

2017/18

**UBUNTU MUNICIPALITY
ANNUAL
REPORT**

Volume I

Draft #3: January 2019

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

a. Vision

OUR VISION:

The vision of Ubuntu Municipality, to be championed by the Ubuntu Municipal Council working together with the administration shall be:

By 2030, Ubuntu Municipality shall be the best rural municipality through relentless pursuit of excellence through focused governance, efficient administration, and effective service delivery for inclusive targeted social and economic development against all odds.

This vision will be pursued through participative engagement of all stakeholders within Ubuntu Municipality through entrenchment of humanity, hope and heritage as espoused in the Ubuntu Municipality logo.

OUR MISSION:

The mission of Ubuntu Municipality, also to be championed by the Ubuntu Municipal Council working together with the administration shall be:

We strive to:

- *maximize the utility of the municipal resources in a sustainable, developmental and economic manner to better the life of all;*
- *improve institutional effectiveness and efficiency;*
- *optimally develop our human, financial and natural resources;*
- *create an enabling environment for local economic growth in order to create employment opportunities and alleviate poverty;*
- *work with all our existing and prospective partners to establish a vibrant tourism industry;*
- *participate in the fight to reduce the HIV/AIDS infection rate and lessen the impact thereof;*
- *focus on youth development, women empowerment and enabling the disabled to play a meaningful role in unlocking human potential;*
- *ensure a safe, secure and community friendly environment; and*
- *maintain sound and sustainable management of financial and fiscal affairs.*

These shall be pursued in an integrated and synergistic manner in pursuit of the long-term vision of Ubuntu Municipality.

OUR VALUES:

The values of Ubuntu Municipality, also to be championed by the Ubuntu Municipal Council working together with the administration shall be:

- Humanity (courtesy, pro-poor focus, people-centeredness, equality, non-racialism, non-sexism);
- Excellence (effectiveness & efficiency, value for money, innovation; zero excuses);
- Integrity & Accountability (clean governance; responsiveness, responsibility);
- Batho Pele; and
- Accessibility & Transparency (convenience; availability and fairness).

These values shall inform the corporate culture of both the Ubuntu Municipal Council and all staff within the administration of Ubuntu Municipality.

b. Key Policy Developments

(This is based on Strategic alignment to the Provincial Growth and Development Strategy, and the IDP strategies included in the IDP especially with focus on impact and outcome achieved – bearing in mind that foreword provides details that should be included in the chapters to follow).

c. Key Service Delivery Improvements

d. Public Participation

(Methods and/or processes used to increase public awareness on service availability engage public in decision making and improve accountability to communities.)

e. Future Actions

(Initiatives committed whereby service delivery will be improved over the next few years.)

f. Agreements / Partnerships (announcements on special partnerships initiated)

g. Conclusion

Final thoughts on the year.

**Mayor
JZ Lolwana**

T 1.0.1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

T 1.1.1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

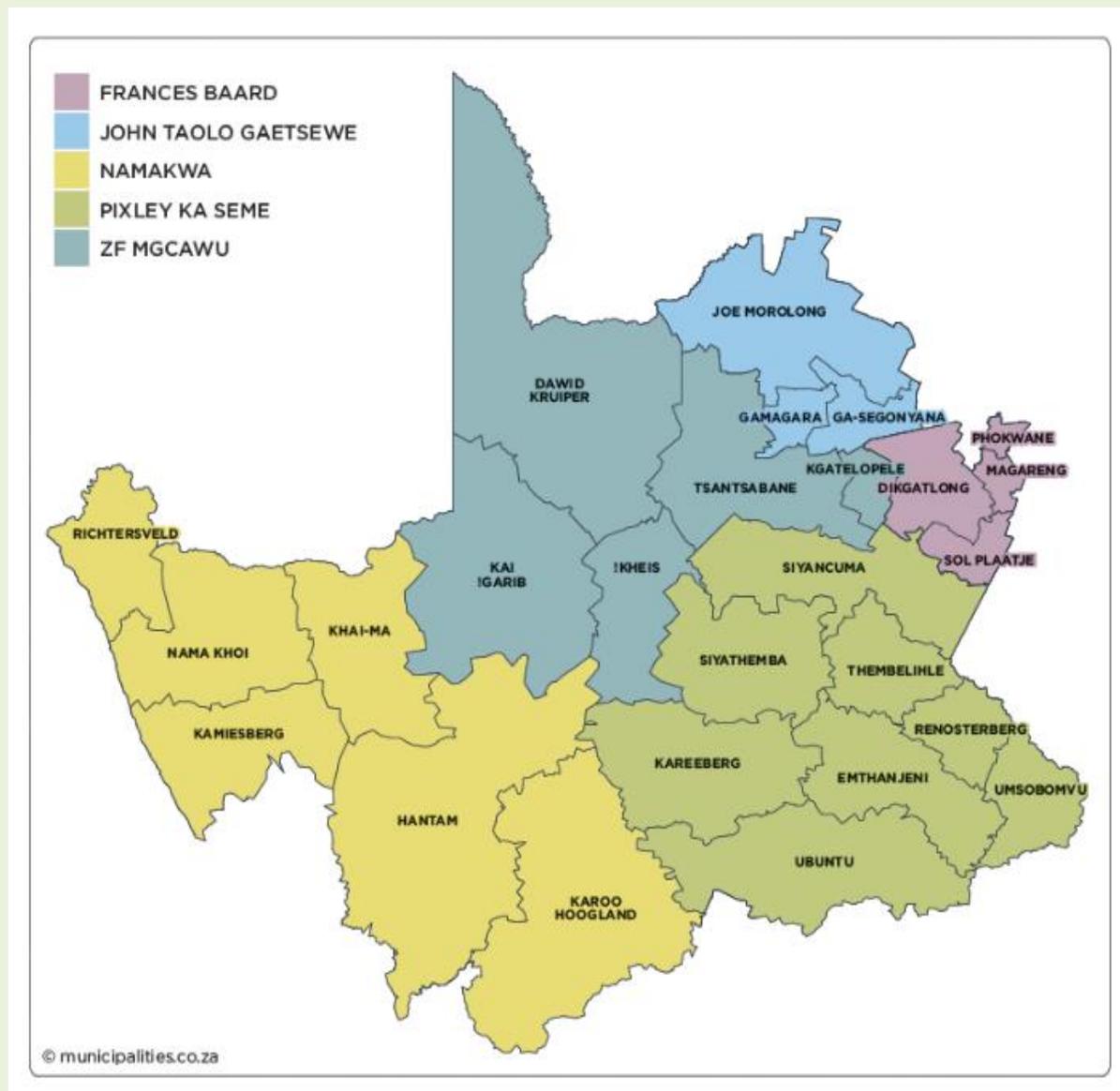
T 1.2.1

The Northern Cape is geographically the largest province in South Africa having a land mass of 373,239 km² and covers approximately one third of the country's surface area. It is bordered by the Atlantic Ocean on the west, Namibia on the northwest and Botswana on the north, the Western Cape on the southwest and the Free State on the east.

The Northern Cape is the largest and most sparsely populated [province](#) of South Africa. It was created in 1994 when the [Cape Province](#) was split up. The [Orange River](#) flows through the province, forming the borders with the [Free State](#) in the southeast and with [Namibia](#) to the northwest.



The demarcation process of 2000 resulted in five district municipalities (ZF Mgcau DM, John Taolo Gaetsewe DM, Namaqua DM, Francis Baard DM and Pixley ka Seme DM) together comprising twenty-seven Category B municipalities.



The largest town in the study area, Victoria West; has a population of 7611 persons, Richmond being the second largest area having a population of 2841 and Loxton having the least population of 921

The Municipality has 4 wards

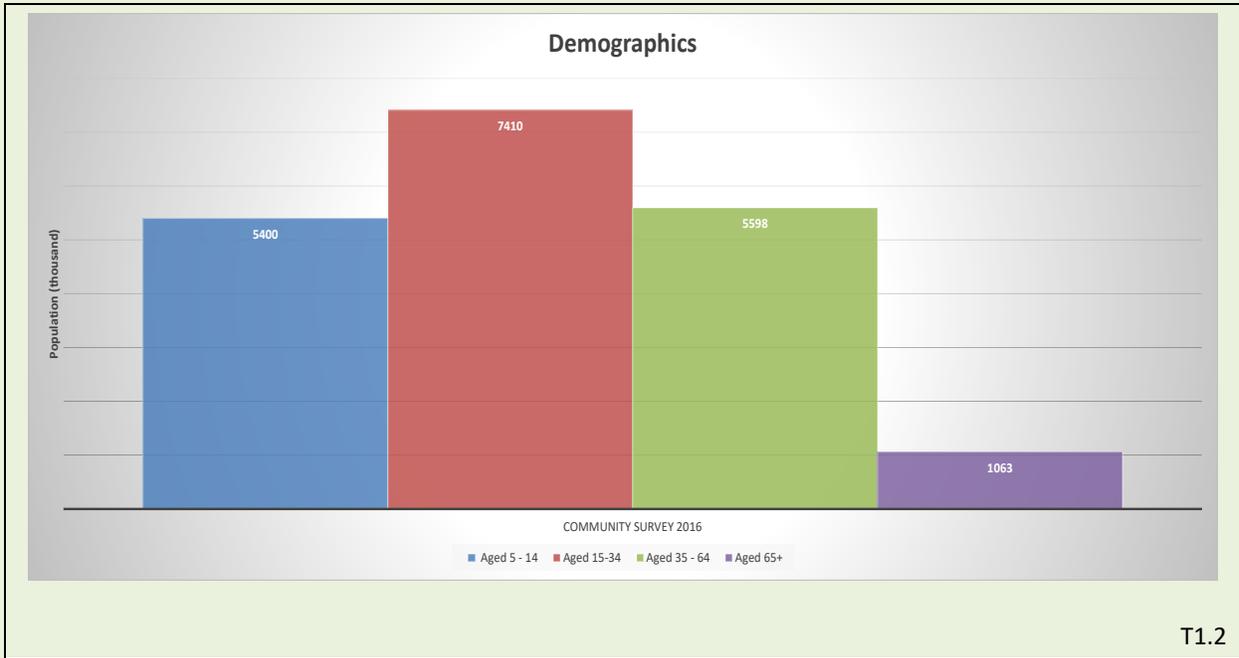
- Ward 1: Richmond
- Ward 2: Victoria West
- Ward 3: Loxton and Hutchinson and Merriman
- Ward 4: Victoria West

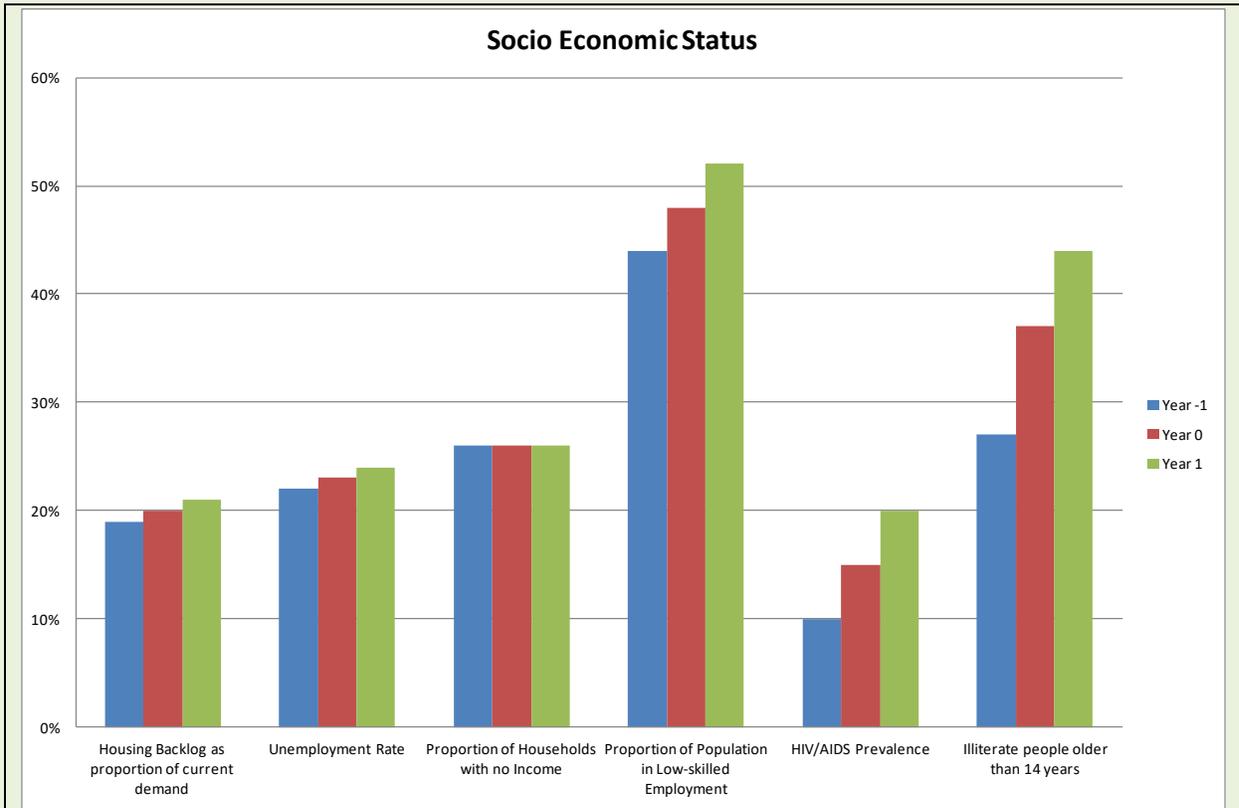
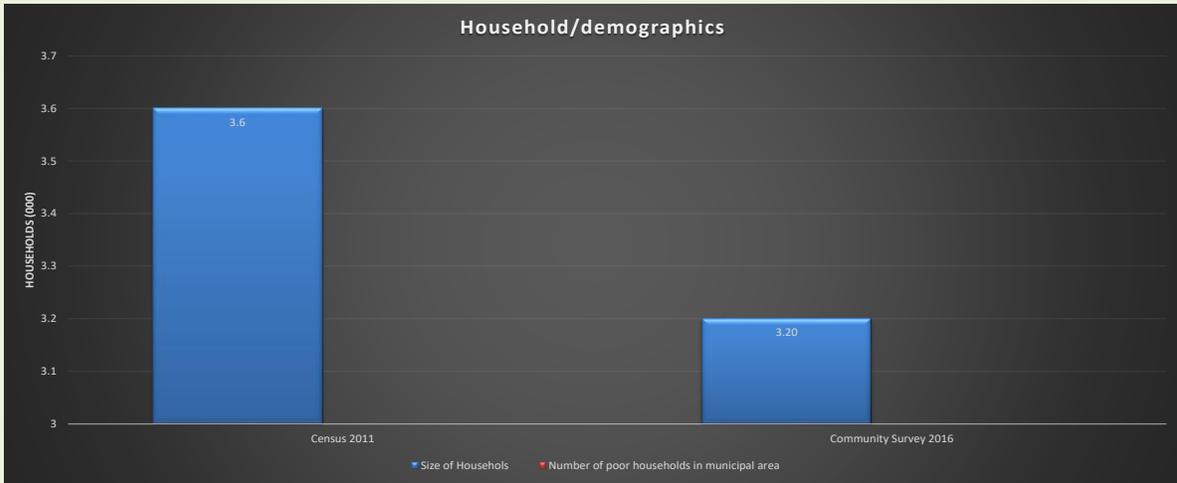
According to the Stats SA Community survey the Ubuntu Municipality's population growth was 1%. The Population in 2011 was 18601 and according to the community survey its was 19471 in 2016.

All statistics in this document will either be from the Censuses 2011 or the 2016 Community Survey, depending on the availability of the latest official Statistics that is available.

POPULATION PER AGE GROUP				
0 To 15	15 To 34	35 To 64	65 Plus	Total
5400	7410	5598	1063	19471

StatsSA Community Profile 2016

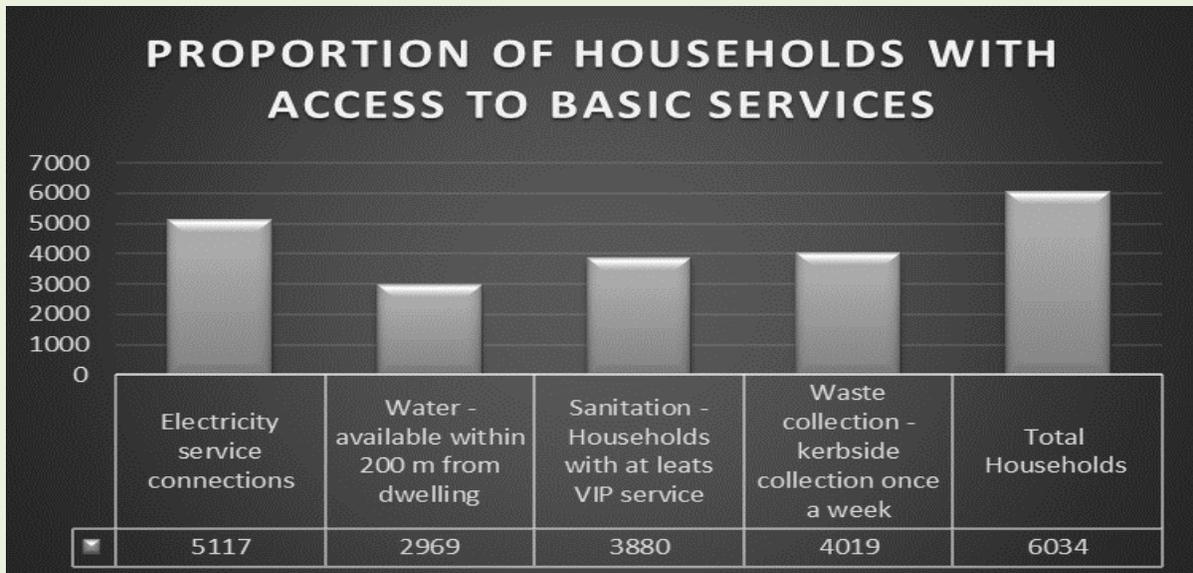




T1.2.5

SERVICE DELIVERY INTRODUCTION

T 1.3.1



1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

T1.4.1

Financial Overview - 2017/18				R'
Details	Original budget	Adjustment Budget	Actual	
Income				
Grants	47 015 000.00	49 107 464.00	47 873 527.00	
Taxes, Levies and tariffs	42 890 782.00	39 354 880.00	22 886 330.00	
Other	38 418 711.00	40 246 955.00	40 628 669.00	
Sub Total	128 324 493.00	128 709 299.00	111 388 526.00	
Less Expenditure	110 138 533.00	136 453 453.00	137 815 802.00	
Net Total*	18 185 960.00	-7 744 154.00	-26 427 276.00	
* Note: surplus/(defecit)				T1.4.2

Operating Ratios	
Detail	%
Employee Cost	23%
Repairs & Maintenance	1%
Finance Charges & Depreciation	22%
T1.4.3	

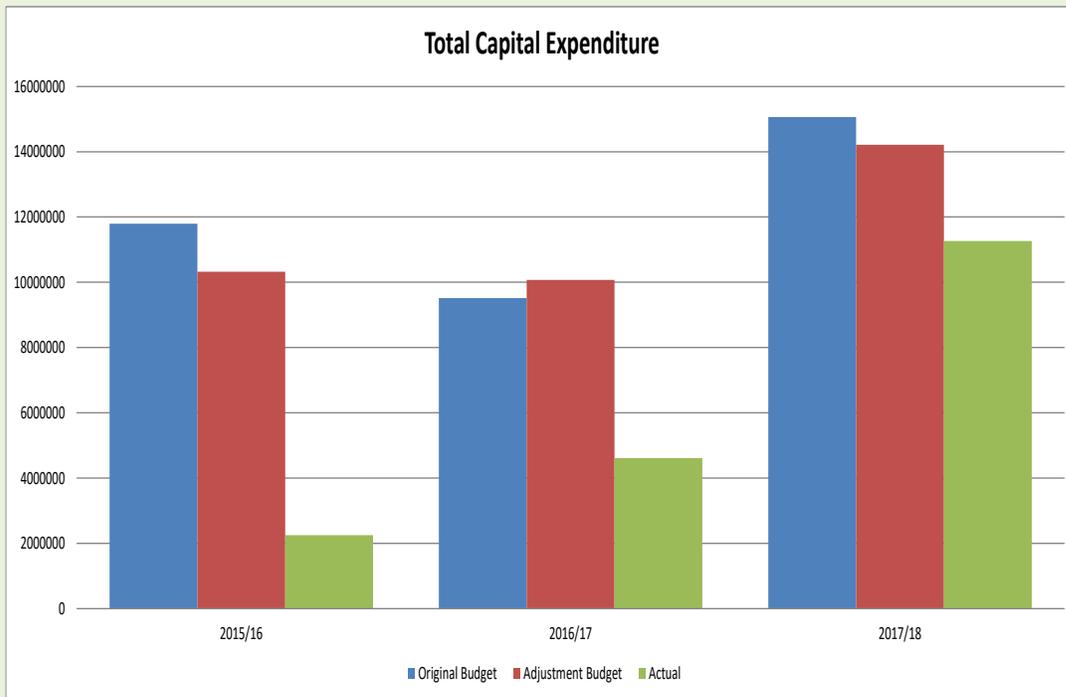
COMMENT ON OPERATING RATIOS:

According to the financial statements of the Municipality the Employee costs were 23%, the Repairs and Maintenance were on 1% and the Finance Charges and Depreciation were on 22%.

The Employee cost is below the national level and the Municipality's Repairs and Maintenance is a mere 1% and this is an area where the Municipality will have to perform more effectively

T1.4.3

Total Capital Expenditure: Ubuntu Municipality			
	R'		
Detail	2015/16	2016/17	2017/18
Original Budget	11 791 000.00	9 514 000.00	15 063 000.00
Adjustment Budget	10 321 500.00	10 073 000.00	14 213 000.00
Actual	2 251 554.00	4 611 742.00	11 266 640.00
T1.4.4			



T1.4.5

COMMENT ON CAPITAL EXPENDITURE:

The total capital expenditure of the Municipality was below the budgeted capital expenditure, the municipality however also anticipated that it will not spend 100% of the budget's capital in project because the Adjustment Budget was also lower than the Original Budget, but the actual spending was even below that.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

T1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2017/18

The Annual Financial statements was compiled and submitted to the Auditor- General for Auditing and with the compilation of this draft of the Annual Report (AR) the audit for 2017/18 was completed and audited by the Auditor- General, the Municipality received a qualified opinion that will be included in this report.

T 1.6.1

1.7. 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 the 4th quarter Report for previous financial year	
4	Submit draft year 1 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 audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
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	December
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
		T1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

T1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The ubuntu Local Municipality operates as a plenary municipality and there the authority of the municipality is in full council. The municipality has a Speaker as the chairperson of the municipal council. The Speaker is also called a Mayor and has the ceremonial duties of a mayor as per the Municipality Structures Act, 1998, Act 117 of 1998.

T2.1.0

2.1 POLITICAL GOVERNANCE

POLITICAL STRUCTURE

Photos

SPEAKER/MAYOR
(Name)

Function

T2.1.1

COUNCILLORS

The Municipality operates as a plenary municipality and has 7 Councillors of which 4 are ward councillors and 3 are proportionally elected.

A list of Councillors and portfolio Committees are attached in Appendix A of the Annual Report

T2.1.2

POLITICAL DECISION-TAKING

The Municipality as eluded above is a plenary municipality and the authority to fulfil its mandate lies in full council. Currently there are no delegations to office bearers and administration other than delegated in terms of the applicable legislation

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNAN

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

The Municipality is divided into 3 departments namely Finance, Infrastructure Development and Technical Services and Corporate Services. These Departments are managed by a senior manager who report in terms of the MSA, Section 56 to the Municipal Manager.

The Heads of Departments doe have performance-based contracts and needs to perform in terms of set performance target within the 5 Key Performance Areas for Local Government namely

Basic Service Delivery and Infrastructure Development

Municipal Transformation and Institutional Development

Local Economic Development

Municipal Financial Viability and Management

Good Governance and Public Participation

T2.2.1

TOP ADMINISTRATIVE STRUCTURE

TIER 1

Function

ACTING MUNICIPAL MANAGER

D Maposa

TIERS 2 AND 3

FINANCE

R Jacobs

ACTING CORPORATE SERVICES

N Mkontwana – Acting

INFRASTRUCTURE DEVELOPMENT AND TECHNICAL

SERVICES

Vacant

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Municipality in terms of co-operative and Inter-Governmental Relations participate in both the District and Premier’s IGR and Technical IGR processes

The Municipality does not have a local IGR Structure but forms part of the Pixley ka Seme District IGR process and is a member of both the District Technical IGR and District Political IGR Process. The Municipality attended the IGR meeting in the District.

The Municipality also forms part of the Premier’s IGR process and report regularly on that forum as well

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

N/A

T2.3.1

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The Municipality does not have any Municipal Entities

Appendix D.

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

See T 2.3.0

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipality account to its constituents via the structure's as per the Municipal Structures Act such as ward committees and formal engagements with the community by having community meetings and ward meetings. The Municipality also has formal programmes of meeting with its stakeholders in programmes such as council-meets-the-people and block and ward meetings

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

T2.4.1

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The Municipality engage on a regular basis with the residents and has a policy environment to regulate the frequency of the engagement by having ward committee meetings and a council programme of engaging with the different wards and stakeholders

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	yes
Does the IDP have priorities, objectives, KPIs, development strategies?	yes
Does the IDP have multi-year targets?	yes
Are the above aligned and can they calculate into a score?	yes
Does the budget align directly to the KPIs in the strategic plan?	yes
Do the IDP KPIs align to the Section 56 Managers	yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	yes
Were the indicators communicated to the public?	yes
Were the four quarter aligned reports submitted within stipulated time frames?	yes
* Section 26 Municipal Systems Act 2000	T2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The Municipality is a Plenary Municipality, under financial constraints and rural of nature, it however has the two major national roads from north to south, the N1 and N12 that runs through the Municipality, this creates a number of economic opportunities.

The Municipality however deals with the same challenges as most of the smaller rural municipalities such as high unemployment levels, water shortages, the payment of Eskom, low payment rates for services and insufficient assistance to the poorest of the poor

The Municipality has a seconded Acting Municipal Manager, all the Senior Management positions are not filled and the skills levels available are possible threats.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk Management needs to be improved and the following can be highlighted as potential risks that needs to be dealt with:

Unemployment

Water Shortage

Service Delivery (Plant and equipment)

Climate

Crime

Finance

Unfunded Mandates

Electricity- Eskom

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality do have a Fraud and Anti-Corrupting Policy and is vigilant in detecting and monitoring any threats that might lead to the possibility of potential fraud and corruption

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Municipality does have SCM policies and Structures in place and all procurement is done in terms of the policy environment.

T2.8.1

2.9 BY-LAWS

COMMENT ON BY-LAWS:

The Municipality did not promulgate any by-laws during this financial year

T2.9.1.1

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report 2016/17	No	
The annual report 2017/18 published/to be published	-	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2017/18 and resulting scorecards	No	
All service delivery agreements 2017/18	No	
All long-term borrowing contracts 2017/18	No	
All supply chain management contracts above a prescribed value (give value) for 2017/18	Yes	Continuous
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2017/18	No	
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2017/18	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2017/18	No	-
<i>Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Municipality has an operational website, www.ubuntu.gov.za, tenders, quotations and information regarding the Municipality including projects, attractions and other links are shared on the website. The compilers of this document tested if the website is activated and it was found that it was.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

A Survey was done as part of another project of the Municipality, but not enough and comprehensive information was available to complete this part of the document successfully

T2.11.1

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

INTRODUCTION

The Municipality delivers basic services to the Communities of all the towns and settlements, the services include:

water;

waste water (sanitation);

electricity; (only in the municipality's licencing areas, the reticulation of electricity in some areas are done by Eskom)

waste management;

T3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

T3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

T3.1.1

Households - Water Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
Informal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households ts below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households ts below minimum service level	25%	25%	25%	25%	25%	25%
						T3.1.4

Employees: Water Services					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	5	4	2	40%
4 - 6	2	2	2	2	100%
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total					#DIV/0!

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

T3.1.7

Financial Performance 2017/18: Water Services					
					R'000
Details	2016/2017	2017/2018			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	5 806 171.00	11 340 497.00	9 498 161.00	5 740 649.00	-98%
Expenditure:					
Employees		1 211 339.00	3 598 510.00	1 185 866.00	-2%
Repairs and Maintenance		716 351.00	1 500 000.00	145 215.00	-393%
Other	5 690 291.00	1 614 723.00	9 401 610.00	2 514 881.00	36%
Total Operational Expenditure	5 690 291.00	3 542 413.00	14 500 120.00	3 845 962.00	8%
Net Operational Expenditure	-115 880.00	-7 798 084.00	5 001 959.00	-1 894 687.00	-312%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.1.8

Capital Expenditure 2017/18: Water Services						R' 000
Capital Projects	2017/2018					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	4 000 000.00	4 000 000.00	2 741 423.00	-46%		
Water Reservoirs & Reticulation	4 000 000.00	4 000 000.00	2 741 423.00	-46%		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.1.9	

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION	T3.2.1
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	T3.2.2
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	T3.2.5
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Employees: Sanitation Services					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	0	0	0	0	#DIV/0!

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

T3.2.7

Financial Performance 2017/18: Sanitation Services					
					R'000
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 583 918.00	3 451 103.00	2 651 103.00	2 599 442.00	-33%
Expenditure:					
Employees		2 960 150.00	3 598 510.00	3 098 563.00	4%
Repairs and Maintenance		513 951.00	-	54 555.00	-842%
Other	4 931 165.00	2 624 964.00	3 865 391.00	2 724 862.00	4%
Total Operational Expenditure	4 931 165.00	6 099 065.00	7 463 901.00	5 877 980.00	-4%
Net Operational Expenditure	1 347 247.00	2 647 962.00	4 812 798.00	3 278 538.00	19%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.2.8

There was no Capital Budget spent on Sanitation

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

There was big differences between the original and adjustment budget

T3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

T3.3.1

Employees: Electricity Services					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	3	2	1	33%
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12	1	2	1	1	50%
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	3	5	3	2	40%

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

T3.3.6

Financial Performance 2017/18 : Electricity Services					
					R'000
Details	2016/2017	2017/2018			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	9 447 745.00	18 370 186.00	18 764 513.00	9 975 608.00	-84%
Expenditure:					
Employees		1 503 300.00	3 598 507.00	602 802.00	-149%
Repairs and Maintenance		478 063.00	1 500 000.00	717 081.00	33%
Other	20 825 944.00	15 122 733.00	17 027 332.00	45 735 489.00	67%
Total Operational Expenditure	20 825 944.00	17 104 096.00	22 125 839.00	47 055 372.00	64%
Net Operational Expenditure	11 378 199.00	-1 266 090.00	3 361 326.00	37 079 764.00	103%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.3.7

Capital Expenditure 2017/18: Electricity Services						R' 000
Capital Projects	2017/2018					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	1 000 000.00	-	-	#DIV/0!		
Project A	1 000 000.00	-	-	#DIV/0!		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T3.3.8

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

INTRODUCTION TO WASTE MANAGEMENT	T3.4.1
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Employees: Solid Waste Magement Services					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	11	13	11	2	15%
4 - 6	3	3	3	1	33%
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	14	16	14	3	19%

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

T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	21	24	20	4	17%
4 - 6	4	4	4	3	75%
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	25	28	24	7	25%

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

T3.4.6

Financial Performance 2017/18: Solid Waste Management Services						R'000
Details	2016/17	2017/18				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	3 838 566.00	4 083 195.00	4 483 294.00	3 009 574.00	-36%	
Expenditure:						
Employees		2 774 505.00	3 598 510.00	2 588 020.00	-7%	
Repairs and Maintenance		622 610.00		25 997.00	-2295%	
Other	4 511 032.00	1 547 084.00	3 865 391.00	2 527 866.00	39%	
Total Operational Expenditure	4 511 032.00	4 944 199.00	7 463 901.00	5 141 883.00	4%	
Net Operational Expenditure	672 466.00	861 004.00	2 980 607.00	2 132 309.00	60%	
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T3.4.7

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The financial Performance of Waste Disposal and Other Services were recorded under Solid Waste Management

No Capital Expenditure was recorded under this vote

T3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

Housing as a function is done by the Pixley ka Seme District Municipality under an accreditation contract to the Department of Housing

T3.5.1

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The Municipality does not have a Housing Department

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

T3.6.1

Financial Performance 2017/18: Cost to Municipality of Free Basic Services Delivered

Services Delivered	2016/2017	2017/2018			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water		233 591.00	249 591.00		#DIV/0!
Waste Water (Sanitation)		2 000 000.00	1 200 000.00		#DIV/0!
Electricity		962 566.64	962 566.64		#DIV/0!
Waste Management (Solid Waste)	9 237.00	100 000.00	100 000.00	2 019 837.00	95%
Total	9 237.00	3 296 157.64	2 512 157.64	2 019 837.00	-63%

T3.6.4

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

NO spilt could be obtained from AFS/RETURN

T3.6.6

COMPONENT B: ROAD TRANSPORT

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

3.7 ROADS

INTRODUCTION TO ROADS

The Municipality do have a roads infrastructure containing of both tarred and gravel roads, there are also urban and rural roads and this section with storm water drainage form part of one division within the municipality

T3.7.1

Employees: Road Services					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	7	9	7	2	22%
4 - 6	2	3	2	1	33%
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	9	12	9	3	25%

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

T3.7.7

Financial Performance 2017/18: Road Services						R'000
Details	2016/17	2017/18				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	2 101 090.00	37 459 793.00	40 000 000.00	500.00	-7491859%	
Expenditure:						
Employees		1 017 298.00	3 598 510.00	129 955.00	-683%	
Repairs and Maintenance		550 992.00		14 400.00	-3726%	
Other	5 031 172.00	2 465 310.00	4 165 391.00	512 714.00	-381%	
Total Operational Expenditure	5 031 172.00	4 033 600.00	7 763 901.00	657 069.00	-514%	
Net Operational Expenditure	2 930 082.00	-33 426 193.00	-32 236 099.00	656 569.00	5191%	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T3.7.8

Capital Expenditure 2017/18: Road Services						R'
Capital Projects	2017/18					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	10 063 000.00	0	8 461 061.00	-19%		
Roads, Pavements, Bridges &	10 063 000.00	0	8 461 061.00	-19%		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The Municipality does not have any transport services

T3.8.1

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Stormwater is dealt with under Roads

T3.9.1

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

T3.10.0

3.10 PLANNING

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Planning application received				3		
Determination made in year of receipt				0		
Determination made in following year				0		
Applications withdrawn				0		
Applications outstanding at year end				2		

T3.10.2

Financial Performance 2017/18: Planning Services						R'
Details	2016/17	2017/18				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue		1 091 850.00	460 664.00	10 684 722.00	90%	
Expenditure:						
Employees		7 468 026.00	3 598 510.00	3 902 675.00	-91%	
Repairs and Maintenance		257 770.00		108 404.00	-138%	
Other	4 461 032.00	1 368 407.00	3 865 391.00	4 788 120.00	71%	
Total Operational Expenditure	4 461 032.00	9 094 203.00	7 463 901.00	8 799 199.00	-3%	
Net Operational Expenditure	4 461 032.00	8 002 353.00	7 003 237.00	-1 885 523.00	524%	
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T3.10.5

Capital Expenditure 2017/18: Planning Services						R'
Capital Projects	2017/18					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	-	10 063 000.00	-	#DIV/0!		
Project A	-	10 063 000.00		#DIV/0!		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T3.10.6

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

There are no employees registered under the Planning Unit

T3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

T3.11.1

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2016/17	1	26
2017/18	1	26
<i>* - Extended Public Works Programme</i>		T3.11.6

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Nothing was recorded under This Section

T3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

T3.52.0

3.52 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	2016/17	2017/18			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3					#DIV/0!
4 - 6	3	4	3	1	25%
7 - 9	2	3	2	1	33%
10 - 12	1	1	1	1	100%
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	6	8	6	3	38%

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

T3.52.4

Financial Performance 2017/18: Libraries; Archives; Museums; Galleries; Community Facilities; Other						R'
Details	2016/17	2017/18				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	-	966 159.00	2 554 507.00	1 124 111.00	14%	
Expenditure:						
Employees		3 408 345.00	7 197 020.00	1 337 918.00	-155%	
Repairs and Maintenance		650 324.00	-	279 601.00	-133%	
Other	6 209 131.00	107 107.00	7 781 106.00	138 633.00	23%	
Total Operational Expenditure	6 209 131.00	4 165 776.00	14 978 126.00	1 756 152.00	-137%	
Net Operational Expenditure	6 209 131.00	3 199 617.00	12 423 619.00	632 041.00	-406%	
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T3.52.5

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES;
OTHER (THEATRES, ZOOS, ETC) OVERALL:

Included in Here are Community & Social Services, Sport and Recreation, Public Safety. There was no Capital
expenditure in this division

T3.52.7

3.55 CEMETORIES AND CREMATORIUMS

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

This Section's details are included under 3.52

T3.55.7

3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

This is not a function of the Municipality

T3.56.1

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

T3.56.7

COMPONENT E: ENVIRONMENTAL PROTECTION

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

INTRODUCTION TO ENVIRONMENTAL PROTECTION

T3.59.0

3.59 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The Municipality does not have any sections that specifically deals with this function

T3.59.1

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

T3.59.7

3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

COMPONENT F: HEALTH

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

INTRODUCTION TO HEALTH

Municipal Health is a District Municipal function and is dealt with by Pixley ka Seme District Municipality

T.62.0

3.62 CLINICS

INTRODUCTION TO CLINICS

T3.62.1

3.63 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

Not a Municipal Function

T3.63.1

Concerning T3.63.2

T3.63.2.1

COMMENT ON THE PERFORMANCE OF AMBULANCE SERVICES OVERALL:

T3.63.7

3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Function delivered by Pixley ka Seme District Municipality

T3.64.1

SERVICE STATISTICS FOR HEALTH INSPECTION, Etc

T3.64.2

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

T3.64.7

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

T3.65.0

3.65 POLICE

INTRODUCTION TO POLICE

The municipality does not have a police service

T3.65.1

Concerning T3.65.2

T3.65.2.1

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

T.3.65.7

3.66 FIRE

INTRODUCTION TO FIRE SERVICES

T3.66.1

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

T3.66.7

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

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

T3.67.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

T3.67.2

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

No activity took place under this section

T3.67.7

COMPONENT H: SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

No Activity took place under this Section

T3.68.0

3.68 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

T3.68.1

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

T3.68.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

3.69 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

T3.69.1

Employees: The Executive and Council					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6					#DIV/0!
7 - 9	7	7	7	7	100%
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	7	7	7	7	100%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
 T3.69.4

Financial Performance 2017/18: The Executive and Council						R'000
Details	2016/2017	2017/18				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue		35 000.00	460 664.00	181 950.00	81%	
Expenditure:						
Employees		2 001 620.00	5 599 790.00	3 867 392.00	48%	
Repairs and Maintenance	-	-	-	-	#DIV/0!	
Other	3 233 067.00	3 934 558.00	3 865 389.00	4 791 136.00	18%	
Total Operational Expenditure	3 233 067.00	5 936 178.00	9 465 179.00	8 658 528.00	31%	
Net Operational Expenditure	3 233 067.00	5 901 178.00	9 004 515.00	8 476 578.00	30%	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.
 T3.69.5

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

There was no Capital Expenditure on this section

T3.69.7

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

T3.70.1

Debt Recovery								
Details of the types of account raised and recovered	2016/17		2017/18			2018/19		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	5 342 908.00		8 982 140.00	5 392 008.00		9 700 000.00		
Electricity - B	9 447 745.00		17 266 413.64	11 888 283.00		18 900 000.00		
Electricity - C								
Water - B	5 806 171.00		7 224 088.00	2 587 590.00		8 180 015.07		
Water - C								
Sanitation	3 583 918.00		5 451 103.00	2 590 222.00		6 000 000.00		
Refuse	3 838 566.00		4 583 294.00	3 678 969.00		5 000 000.00		
Other								

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

T3.70.2

Financial Performance 2017/18: Financial Services						R'000
Details	2016/17	2017/18				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	72 963 858.00	51 424 998.00	49 358 067.00	44 730 801.00	-15%	
Expenditure:						
Employees		6 690 844.00	3 598 510.00	7 994 657.00	16%	
Repairs and Maintenance		148 052.00	767 770.00		#DIV/0!	
Other	109 511 566.00	13 566 111.00	30 598 404.00	35 773 431.00	62%	
Total Operational Expenditure	109 511 566.00	20 405 007.00	34 964 684.00	43 768 088.00	53%	
Net Operational Expenditure	36 547 708.00	-31 019 991.00	-14 393 383.00	-962 713.00	-3122%	
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T3.70.5

Capital Expenditure 2017/18: Financial Services						R' 000
Capital Projects	2017/18					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	R150 000.00	0	#DIV/0!		
			R21 544.00			
Other		150 000.00		#DIV/0!		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T3.70.6

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

There was no contribution from this section

T3.70.7

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

T3.71.1

Employees: Human Resource Services					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12	1	1	1	1	100%
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	1	1	1	1	100%

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

T3.71.4

Financial Performance 2017/18: Human Resource Services					
					R'000
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	127 180.00	141 068.00	478 326.00	712 334.00	80%
Expenditure:					
Employees		3 739 351.00	3 598 510.00	2 134 336.00	-75%
Repairs and Maintenance		320 681.00	-	162 388.00	-97%
Other	7 295 846.00	2 239 811.00	6 665 391.00	3 299 316.00	32%
Total Operational Expenditure	7 295 846.00	6 299 843.00	10 263 901.00	5 596 040.00	-13%
Net Operational Expenditure	7 168 666.00	6 158 775.00	9 785 575.00	4 883 706.00	-26%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.71.5

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Corporate Services is included in this section

T3.71.7

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Municipality does not have a separate ICT Section

T3.72.1

SERVICE STATISTICS FOR ICT SERVICES

T3.72.2

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

T3.72.7

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

These services are incorporated into Financial and Human Resource Sections

T3.73.1

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T3.73.2

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

T3.73.7

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

T3.74.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

BACK TO BASICS	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES
Basic Service Delivery	Basic Service Delivery and Infrastructure Development	Provision of Sustainable Basic Services	Sanitation Infrastructure Construction and Maintenance
			Water Services Infrastructure Construction and Maintenance
			Electricity Infrastructure Construction and Maintenance
			Roads Infrastructure Construction and Maintenance
			Solid Waste Management Infrastructure Construction and Maintenance
		Spatial Planning Excellence	Spatial Development Framework & Land Use Management System
		Developmental Bulk Infrastructure Optimisation	

Chapter 3

BACK TO BASICS	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES
		Spatial Development Bulk Infrastructure Optimisation	Spatial Development Bulk Infrastructure Assessment
Building Capable Local Government Institutions	Local Economic Development	Investment Acceleration & Attraction	Private Sector Investment Upliftment & Acceleration
			Public Sector Investment Upliftment & Acceleration
			Tourism Upliftment & Acceleration
			Agriculture & Agri-processing Upliftment & Acceleration
			Industry Upliftment & Acceleration
			Commerce Upliftment & Acceleration
			SMME Upliftment & Acceleration
			Industrial & Commercial Economic Zone Establishment
Sound Financial Management	Municipal Financial Management & Viability	Sound Financial Management & Viability	Financial Governance Excellence
			Budget Management Excellence
			Financial Reporting Excellence
			AFS Compilation & Assets Management Excellence
			Supply Chain Management Excellence
			Municipal Revenue Management Excellence (Income & Expenditure)
			Conditional Grants Reporting Excellence
Building Capable Local Government Institutions	Municipal Transformation & Institutional Development	Municipal Transformation	Comprehensive Organogram Review
		Institutional Development Excellence	Recruitment & Selection Excellence
			Skills Development Excellence
		Institutional Integrity Excellence	Staff/Public Interface Excellence (Code of Conduct, Batho Pele, Anti-corruption)
		Institutional Responsiveness Excellence	Customer Care Excellence (Compliments/Enquiries/Complaints/Mpimpa)

Chapter 3

BACK TO BASICS	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES
		Institutional Performance Excellence	Organisational & Individual Performance Management
Good Governance & Putting People First	Good Governance & Public Participation	Institutional Governance Excellence	Functional Council & Audit Oversight Excellence
			Community Participation Excellence (Ward Committees, Rapid Response Team, Community Meetings)

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate: 2017/18			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1		0.00
CFO	1		0.00
Other S57 Managers (excluding Finance Posts)	2		0.00
Other S57 Managers (Finance posts)	0		#DIV/0!
Police officers	0		#DIV/0!
Fire fighters	0		#DIV/0!
Senior management: Levels 13-15 (excluding Finance Posts)	0		#DIV/0!
Senior management: Levels 13-15 (Finance posts)			#DIV/0!
Highly skilled supervision: levels 9-12 (excluding Finance posts)	1	since December 2016	#VALUE!
Highly skilled supervision: levels 9-12 (Finance posts)			#DIV/0!
Total	5	0	0.00
<p><i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>			T4.1.2

COMMENT ON VACANCIES AND TURNOVER:

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

T4.2.0

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%	0%	
2	Attraction and Retention	0%		
3	Code of Conduct for employees	0%	0%	
4	Delegations, Authorisation & Responsibility	100%		
5	Disciplinary Code and Procedures	100%		As per Collective Agreement
6	Essential Services	0%		
7	Employee Assistance / Wellness	0%		
8	Employment Equity	100%		The EE has not been reviewed since 2014
9	Exit Management	0%		
10	Grievance Procedures	100%		As per conditions of services
11	HIV/Aids	0%		
12	Human Resource and Development	100%		The HR Manual has not been reviewed
13	Information Technology	0%		
14	Job Evaluation	0%		
15	Leave			We are using the conditions of services
16	Occupational Health and Safety	0%		
17	Official Housing	0%		
18	Official Journeys	0%		
19	Official transport to attend Funerals	0%		
20	Official Working Hours and Overtime	100%		Conditions of Service Agreement
21	Organisational Rights	100%		Organizational rights agreement
22	Payroll Deductions	0%		
23	Performance Management and Development	100%		Policy was not reviewed in 2017/2018
24	Recruitment, Selection and Appointments	100%		
25	Remuneration Scales and Allowances			
26	Resettlement			
27	Sexual Harassment			
28	Skills Development			
29	Smoking			
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing			
33	Other:			

Use name of local policies if different from above and at any other HR policies not listed.

T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

T4.2.1.1

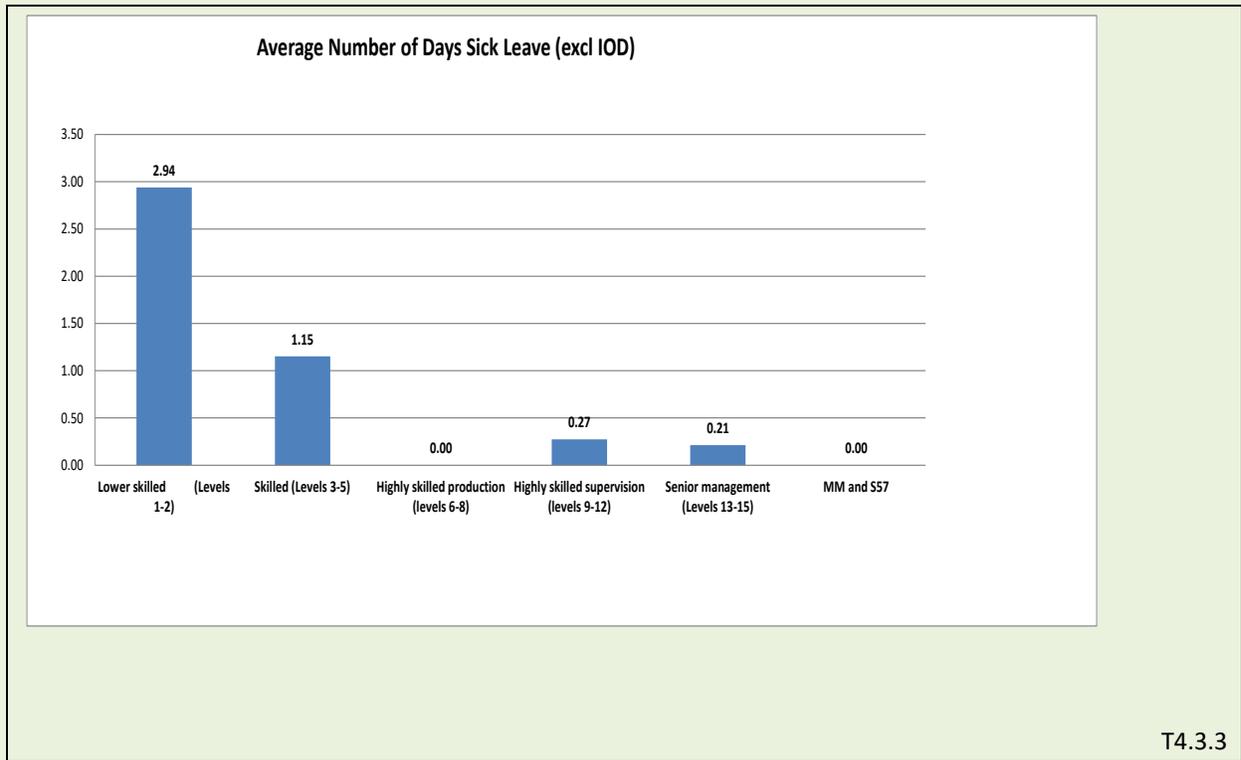
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	21	3	14.3%	4.2	
Temporary total disablement	0	0	0.0%	0	
Permanent disablement	0	0	0.0%	0	
Fatal					
Total	21	3	14.29%	4.2	0

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	97	90%	33	33	2.94	
Skilled (Levels 3-5)	38		9		1.15	
Highly skilled production (levels 6-8)					0.00	
Highly skilled supervision (levels 9-12)	9	95%	2		0.27	
Senior management (Levels 13-15)	7		2		0.21	
MM and S57					0.00	
Total	151	93%	46	33	4.58	0

* - Number of employees in post at the beginning of the year
 *Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T4.3.2



T4.3.3

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The Municipal Manager was suspended, and the case is currently still not finalised, thus the Municipality will have an Acting Municipal Manager until this situation is finalised, the only other pending disciplinary action is the that of financial misconduct against a cashier, this case is also still pending.

T4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
<p><i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>					

T4.4.1

COMMENT ON PERFORMANCE REWARDS:

No Performance Rewards were paid this financial year, in terms of the Performance Management model applicable to the Municipality, only the Section 54A and 56 will be able to qualify for performance rewards. The Municipality does not have a policy frame in place that deals with performance awards on lower levels

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

T4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

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

* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T4.5.2

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

As you can see from the above tables, none of them have any populated data, this data could not be obtained from the Municipality and this is an area where the Municipality will have to excel to be able to populate the tables

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

T4.6.0

4.6 EMPLOYEE EXPENDITURE

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

No Employees were paid outside of the T levels as it is approved for the level of the Municipality and no employees were appointed in posts that are not on the approved organisational Structure

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

All Financial disclosures was recorded under Appendix J.

T4.6.6

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

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

T5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	2014/15	2015/16	2016/17	Current year 2017/18		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousands						
Financial Performance						
Property rates	R6 002 212	R9 435 379	R5 342 908	R10 882 140	R8 912 140	R8 912 140
Service charges	R20 355 550	R17 067 079	R22 676 400	R32 008 642	R30 442 740	R30 442 740
Investment revenue	R248 815	R261 165	R317 974	R105 730	R105 730	R105 730
Transfers recognised - operational	R29 535 325	R30 355 414	R29 433 885	R31 952 000	R35 044 464	R35 044 464
Other own revenue	R54 540 735	R5 455 335	R37 869 091	R38 312 981	R40 141 225	R40 141 225
Total Revenue (excluding capital transfers and contributions)	R110 682 637	R62 574 372	R95 640 258	R113 261 493	R114 646 299	R114 646 299
Employee costs	R26 548 077	R25 988 269	R29 097 607	R38 547 691	R39 583 267	R39 583 267
Remuneration of councillors	R2 520 357	R2 747 656	R2 463 979	R2 001 620	R2 001 620	R2 001 620
Depreciation & asset impairment	R6 116 297	R11 133 810	R46 635 627	R4 496 284	R5 646 284	R5 646 284
Finance charges	R1 490 543	R2 003 693	R5 685 550	R1 161 775	R1 161 941	R1 161 941
Materials and bulk purchases	R13 573 923	R15 086 606	R18 804 571	R19 004 308	R19 303 989	R19 303 989
Transfers and grants	R198 489	R0	R0	R0	R0	R0
Other expenditure	R61 185 430	R13 235 291	R61 717 066	R44 926 855	R68 756 352	R68 756 352
Total Expenditure	R111 633 116	R70 195 325	R164 404 400	R110 138 533	R136 453 453	R136 453 453
Surplus/(Deficit)	-R950 479	-R7 620 953	-R68 764 142	R3 122 960	-R21 807 154	-R21 807 154
Transfers recognised - capital	R9 489 489	R2 112 514	R2 101 090	R15 063 000	R14 063 000	R14 063 000
Contributions recognised - capital & contributed assets	R0	R0	R0	R0	R0	R0
Surplus/(Deficit) after capital transfers & contributions	R8 539 010	-R5 508 439	-R66 663 052	R18 185 960	-R7 744 154	-R7 744 154
Share of surplus/ (deficit) of associate	R0	R0	R0	R0	R0	R0
Surplus/(Deficit) for the year	R8 539 010	-R5 508 439	-R66 663 052	R18 185 960	-R7 744 154	-R7 744 154
Capital expenditure & funds sources						
Capital expenditure	R11 155 000	R2 251 554	R4 611 742	R15 063 000	R14 063 000	R14 063 000
Transfers recognised - capital	R11 155 000	R2 112 513	R4 611 742	R15 063 000	R14 063 000	R14 063 000
Public contributions & donations	R0	R0	R0	R0	R0	R0
Borrowing	R0	R0	R0	R0	R0	R0
Internally generated funds	R0	R139 041	R0	R0	R0	R0
Total sources of capital funds	R11 155 000	R2 251 554	R4 611 742	R15 063 000	R14 063 000	R14 063 000
Financial position						
Total current assets	R33 648 919	R20 570 798	R15 399 669	R31 461 779	R31 461 521	R31 461 521
Total non current assets	R157 503 486	R700 074 501	R656 467 508	R150 796 621	R150 946 621	R150 946 621
Total current liabilities	R35 116 377	R56 770 345	R74 097 655	R39 332 666	R39 332 666	R39 332 666
Total non current liabilities	R8 898 536	R8 566 925	R8 845 957	R11 324 476	R8 324 476	R8 324 476
Community wealth/Equity	R147 137 492	R655 308 029	R588 923 565	R131 601 258	R134 751 000	R134 751 000
Cash flows						
Net cash from (used) operating	R11 824 265	-R75 258 606	R2 938 320	R18 662 440	R3 610 972	R3 610 972
Net cash from (used) investing	-R10 829 831	R0	-R4 588 184	-R15 062 996	-R15 292 270	-R15 292 270
Net cash from (used) financing	-R459 741	R41 733	R1 610 975	-R999 996	-R999 996	-R999 996
Cash/cash equivalents at the year end	R336 310	-R72 784 964	R2 528 827	R5 232 234	-R10 152 468	-R10 152 468
Cash backing/surplus reconciliation						
Cash and investments available	R4 121 631	R2 590 131	R2 528 826	R5 232 236	R5 232 236	R5 232 236
Application of cash and investments	R20 337 662	R52 836 419	R71 485 291	R20 705 804	R24 295 198	R24 295 198
Balance - surplus (shortfall)	-R16 216 031	-R50 246 288	-R68 956 465	-R15 473 568	-R19 062 962	-R19 062 962
Asset management						
Asset register summary (WDV)	R159 380 683	R123 169 534	R624 867 326	R150 797 000	R150 796 821	R150 796 821
Depreciation & asset impairment	R6 116 297	R11 133 810	R46 635 627	R4 496 284	R5 646 284	R5 646 284
Renewal of Existing Assets	R0	R139 041	R0	R0	R0	R0
Repairs and Maintenance	R0	R0	R0	R0	R0	R0
Free services						
Cost of Free Basic Services provided	R0	R0	R2 255 331	R3 296 158	R3 296 158	R3 296 158
Revenue cost of free services provided	R0	R0	R9 237	R0	R0	R0
Households below minimum service level						
Water:	R0	R0	R0	R0	R0	R0
Sanitation/sewerage:	R0	R0	R0	R0	R0	R0
Energy:	R0	R0	R0	R0	R0	R0
Refuse:	R0	R0	R0	R0	R0	R0

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1

Standard Classification Description	Ref	2014/15	2015/16	2016/17	Current year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21
Revenue - Standard										
Governance and Administration		R38 882 715	R42 865 445	R72 963 858	R51 459 998	R50 297 057	R50 297 057	R48 056 231	R48 220 506	R52 212 096
Executive & Council		R413 906	R99 997		R35 000	R460 664	R460 664	R4 745	R5 030	R5 332
Budget & Treasury Office		R38 468 809	R42 765 448	R72 963 858	R51 424 998	R49 358 067	R49 358 067	R48 015 921	R47 989 098	R51 966 803
Corporate Services						R478 326	R478 326	R35 565	R226 378	R239 961
Community and Public Safety		R50 778 174	R3 398 339	R0	R966 159	R2 554 507	R2 554 507	R691 738	R893 643	R895 662
Community & Social Services		R50 410 532	R269 617		R951 311	R2 093 843	R2 093 843	R678 456	R879 564	R880 738
Sport And Recreation		R183 821	R16 208			R460 664	R460 664	R13 282	R14 079	R14 924
Public Safety		R183 821	R3 112 514		R2 938					
Housing										
Health					R11 910					
Economic and Environmental Services		R9 603 717	R1 389 347	R2 101 090	R38 551 643	R40 460 664	R40 460 664	R44 445 232	R46 628 227	R49 127 719
Planning and Development		R9 603 717			R1 091 850	R460 664	R460 664	R102 051	R108 174	R114 664
Road Transport			R1 389 347	R2 101 090	R37 459 793	R40 000 000	R40 000 000	R44 343 181	R46 520 053	R49 013 055
Environmental Protection										
Trading Services		R20 907 520	R17 029 058	R22 676 400	R37 244 981	R35 397 071	R35 397 071	R31 068 936	R30 833 072	R31 211 057
Electricity		R8 822 580	R10 887 691	R9 447 745	R18 370 186	R18 764 513	R18 764 513	R12 742 886	R15 647 460	R15 114 308
Water		R7 962 736	R1 126 261	R5 806 171	R11 340 497	R9 498 161	R9 498 161	R10 331 474	R6 711 362	R7 114 044
Waste Water Management		R1 975 710	R1 439 784	R3 583 918	R3 451 103	R2 651 103	R2 651 103	R3 800 471	R4 028 499	R4 270 209
Waste Management		R2 146 494	R3 575 322	R3 838 566	R4 083 195	R4 483 294	R4 483 294	R4 194 105	R4 445 751	R4 712 496
Other	4		R4 697		R101 712					
Total Revenue - Standard	2	R120 172 126	R64 686 886	R97 741 348	R128 324 493	R128 709 299	R128 709 299	R124 262 137	R126 575 448	R133 446 534
Expenditure - Standard										
Governance and Administration		R20 481 364	R19 888 268	R112 744 633	R33 810 797	R54 693 764	R54 693 764	R61 179 954	R65 649 330	R69 395 306
Executive & Council		R3 683 154	R7 373 399	R3 233 067	R7 971 947	R9 465 179	R9 465 179	R4 858 142	R5 169 920	R5 458 610
Budget & Treasury Office		R16 798 210	R8 346 647	R109 511 566	R25 838 850	R34 964 684	R34 964 684	R46 922 699	R50 386 353	R53 375 854
Corporate Services			R4 168 222			R10 263 901	R10 263 901	R9 399 113	R10 093 057	R10 560 842
Community and Public Safety		R47 639 131	R8 574 204	R6 209 131	R4 165 776	R14 978 126	R14 978 126	R2 716 082	R2 879 047	R3 051 788
Community & Social Services		R47 604 506	R1 466 040	R4 511 032	R4 065 776	R7 514 225	R7 514 225	R2 701 863	R2 863 975	R3 035 812
Sport And Recreation			R255 586	R1 698 099		R3 598 510	R3 598 510	R395	R419	R444
Public Safety		R34 625	R6 852 578		R100 000	R3 865 391	R3 865 391	R13 824	R14 653	R15 532
Housing										
Health										
Economic and Environmental Services		R9 374 081	R10 038 666	R9 492 204	R40 467 187	R15 227 802	R15 227 802	R21 481 991	R21 559 134	R23 013 566
Planning and Development		R9 374 081		R4 461 032	R9 094 203	R7 463 901	R7 463 901	R19 549 879	R19 511 096	R20 842 644
Road Transport			R10 038 666	R5 031 172	R31 372 984	R7 763 901	R7 763 901	R1 932 112	R2 048 038	R2 170 922
Environmental Protection										
Trading Services		R34 138 540	R31 694 187	R35 958 432	R31 689 773	R51 553 761	R51 553 761	R99 158 915	R104 124 052	R110 005 103
Electricity		R15 427 673	R16 489 086	R20 825 944	R17 104 096	R22 125 839	R22 125 839	R61 974 451	R65 692 918	R69 634 494
Water		R8 967 228	R6 905 660	R5 690 291	R3 542 413	R14 500 120	R14 500 120	R8 892 796	R9 426 364	R9 991 945
Waste Water Management		R9 743 639	R4 013 167	R4 931 165	R6 099 065	R7 463 901	R7 463 901	R13 623 448	R14 098 656	R14 602 379
Waste Management			R4 286 274	R4 511 032	R4 944 199	R7 463 901	R7 463 901	R14 668 220	R14 906 114	R15 776 285
Other	4				R5 000					
Total Expenditure - Standard	3	R111 633 116	R70 195 325	R164 404 400	R110 138 533	R136 453 453	R136 453 453	R184 536 942	R194 211 563	R205 465 763
Surplus/(Deficit) for the year		R8 539 010	-R5 508 439	-R66 663 052	R18 185 960	-R7 744 154	-R7 744 154	-R60 274 805	-R67 636 115	-R72 019 229

5.2 GRANTS

Grant Performance							R'
Description	2016/17	2017/18		2017/18 Variance			
	Actual	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Transfers and Grants							
National Government:	-	R46 155 000	R0	R38 993 000	R7 162 000		
Equitable share		R28 192 000		R22 030 000	R6 162 000		
Municipal Systems Improvement							
Department of Water Affairs		R5 000 000		R4 000 000	R1 000 000		
Levy replacement							
Financial Management Grant/EPWP/MIG		R12 963 000		R12 963 000	R0		
Provincial Government:	-	R860 000	R0	R860 000			
Health subsidy							
Housing							
Ambulance subsidy							
Sports and Recreation		R860 000		R860 000	R0		
Financial Management Grant/EPWP/MIG							
District Municipality:	-	R0	R0	R0			
<i>[insert description]</i>							
Other grant providers:	-	R0	R0	R3 092 464	-R3 092 464		
NC Provincial Treasury				R3 092 464	-R3 092 464		
Total Operating Transfers and Grants	-	R47 015 000	R0	R42 945 464	R4 069 536		
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>							T5.2.1

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

T5.2.4

5.3 ASSET MANAGEMENT

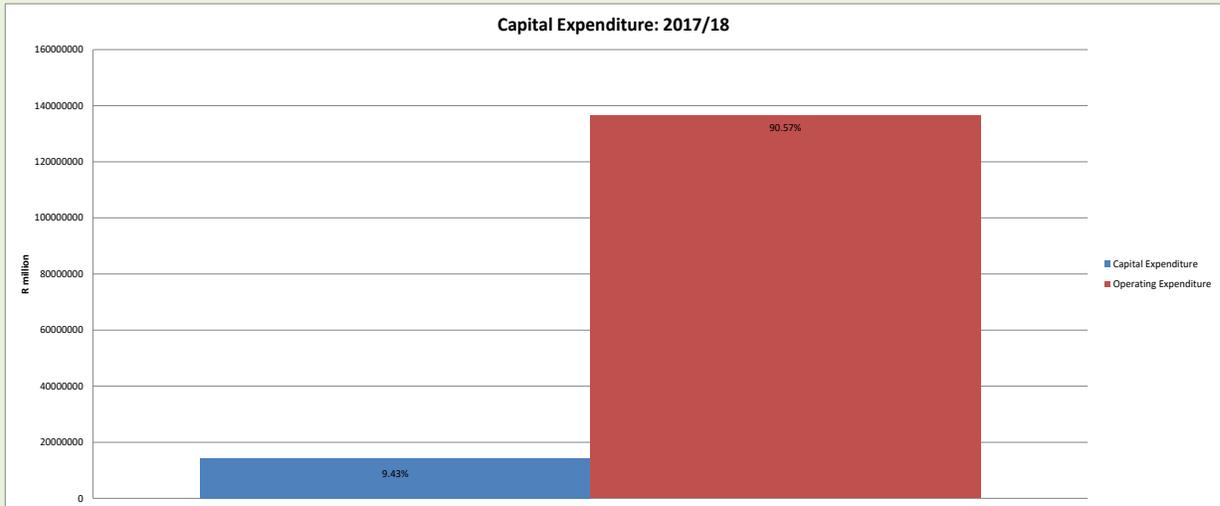
INTRODUCTION TO ASSET MANAGEMENT

Repair and Maintenance Expenditure: 2017/2018				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	3 767 770.00	3 767 770.00	1 588 356.00	57.84%
				T5.3.4

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE



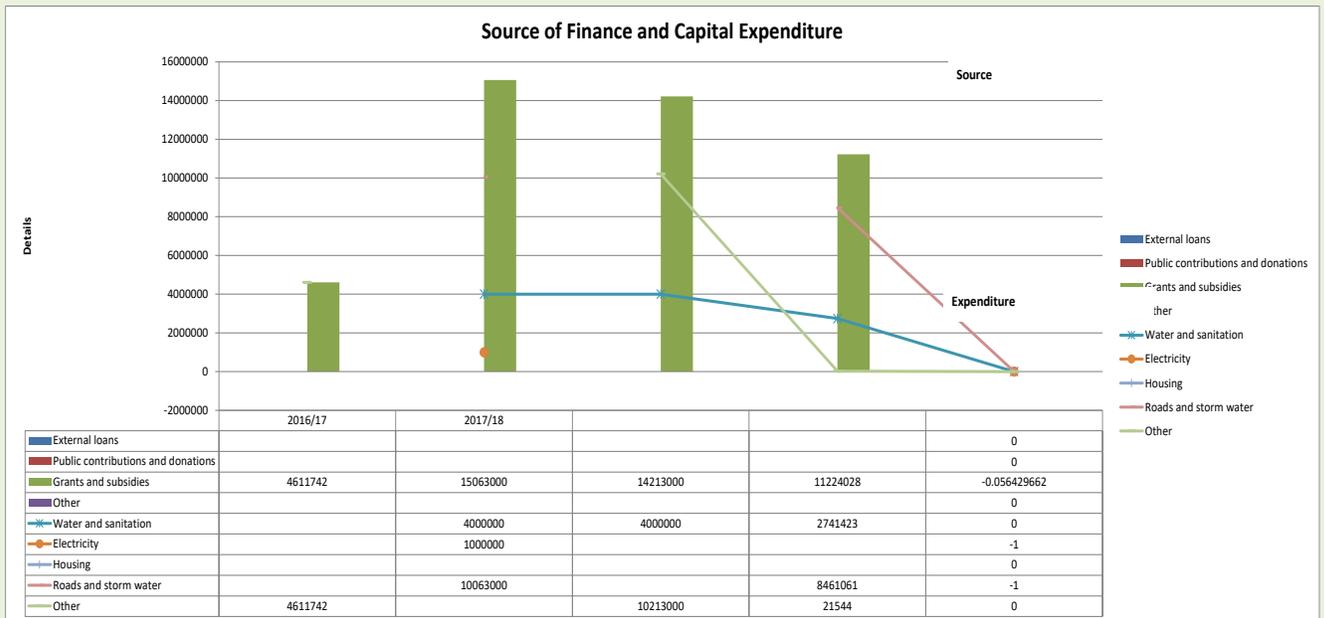
	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	R15 063 000	R14 213 000	R11 266 640	25.2%	20.7%
	R15 063 000	R14 213 000	R11 266 640	25.2%	20.7%
Operating Expenditure	R110 138 533	R136 453 453	R137 815 802	-25.1%	-1.0%
	R110 138 533	R136 453 453	R137 815 802	-25.1%	-1.0%
Total expenditure	R125 201 533	R150 666 453	R149 082 442	-19.1%	1.1%
Water and sanitation	R9 641 478	R70 150 653	R69 897 654	-625.0%	0.4%
Electricity	R47 304 900	R47 654 890	R47 648 794	-0.7%	0.0%
Housing	R4 500 000	R4 654 690	R4 655 980	-3.5%	0.0%
Roads, Pavements, Bridges and storm water	R16 111 111	R14 436 798	R13 645 789	15.3%	5.5%
Other	R5 800 000	R5 567 453	R5 567 689	4.0%	0.0%
	R138 358 621	R134 809 794	R132 759 926	4.0%	1.5%
External Loans	R30 000 000	R31 000 000	R31 000 000	-3.3%	0.0%
Internal contributions	R42 245 670	R33 829 251	R33 839 245	19.9%	0.0%
Grants and subsidies	R66 112 951	R75 980 543	R75 983 528	-14.9%	0.0%
Other	R0	R0			
	R138 358 621	R140 809 794	R140 822 773	-1.8%	0.0%
External Loans	R35 000 000	R35 000 000	R35 000 000	0.0%	0.0%
Grants and subsidies	R162 000 000	R162 000 000	R162 000 000	0.0%	0.0%
Investments Redeemed	R30 000 000	R48 000 000	R47 976 543	-59.9%	0.0%
Statutory Receipts (including VAT)	R85 000 000	R87 342 563	R88 445 130	-4.1%	-1.3%
Other Receipts	R870 000 000	R856 463 267	R858 345 120	1.3%	-0.2%
	R1 182 000 000	R1 188 805 830	R1 191 766 793	-0.8%	-0.2%
Salaries, wages and allowances	R313 400 000	R310 818 524	R310 800 432	0.8%	0.0%
Cash and creditor payments	R550 047 659	R527 229 005	R531 564 879	3.4%	-0.8%
Capital payments	R102 349 567	R142 325 967	R141 342 678	-38.1%	0.7%
Investments made	R0	R54 261 000	R43 000 000		20.8%
External loans repaid	R56 000 000	R64 299 073	R64 200 456	-14.6%	0.2%
Statutory Payments (including VAT)	R93 146 796	R91 656 000	R91 546 298	1.7%	0.1%
Other payments	R0	R7 871 004	R793 465		89.9%
	R1 114 944 022	R1 198 460 573	R1 183 248 208	-6.1%	1.3%
	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates	R163 789 453	R164 116 782	R164 239 578	-0.3%	-0.1%
Service charges	R603 836 900	R604 452 756	R604 453 785	-0.1%	0.0%
Other own revenue	R214 342 679	R215 327 659	R215 432 173	-0.5%	0.0%
	R981 969 032	R983 897 197	R984 125 536	-0.2%	0.0%
Employee related costs	R302 500 000	R300 390 487	R300 567 342	0.6%	-0.1%
Provision for working capital	R0	R0	R0		
Repairs and maintenance	R51 289 054	R52 451 275	R52 485 347	-2.3%	-0.1%
Bulk purchases	R290 608 422	R293 268 753	R293 199 456	-0.9%	0.0%
Other expenditure	R337 571 556	R339 658 943	R340 342 653	-0.8%	-0.2%
	R981 969 032	R985 769 458	R986 594 798	-0.5%	-0.1%
Service charges: Electricity	R314 325 689	R322 453 738	R323 563 549	-2.9%	-0.3%
Grants & subsidies: Electricity	R7 088 489	R11 134 267	R12 453 965	-75.7%	-11.9%
Other revenue: Electricity	R21 846 491	R22 347 891	R22 398 055	-2.5%	-0.2%
	R343 260 669	R355 935 896	R358 415 569	-4.4%	-0.7%
Employee related costs: Electricity	R13 256 748	R12 956 409	R12 765 432	3.7%	1.5%
Provision for working capital: Electricity	R0	R0	R0		
Repairs and maintenance: Electricity	R16 543 298	R19 423 438	R19 352 310	-17.0%	0.4%
Bulk purchases: Electricity	R178 976 501	R184 317 863	R184 298 704	-3.0%	0.0%
Other expenditure: Electricity	R33 546 809	R49 542 968	R50 875 324	-51.7%	-2.7%
	R242 323 356	R266 240 678	R267 291 770	-10.3%	-0.4%
Service charges: Water	R137 689 643	R139 085 643	R140 347 210	-1.9%	-0.9%
Grants & subsidies: Water	R27 453 255	R25 500 250	R25 500 250	7.1%	0.0%
Other revenue: Water	R11 567 489	R13 875 632	R13 995 321	-21.0%	-0.9%
	R176 710 387	R178 461 525	R179 842 781	-1.8%	-0.8%
Employee related costs: Water	R13 452 549	R14 012 349	R13 998 372	-4.1%	0.1%
Provision for working capital: Water	R0	R0	R0		
Repairs and maintenance: Water	R8 546 289	R9 357 128	R9 421 863	-10.2%	-0.7%
Bulk purchases: Water	R85 765 454	R88 356 120	R88 547 219	-3.2%	-0.2%
Other expenditure: Water	R48 634 526	R44 746 511	R44 653 219	8.2%	0.2%
	R156 398 818	R156 472 108	R156 620 673	-0.1%	-0.1%

Txxx

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources 2016/17 to 2017/18							R'
Details	2016/17	2017/18					
	Actual		Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans					#DIV/0!	#DIV/0!	
Public contributions and donations					#DIV/0!	#DIV/0!	
Grants and subsidies	R4 611 742	R15 063 000	R14 213 000	R11 224 028	R0	R0	
Other					#DIV/0!	#DIV/0!	
Total	R4 611 742	R15 063 000	R14 213 000	R11 224 028	#DIV/0!	#DIV/0!	
<i>Percentage of finance</i>							
External loans	R0	R0	R0	R0	#DIV/0!	#DIV/0!	
Public contributions and donations	R0	R0	R0	R0	#DIV/0!	#DIV/0!	
Grants and subsidies	R1	R1	R1	R1	#DIV/0!	#DIV/0!	
Other	R0	R0	R0	R0	#DIV/0!	#DIV/0!	
Capital expenditure							
Water and sanitation		R4 000 000	R4 000 000	R2 741 423	R0	R0	
Electricity		R1 000 000			-R1	-R1	
Housing					#DIV/0!	#DIV/0!	
Roads and storm water		R10 063 000		R8 461 061	-R1	R0	
Other	R4 611 742		R10 213 000	R21 544	#DIV/0!	#DIV/0!	
Total	R4 611 742	R15 063 000	R14 213 000	R11 224 028	#DIV/0!	#DIV/0!	
<i>Percentage of expenditure</i>							
Water and sanitation	R0	R0	R0	R0	#DIV/0!	#DIV/0!	
Electricity	R0	R0	R0	R0	#DIV/0!	#DIV/0!	
Housing	R0	R0	R0	R0	#DIV/0!	#DIV/0!	
Roads and storm water	R0	R1	R0	R1	#DIV/0!	#DIV/0!	
Other	R1	R0	R1	R0	#DIV/0!	#DIV/0!	

T5.6.1



5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Name of Project	2017/18			Variance Current Year: 2017/18	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A -	15 063 000	14 213 000	11 224 028	25%	6%
B -				#DIV/0!	#DIV/0!
C -				#DIV/0!	#DIV/0!
D -				#DIV/0!	#DIV/0!
E -				#DIV/0!	#DIV/0!

** Projects with the highest capital expenditure in Year 1*

Name of Project - A	Roads
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

T5.8.1

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

Description	Ref	Budget Year 2017/18				Budget Year	Budget Year
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2018/19	+2 2019/20
			8-Jan-00	9-Jan-00	10-Jan-00	Adjusted Budget	Adjusted Budget
R thousands		A	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates		R4 352 856	R113 000	R113 000	R4 465 856	R5 000 000	R5 500 000
Service charges		R19 633 035	-R5 628 000	-R5 628 000	R14 005 035	R15 221 000	R16 464 000
Other revenue		R20 269 000	-R6 294 000	-R6 294 000	R13 975 000	R15 502 000	R15 792 000
Government - operating	1.00	R31 952 000	-R3 219 536	-R3 219 536	R28 732 464	R34 098 000	R36 404 000
Government - capital	1.00	R15 063 000	-R850 000	-R850 000	R14 213 000	R13 377 000	R12 209 000
Interest		R4 856 000	-R2 884 000	-R2 884 000	R1 972 000	R1 975 000	R2 025 000
Dividends		R0		R0	R0	R0	R0
Payments							
Suppliers and employees		-R76 300 854		R0	-R76 300 854	-R59 700 000	-R45 000 000
Finance charges		-R1 161 941		R0	-R1 161 941	-R800 000	-R500 000
Transfers and Grants	1.00	R0		R0	R0		
NET CASH FROM/(USED) OPERATING ACTIVITIES		R18 663 096	-R18 762 536	-R18 762 536	-R99 440	R24 673 000	R42 894 000
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE				R0	R0		
Decrease (Increase) in non-current debtors				R0	R0		
Decrease (increase) other non-current receivables				R0	R0		
Decrease (increase) in non-current investments				R0	R0		
Payments							
Capital assets		-R15 063 000	R850 000	R850 000	-R14 213 000	-R10 377 000	-R10 709 000
NET CASH FROM/(USED) INVESTING ACTIVITIES		-R15 063 000	R850 000	R850 000	-R14 213 000	-R10 377 000	-R10 709 000
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans				R0	R0		
Borrowing long term/refinancing				R0	R0		
Increase (decrease) in consumer deposits				R0	R0		
Payments							
Repayment of borrowing		-R1 000 000		R0	-R1 000 000	-R1 000 000	-R1 000 000
NET CASH FROM/(USED) FINANCING ACTIVITIES		-R1 000 000	R0	R0	-R1 000 000	-R1 000 000	-R1 000 000
NET INCREASE/ (DECREASE) IN CASH HELD							
Cash/cash equivalents at the year begin:	2.00	R2 632 786	-R104 174	-R104 174	R0	-R15 312 440	-R2 016 440
Cash/cash equivalents at the year end:	2.00	R5 232 882	-R18 016 710	-R18 016 710	-R15 312 440	-R2 016 440	R29 168 560

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENT

T5.10.1

Actual Borrowings 2016/17 to 2018/19			
	R' 000		
Instrument	2016/2017	2017/2018	2018/2019
Municipality			
Long-Term Loans (annuity/reducing balance)	1 949 790.00	1 705 341.00	0
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total			

T5.10.3

Municipal and Entity Investments			
			R' 000
Investment* type	2016/17	2017/18	2018/19
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	1 466 597,00	4 881 022,00	-
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	1 466 597,00	4 881 022,00	-
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	1 466 597,00	4 881 022,00	-

T5.10.4

COMMENT ON BORROWING AND INVESTMENTS:

T5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

T5.12.1

5.13 GRAP COMPLIANCE

T5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 206/17

6.1 AUDITOR GENERAL REPORTS 2016/17 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance 2016/17	
Audit Report Status*:	Qualified Opinion
Non-Compliance Issues	Remedial Action Taken
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
T6.1.1	

Auditor-General Report on Service Delivery Performance: 2016/17	
Audit Report Status:	Did not Audit Performance Management
Non-Compliance Issues	Remedial Action Taken
T6.1.2	

COMPONENT B: AUDITOR-GENERAL OPINION 2017/18 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT 2017/18

Auditor-General Report on Financial Performance 2017/18	
Status of audit report:	Qualified
Non-Compliance Issues	Remedial Action Taken
<i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 1.</i>	

T6.2.1

Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Ubuntu Local Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

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

BASIS FOR QUALIFIED OPINION

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

3. I was unable to obtain sufficient appropriate audit evidence that traffic fines for the current year and the related provision for impairment of receivables from non-exchange transactions had been properly accounted for due to the status of the accounting records. I was unable to confirm the traffic fines by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to traffic fines R155 867 402 (2017: R127 696 996) and the related provision for impairment of receivables from non-exchange transactions stated at R147 506 919 (2017: R122 968 901) respectively, disclosed under receivables from non-exchange transactions in note 5 to the financial statements.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

4. I was unable to obtain sufficient appropriate audit evidence that speed fines had been properly accounted for due to the status of the accounting records. I was unable to confirm the speed fines, by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to speed fines stated at R32 520 300 (2017: R30 497 935) disclosed under revenue from non-exchange transactions in note 26 to the financial statements.

REVENUE FROM EXCHANGE TRANSACTIONS

5. The municipality did not recognise all service charges accurately and did not charge interest on long overdue accounts in accordance with GRAP 9, *Revenue from exchange transactions* and GRAP 104, *Financial instruments* respectively. As the municipality did not maintain adequate and complete records of services rendered, interest charged and the related impairment, I was unable to determine the full extent of the understatement of service charges and trading interest for the current and previous year as it was impracticable to do so. Consequently, receivables from exchange transactions and VAT receivable were understated. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.
6. In addition, I was unable to obtain sufficient appropriate audit evidence that all indigent subsidies stated at R2 019 837 in note 20 to the financial statements had been properly accounted for as the municipality did not have adequate systems and I could not confirm this by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to indigent subsidies stated at R2 019 837 under service charges in note 20 to the financial statements.

PAYABLES FROM EXCHANGE TRANSACTIONS

7. During 2017, I was unable to obtain sufficient appropriate audit evidence that payments received in advance (debtors with credit balances) had been properly accounted for, due to the status of the accounting records. I was unable to confirm the payables from

exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to payables in advance disclosed at R3 268 277 in note 14 to the financial statements.

IRREGULAR EXPENDITURE

8. In terms of section 125(2)(d) of the MFMA, the municipality is required to disclose particulars of irregular expenditure in the notes to the financial statements. The municipality incurred expenditure in contravention of the supply chain management (SCM) requirements. This was not included in the irregular expenditure disclosed in note 47 to the financial statements. I was unable to determine the full extent of the understatement for the current as well as previous years as it was impracticable to do so.

CONTEXT FOR THE OPINION

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

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.
13. I draw attention to note 49 in the Annual financial statements, which indicates that the municipality incurred a net deficit of R 26 125 368 during the year ended 30 June 2018 and as of that date the municipalities current liabilities exceeded its current assets by R 70 129 111. As stated in note 49, these events or conditions, along with other matter as set forth in note 49, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

EMPHASIS OF MATTERS

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

Restatement of corresponding figures

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

Material losses - electricity

16. As disclosed in note 48 to the annual financial statements, material electricity losses of R5 456 688 (2017: R3 487 235) were incurred which represents 43% (2017: 27%) of the total electricity purchased.

OTHER MATTERS

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

UNAUDITED DISCLOSURE NOTES

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

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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

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

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

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

PERFORMANCE INFORMATION REPORTING

23. I was unable to audit the usefulness and reliability of the performance information, as the annual performance report of the municipality was not prepared as required by section 46 of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (Municipal Systems Act) and section 121(3)(c) of the MFMA.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

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

Strategic, planning and performance management

26. No KPIs were set in respect of the provision of basic water, sanitation, electricity and solid waste removal services, as required by section 43(2) of the MSA and municipal planning and performance management reg 10(a).
27. A performance management system was not established, as required by section 38(a) of the MSA.

Annual financial statements and annual reports

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, provision, cash flow and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
29. The annual financial statements were not submitted to the Auditor-General, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) the MFMA.

30. The 2016/17 annual report was not tabled in the municipal council within seven months after the end of the financial year, as required by section 127(2) of the MFMA.

Procurement and contract management

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

32. Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.

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

Asset management

34. Investment policy that adopted by council was not in place, as required by section 13(2) of the MFMA and municipal investment regulation 3(1)(a).

35. Capital assets were permanently disposed that were needed to provide the minimum level of basic municipal service, in contravention of section 14(1) of the MFMA.

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

Consequence management

37. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

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

Utilisation of conditional grants

39. Performance in respect of programmes funded by the Municipal Infrastructure Grant and Water Services Infrastructure Grant was not evaluated, as required by section 12(5) of the DoRA.

Revenue Management

40. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.

41. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.
42. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA
43. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Expenditure management

44. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
45. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with supply chain management regulations.
46. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R6 328 588 as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by the municipality not being able to pay their creditors within 30 days and thereby incurring interest on outstanding debt.
47. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R 63 712 919, as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was due to the overspending of the budget.

Human resource management

48. Financial interests were not disclosed by the municipal manager within 60 days from date of appointment, as required by regulation 36(1)(a) on appointment and conditions of employment of senior managers.
49. Job descriptions were not established for all posts in which appointments were made, as required by section 66(1)(b) of the MSA.
50. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.
51. The municipal manager and senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

OTHER INFORMATION

52. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.
53. My opinion on the financial statements and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
54. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
55. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

56. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
57. Leadership did not take appropriate action with regard to a lack of controls in the finance and supply chain management unit, resulting in the re-occurrence of the material misstatements and compliance issues.
58. The municipality did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. Vacancies was also experience on key positions which impacted negatively on monitoring of controls. The municipality appointed consultants to assist in the compilation of the annual financial statements, due to these vacancies there was a lack in the monitoring of the work performed, which resulted in an over reliance on the consultant's work.
59. Effective financial systems of internal controls and their management had not been implemented to ensure accurate financial statements. The preparation and review of the

financial statements was not adequately planned, to ensure a comprehensive review takes place.

60. The municipality did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
61. The financial statements were submitted late during the prior year which resulted in limited time for management to develop, implement and monitor the action plan. This resulted in some of the prior findings not been addressed in full.
62. The municipality did not implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored.

OTHER REPORTS

63. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
64. The Directorate for Priority Crime Investigation (Hawks) are investigating allegations of irregularities dating between June 2010 and July 2015 These proceedings were in progress at the date of this report.

Kimberley

30 November 2018



ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

FINANCIAL STATEMENTS

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given at **Appendix S (delete '/...' if not applicable)**.

Signed (Chief financial Officer) Dated

T6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

GLOSSARY

Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

GLOSSARY

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
	FT/PT			%	%
JZ Lolwana	PT	FINANCE,MPAC,Corporate Services	Ward	100.00	
CC Jantjies	PT	Corporate Service, Infrastructure, Finance	PR	100.00	
KJ Arens	PT	Finance, Infrastructure,	Ward	100.00	
W Schutz	PT	Corporate Services	PR	100.00	
H Vorster	PT	MPAC	Ward	100.00	
PE Jantjies	PT	Infrastructure Committee	Ward	100.00	
AL Kweleta	FT	None she was the speaker	PR	100.00	
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					TA

CONCERNING TA

A spreadsheet exists to compile attendance data Please note that the committee meetings have not taking place in the financial year

Delete Directive note before publication

TA.1

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution		
Building regulations		
Child care facilities		
Electricity and gas reticulation		
Firefighting services		
Local tourism		
Municipal airports		
Municipal planning		
Municipal health services		
Municipal public transport		
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters		
Stormwater management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems		

Continued from previous page

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities		
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances		
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		
Licensing and control of undertakings that sell food to the public		
Local amenities		
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution		
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal		
Street trading		
Street lighting		
Traffic and parking		
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)

Capital Projects: Seven Largest in Year 1 (Full List at Appendix X)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
4	Roads and Stormwater Project			

T F.1

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2017/18

T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

Names: xxx (8); xxx (7)...

T F.3

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2017/18

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 1 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	AL KWELETA	Nil
Member of MayCo / Exco		
Councillor	KJ ARENS	NIL
	CC JANTJIES	NIL
	P JANTJIES	NIL
	H VORSTER	NIL
	JZ LOLWANA	NIL
	W SCHUTZ	NIL
Municipal Manager		
Chief Financial Officer	RA JACOBS	NIL
Deputy MM and (Executive) Directors		
Other S57 Officials		

* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A

TJ

Only 1 Acting Municipal Manager Mr Madyo submitted a disclosure form

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Standard Description	Ref	Budget Year 2017/18									Budget Year +1 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
			5	6	7	8	9	10	11	12	
R thousands	1, 4	A	A1	B	C	D	E	F	G	H	
Revenue - Functional											
Governance and administration		51 460	-	-	-	-	-	(18 832)	(18 832)	32 628	56 256
Executive and council		35	-	-	-	-	-	-	-	35	38
Finance and administration		51 425	-	-	-	-	-	(18 832)	(18 832)	32 593	56 218
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		966	-	-	-	-	-	-	-	966	974
Community and social services		951	-	-	-	-	-	-	-	951	958
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		3	-	-	-	-	-	-	-	3	3
Housing		-	-	-	-	-	-	-	-	-	-
Health		12	-	-	-	-	-	-	-	12	13
Economic and environmental services		38 552	-	-	-	-	-	3 916	3 916	42 468	40 065
Planning and development		1 092	-	-	-	-	-	-	-	1 092	99
Road transport		37 460	-	-	-	-	-	3 916	3 916	41 376	39 966
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		37 248	-	-	-	-	-	(5 235)	(5 235)	32 012	34 977
Energy sources		18 370	-	-	-	-	-	(2 066)	(2 066)	16 304	17 777
Water management		11 340	-	-	-	-	-	(4 366)	(4 366)	6 974	7 830
Waste water management		3 451	-	-	-	-	-	800	800	4 251	4 500
Waste management		4 086	-	-	-	-	-	397	397	4 483	4 870
Other		102	-	-	-	-	-	-	-	102	109
Total Revenue - Functional	2	128 327	-	-	-	-	-	(20 151)	(20 151)	108 176	132 381

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source

R '000

Description	Year 0	Year 1			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	26 485	23 572	28 075	23 042	-2,30%	-21,84%
Property rates - penalties & collection charges	8 541	8 285	9 054	8 456	2,02%	-7,07%
Service Charges - electricity revenue	12 355	10 254	12 478	13 219	22,43%	5,61%
Service Charges - water revenue	14 232	13 235	13 662	12 097	-9,41%	-12,94%
Service Charges - sanitation revenue	6 542	5 496	5 954	6 346	13,40%	6,19%
Service Charges - refuse revenue	1 865	1 622	1 865	1 510	-7,41%	-23,46%
Service Charges - other	5 643	5 530	5 925	5 304	-4,26%	-11,70%
Rentals of facilities and equipment	5 643	5 530	5 925	5 304	-4,26%	-11,70%
Interest earned - external investments	5 322	4 470	5 747	4 630	3,45%	-24,14%
Interest earned - outstanding debtors	8 455	8 455	8 624	9 554	11,50%	9,73%
Dividends received	1 254	1 003	1 191	1 354	25,93%	12,04%
Fines	2 516	2 063	2 264	2 340	11,83%	3,23%
Licences and permits	6 846	6 230	7 256	6 640	6,19%	-9,28%
Agency services	12 546	10 413	11 793	11 542	9,78%	-2,17%
Transfers recognised - operational	2 355	2 190	2 425	2 402	8,82%	-0,98%
Other revenue	48 542	40 776	48 542	46 115	11,58%	-5,26%
Gains on disposal of PPE	4 565	3 698	4 337	4 291	13,83%	-1,06%
Enviromental Protection	5 649	4 971	6 157	4 971	0,00%	-23,86%
Total Revenue (excluding capital transfers and contributions)	179 353	157 791	181 274	169 118	6,70%	-7,19%

Variiances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

Description	Ref	Budget Year 2017/18									Budget Year +1 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H	
Revenue By Source											
Property rates	2	10 882	-	-	-	-	-	(1 900)	(1 900)	8 982	9 700
Service charges - electricity revenue	2	17 104	-	-	-	-	-	(800)	(800)	16 304	17 777
Service charges - water revenue	2	7 340	-	-	-	-	-	(366)	(366)	6 974	7 830
Service charges - sanitation revenue	2	3 451	-	-	-	-	-	800	800	4 251	4 500
Service charges - refuse revenue	2	4 083	-	-	-	-	-	400	400	4 483	4 870
Service charges - other		30							-	30	32
Rental of facilities and equipment		118							-	118	127
Interest earned - external investments		106							-	106	114
Interest earned - outstanding debtors		4 750							-	4 750	5 101
Dividends received		-							-	-	-
Fines, penalties and forfeits		26 589							-	26 589	28 716
Licences and permits		-							-	-	-
Agency services		-							-	-	-
Transfers and subsidies		31 952						(3 220)	(3 220)	28 732	34 098
Other revenue	2	6 857	-	-	-	-	-	-	-	6 857	7 375
Gains on disposal of PPE		-							-	-	-
Total Revenue (excluding capital transfers and contributions)		113 262	-	-	-	-	(3 220)	(1 866)	(5 086)	108 176	120 239

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Water Systems Infrastructure Grant			4 000 000.00	%	%	
				%	%	
				%	%	
Public Transport Infrastructure and Systems Grant				%	%	
				%	%	
				%	%	
				%	%	
Other Specify:				%	%	
Financial Management Grant			1 900 000.00	%	%	
Expanded public Works program			1 000 000.00	%	%	
Northern Cape Provincial Treasury			3 092 464.00			
Project library			860 000.00	%	%	
Total				%	%	
<p><i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i></p>						T L

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2017/18

Capital Programme by Project: 2017/18					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
"Project A"	4 000 000.00	4 000 000.00	2 741 423.00	-46%	-46%
"Project B"				#DIV/0!	#DIV/0!
"Project C"				#DIV/0!	#DIV/0!
Sanitation/Sewerage					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
Electricity					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
Housing					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
Refuse removal					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
Stormwater					
"Project A"	10 063 000.00	10 063 000.00	8 461 061.00	-19%	-19%
"Project B"				#DIV/0!	#DIV/0!
Economic development					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
Sports, Arts & Culture					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
Environment					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
Health					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
Safety and Security					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
ICT and Other					
"Project A"			21544	100%	100%
"Project B"				#DIV/0!	#DIV/0!

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VOLUME II: ANNUAL FINANCIAL STATEMENTS

Volume II will consist of the following

1. **Appendix I: Audited AFS 2017/18**
2. **Appendix II: AGSA Report on the outcome of the audit 2017/18**
3. **Appendix III: Audit Action/Recovery Plan**
4. **Appendix IV: Annual Performance Report 2017/18**