scope of backlog eradication. A minimum walking distance of 200m has been assumed as the criteria for making water supply accessible to all communities of Dr J.S Moroka Local Municipality. Wards or villages that are constantly having potable water interruptions and intermitted water supply due to over usage, unauthorized connections and lack of infrastructure in certain areas are: Ward,02,07, 10,11,12,13,16,19,20.

The challenges from the abovementioned wards, is that there is no adequate infrastructure, capable of supplying all the people with enough potable water. As a results of this, the communities organized themselves and procured cheap materials and illegally connected water from the bulk mains in the area resulting in serious friction losses, water losses and none payment of services. The problem is evident in most of the abovementioned wards.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 CASH FLOW

The municipality closed the financial year, with a positive available balance of R 2 299 833, in comparison with R 2 887 948 available for 2015/16 FY.

The importance of cash flow management within the municipality is that it serves to allow the organisation to predict their anticipated revenues and expenditures for a month, quarter or half yearly. Cash flow management assist in managing and evaluating the collected income and expenses incurred for a certain period.

5.9 BORROWINGS AND INVESTMENTS

5.9.1 BORROWINGS:

In the 2016/2017 finanacial year, the municipality did not have any borrowings.

5.9.2 INVESTMENTS:

As at the end of June 2017, the following investments were available:

BANK	AMOUNT
ABSA	R 187 692
ABSA	R 1 000
ABSA	R 2 093 636
STANDARD BANK	R 0
FNB Fixed deposit	R 26 506

5.10 PUBLIC PRIVATE PARTNERSHIPS

In the 2016/2017 finanacial year, the municipality did not have any Public Private Partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

The supply chain management policy established the supply chain management policy through section 7. Supply chain management unit is established to implement the Supply Chain Management Policy, in which all procurement of goods and services have been centralized to the unit. The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act. Listed below are all the apparent challenges in implementing of the supply chain management policy.

DEMAND MANAGEMENT:

In terms of section 10(1) of the supply chain management policy the accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan. The latter is supported by the **implementation** of procurement plans, thus the institution during the 2016/2017 financial year did not implement procurement plans, which has led to numerous deviations

ACQUISITION MANAGEMENT:

Procurement of goods and services:

The municipality in the 2016/2017 financial year has through its operations centralised acquisition of goods and services for operational commitments (goods and services below R30,000), which is line with the legislation, which then meant that the supply chain management unit procured goods and services for the municipality after request by individual departments. The latter however resulted in departments not being in charge on their procurement, as managers were not approving final quotations for procurement received by supply chain management unit.

Goods to the value of R 30 000, but below R 200 000, are been advertised on the municipal website and notice board, with an allowance of 7 days between the advert date and closing date.

Goods to the value of R 200 000 and more, will follow the normal procurement processes, through the national newspaper, and compliance in terms of SCM regulations regarding the number of days to be advertised, if the value is more than R 10 000 000, or if is a long term project / long term in nature.

Bid committees not seating on time due to the unavailability of bid committee members and unplanned bid committee meeting

LOGISTICS MANAGEMENT

When goods and service have been procured, the municipality does not have a system to track the delivery of those goods and service, thus some service providers take as much time as they need to deliver the procured item. The latter is also caused by the fact that the user department rely solely on the supply chain management unit which is extremely understaffed to follow up on all orders issued, the other factor is that a bidder performance monitoring system is not in place.

Strategies:

The supply chain management policy is in a process of being amended in terms of sub-delegations, therefore managers are now enabled to approve transactions to the value of R 30,000.00, thus after the quotations have been received the relevant manager will be given the opportunity to scrutinize and approve the procurement, the latter will assist in cost effective of procured goods and services.

The municipality will adopt its SDBIP along with procurement plans in order to ensure that requisition for procurement are made in advance

Once a procurement plan for capital projects is signed and approved by the accounting officer, a schedule of bid committee meeting will be drafted and monitored by the supply chain management unit, this will result in each bid committee member having the schedule so that delays can be avoided

The municipality will in adopt its service delivery and budget implementation plan, together with procurement plans. This will lead to the organization procuring goods and services at the right quality, right quantity, right place, and right time and at a right price

5.13 GRAP COMPLIANCE

The 2016/2017 Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below. These accounting policies are consistent with the previous period, except for the changes set out in note 2 Changes in accounting policy.

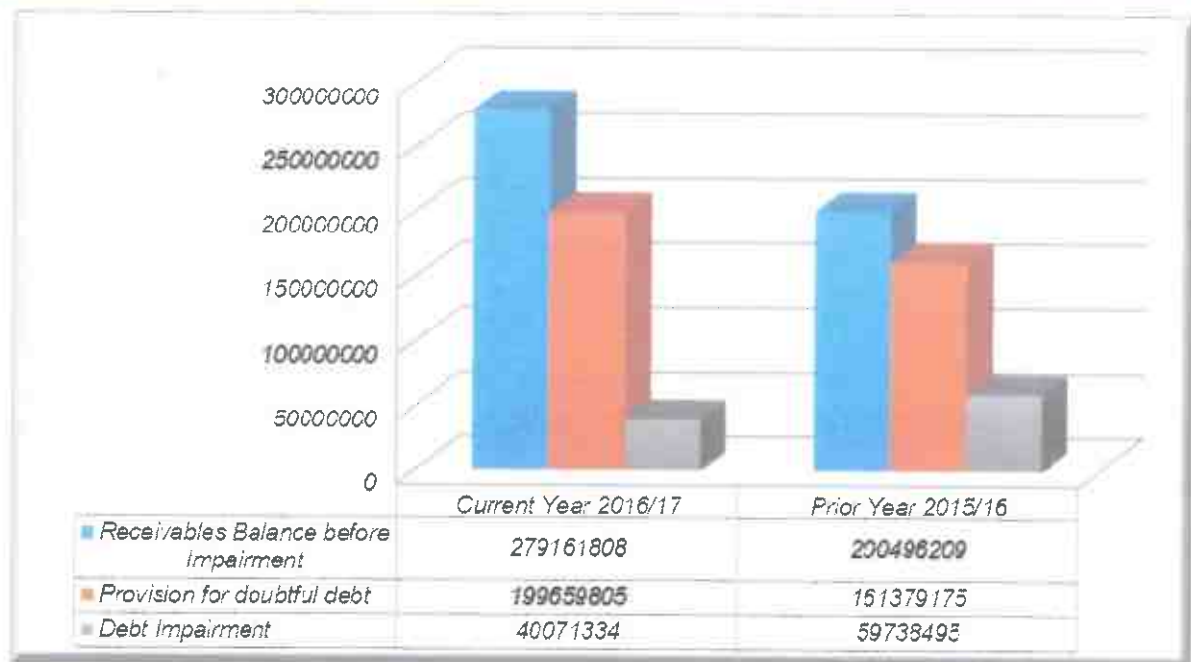
5.14 FINANCIAL POLICIES

<i>Policy</i>	<i>Approved by council</i>	<i>Implemented</i>	<i>Promulgated in By- Law</i>
<i>Tariff policy</i>	✓	✓	✓
<i>Credit control & Debt Collection policy</i>	✓	✓	✓
<i>Indigent policy</i>	✓	✓	✓
<i>SCM policy</i>	✓	✓	✓
<i>Property rate policy</i>	✓	✓	✓
<i>Cash Management and Investment policy</i>	✓	✓	✓
<i>Asset management policy</i>	✓	✓	✓
<i>Financial management policy</i>	✓	✓	✓
<i>Budget & Virement Policy</i>	✓	✓	✓
<i>Debt Impairment and Write-off policy</i>	✓	✓	✓
<i>Loss Control Policy</i>	✓	✓	✓

5.15 DEBTORS ASSESSMENT

The graph below depicts the comparative incremental pattern of outstanding consumer debtors between the two financial years of 2016/2017 and 2015/2016. The increase in the receivable balance is attributed to the less on outstanding accounts as required by the MFMA. The total outstanding debt as at 30 June 2017 amounted to R 279 161 808 as compared to R 200 496 209 for 2015/16.

The Interest due on outstanding debt for 2016/17 was charged during the financial year.



5.16 CREDITORS ASSESSMENT

As at the end of financial year, an amount of R 109 182 367 was still due to the creditors, in comparison with the prior year of R 89 859 511. Trade payables have increased from R 79 951 599 in 2016 to R 91 566 728. The graph below will clearly show the comparisons in two financial years.



CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2016/2017

The municipality's 2015/2016 Audit Opinion was QUALIFIED, and 2016/17 QUALIFIED Audit Opinion was given.

See attached ANNEXURE A

ANNUAL AUDIT COMMITTEE REPORT

30 JUNE 2017

1. PURPOSE

The purpose of this report is to present the annual Audit Committee report of Dr. JS Moroka Local Municipality for the year ending 30 June 2017. This report will form part of the 2016/17 annual report of the municipality.

2. BACKGROUND

Dr JS Moroka Local Municipality had a fully functional audit committee until the 06 August 2016 for the year under review that established in terms of section 166 of the Municipal Finance Management Act (MFMA), (Act No.56 of 2003).

The term of office for the previous audit committee expired with the term of Council in 03 August 2016.

3. STATUTORY REQUIREMENTS

Section 166 of the MFMA requires that each municipality must have an Audit Committee. The Audit Committee is an independent advisory body that advises council, political office bearers, accounting officer, and staff of the municipality on the following:

- Internal financial control and internal audits;
 - Risk management;
 - Accounting policies;
 - The adequacy, reliability, and accuracy of financial reporting and information;
 - Performance Management and Evaluation
 - Effective governance;
- Compliance with the MFMA, the Annual Division of Revenue Act (DoRA) and any other applicable legislation;
 - Any other issues referred to by the municipality;
 - Review annual financial statements so as to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA and other applicable legislations.
 - Respond to Council on any matter raised by the Auditor-General (AGSA); and
 - Carry out such investigations into financial affairs of the municipality as may be prescribed from time to time.

4. COMPOSITION OF THE COMMITTEE

The Audit Committee had three (3) appointed members who served on the Committee for the 2016/17 financial year Mr. NJK Mahlangu resigned from the Audit Committee on the 30 June 2015, there was no replacement member appointed at the reporting date.

Mr. Godfrey Makaba subsequently resigned in July 2016 and audit committee was left with 2 members, the committee was not correlating in terms of the section 166 of the Municipal Finance Management Act.

5. ATTENDANCE OF MEETINGS

The Audit Committee had four (1) ordinary meetings and two (2) Special Audit Committee meetings and 01 Joint Sitting of the Audit Committee and AGSA Committee meetings to deal with urgent matters relating to the external Audit.

The following is attendance of Audit Committee meetings by the members:

Dr. JS Moroka Municipality Audit Committee:

Name of Member	Ordinary Meetings	Special Meetings	Joint Sitting Meetings	Total
Mr. M Mmapheto (Chairperson)	1	2	1	4
Mr. SP Simelane	1	2	1	4

The following individuals and stakeholders, although not members of the Audit Committee, have standing invitation to Audit Committee meetings:

- (i) The Accounting Officer
- (ii) The Chief Financial Officer
- (iii) The Section 56 Managers/Departmental Heads
- (iv) The Auditor-General of South Africa
- (v) Mpumalanga Provincial Treasury
- (vi) Internal Audit (also tasked with Secretariat function)

6. INTERNAL AUDIT

Section 165 of MFMA requires the municipality to have an Internal Audit Unit and prepare a risk based internal audit plan and an internal audit program for each financial year. Dr JS Moroka Local Municipality did have an effective Internal Audit Unit for the year under review, but the Internal Audit lacked the capacity to complete the annual audit plan.

During the reporting period, the Committee:

- Reviewed and Approved the Internal Audit Charter, Audit Methodology,
- Reviewed the 1 year Operational Internal Audit Plan for 2016/17
- The 3 year rolling Internal Audit Plan from 2016/17 to 2018/19
- Reviewed and **recommended** Audit Committee Charter for approval.

The reports were noted by the Audit Committee but due to the correlating in terms of the section 165 of the Municipal Finance Management Act not being met, the reports were noted but not approved by the committee that was not fully constituted.

Furthermore, on those audits which were conducted with the support of the Internal Audit, the following matters were high-lighted as challenges during the year under review:

- Slow response by management in availing information to Internal Audit Unit and addressing Internal Audit findings. This hampers the effectiveness of the Internal Audit Unit and the Audit Committee (AC).

The Audit Committee is of the view that Internal Audit is functional despite the capacity constraints and requires the support of management to ensure optimum audit coverage. Due to the delay in approving the annual audit coverage plan; Internal Audit Plan was not fully implemented.

To ensure that the internal audit findings receive urgent attention at the highest level, the Audit Committee has requested internal audit reports to be a standing item on the agenda of Top Management Meetings. The Audit Committee **recommended** that the Municipal Manager addresses the delay in the submission of information.

7. INTERNAL CONTROLS

The Audit Committee monitored the internal audit assessment of the design, implementation and effectiveness of the municipality's system of internal controls, including internal financial controls during the financial year ended 30 June 2017.

Based on the results of the assessment, as well as information and explanations given by management and discussions with the external auditors on the results of their audit, the Committee is of the opinion that the Council's system of internal and financial controls is partially effective.

The Audit Committee:

- Monitored the identification and correction of weaknesses and breakdowns of systems and internal controls;
- Monitored the adequacy and reliability of management information and the efficiency of management information systems;
- Reviewed quarterly, interim and final financial results and statements and reporting for proper and complete disclosure of timely, reliable and consistent information;
- Evaluated on an ongoing basis the appropriateness, adequacy and efficiency of accounting policies and procedures, compliance with GRAP overall accounting standards, as well as any related changes discussed.
- Reviewed reports supplied by management about the effectiveness and efficiency of the credit-monitoring process, exposures and related impairments and adequacy of impairment provisions to discharge its obligations satisfactorily;
- Reviewed and monitored all key financial performance indicators to ensure that they are appropriate and that decision-making capabilities are maintained at high levels; and
- Reported on the effectiveness of the Municipal internal reporting controls.

8. REPORTED FRAUDULANT ACTIVITIES

The matter of hacking of the primary municipal bank account on the 08th and the 09th September 2014 has been investigated by forensic auditors and the report was not served in the Audit Committee by Management.

The overpayment to the service provider that happened in November 2015.

The committee noted the both cases that still remains subjudicare, both the outcome of the criminal investigations carried by the SAPS (HAWKS). The outcomes of the investigations would be communicated by Management once the matters are finalized in the Courts.

9. RISK MANAGEMENT

The Municipality has appointed the External Chairperson of Risk Management Committee during the course of the year and the Audit Committee wishes him well in bringing discipline in Risk Management. Risk Management is a standing item on all Audit Committee meetings for the year under review.

The following can be summarized as challenges facing the Unit.

- Slow progress in implementing risk mitigating strategies.
- Capacity constraints in Risk Management Unit.
- Non implementation of Fraud Prevention Plan.

The Audit Committee recommended the following:

- The municipality should increase capacity in the Risk Management Unit, the unit operated without a manager for the entire financial year.
- The municipality to incorporate risk management into the performance agreements of senior managers.
- Risk Management be standing item on Top Management and departmental meetings.
- The municipality should priorities the implementation of Fraud Prevention Plan.

10. PERFORMANCE MANAGEMENT

The delay in submitting the quality Performance Management System quarterly reports for Internal Audit purposes is a concern and this affect the effectiveness of Internal Audit and Audit Committee, the municipality as a whole as the municipality is not complying, the matter was reported in the 2014/15 & 2015/16 financial period.

11. YEAR-END REPORTING

The Audit Committee received and reviewed the Annual Performance Information Report together with the Financial Statements before submission to the Auditor-General. Quarterly performance reports were also submitted to the Audit Committee by management during the year.

12. EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has scheduled two meetings to meet with management on the 26th August 2017 and 30th August 2017 to review the draft Annual Financial Statements.

The Audit Committee would be looking to check the following but not limited to this:

- Review of the Annual Financial Statements read with the notes of the Annual Financial Statements.
- Assessing the fair presentation and disclosure, consistent application of accounting policies and compliance with National Treasury guidelines, MFMA and Generally Recognised Accounting Principles (GRAP).
- Provided comments, recommendations and corrections to management prior to the submission of Annual Financial Statements to the Auditor General.
- Review any significant adjustments resulting from external audit queries and accepted unadjusted audit differences.

The Audit Committee would concur and accept the conclusions of the Auditor-General on the 2016/17 Annual Financial Statements.

13. Conclusion

The Audit Committee **acknowledges** the co-operation and assistance by the Accounting Officer and management of Dr. JS Moroka Local Municipality in strengthening corporate governance and working towards clean audit goal. The Audit Committee Chairperson remains confident of these matters receiving due consideration and intervention. We are committed to fully execute our oversight function and in strengthening Corporate Governance.

Mr. SP Simelane (Chairperson)
On behalf of the Audit Committee

6.1 AUDITOR GENERAL REPORTS: 2016/2017

- ❖ 2016/2017 Auditor General Opinion: QUALIFIED
- ❖ See attached ANNEXURE A (With Audit Action Plan)