

LETSEMENG LOCAL MUNICIPALITY



Draft IDP 2016 – 2021

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ACRONYMS

ABET	:	Adult Based Education and Training
ASGI-SA	:	Accelerated and Shared Growth Initiative of South Africa
CDW	:	Community Development Worker
COGTA	:	Cooperative Governance and Traditional Affairs
CRDP	:	Comprehensive Rural Development Programme
CWP	:	Community Works Programme
DARDLA	:	Department of Agriculture, Rural Development and Land Affairs
DBSA	:	Development Bank of Southern Africa
DME	:	Department of Minerals and Energy
DMP	:	Disaster Management Plan
DOE	:	Department of Education
DPRT	:	Department of Public Works Roads and Transport
DWA	:	Department of Water Affairs
EPWP	:	Expanded Public Works Programme
ESCOM	:	Electricity Supply Commission
FBS	:	Free Basic Services
FET	:	Further Education and Training
GDP	:	Gross Domestic Product
GIS	:	Geographic Information System
HDI	:	Historically Disadvantaged Individual
HRD	:	Human Resource Development
IDP	:	Integrated Development Plan
IGR	:	Inter – Governmental Relations
INSDF	:	Integrated National Spatial Development Framework
ISRDP	:	Integrated Sustainable Rural Development Program
KPA	:	Key Performance Area
KPI	:	Key Performance Indicator
LED	:	Local Economic Development
MDG	:	Millennium Development Goals
M&E	:	Monitoring and Evaluation
MFMA	:	Municipal Finance Management Act

MIG	:	Municipal Infrastructure Grant
MPCC	:	Multi-Purpose Community Centre
MSA	:	Municipal Systems Act
MSA	:	Municipal Structures Act
MSIG	:	Municipal Systems & Implementation Grant
MTEF	:	Medium Term Expenditure Framework
MTSF	:	Medium Term Strategic Framework
NEPAD	:	New Partnership for Africa's Development
NSDP	:	National Spatial Development Perspective
PDI	:	Previously Disadvantaged Individual
PPP	:	Public Private Partnership
PMS	:	Performance Management System
RDP	:	Reconstruction Development Programme
SAPS	:	South African Police Services
SASSA	:	South African Social Security Agency
SCM	:	Supply Chain Management
SDBIP	:	Service Delivery Budget Implementation Plan
SDF	:	Spatial Development Framework
SMME	:	Small Medium Micro Enterprises
SOPA	:	State of the Province Address
SONA	:	State of the Nation Address
SWOT	:	Strength, Weaknesses, Opportunity and Threat
WSDP	:	Water Services Development Plan

Foreword by the Mayor of Letsemeng Local Municipality, Honourable Councillor Thandiwe Ivy Reachable

This time of the year marks the review of our Integrated Development Plan which is our principal planning instrument which outlines our current status quo in terms of our core mandate which is effective service delivery to the constituency of Letsemeng Local Municipality (FS161). We are at a time where we are about to implement the Municipal Standard Chart of Accounts as a new regulation by National Treasury, come 01 July 2017 Letsemeng Local Municipality will indeed be compliant and will be going live on the MSCOA system. We are quite optimistic that this automated system will most definitely assist the municipality in perfecting its constitutional mandate and also improve the overall performance of the municipality. Misalignment between the IDP, Budget and our Service Delivery Budget Implementation Plan will be a thing of the past; its business unusual and everyone within the system will operate under new reforms to comply with the conditions of the new system. Not forgetting our unequivocal support to the phase 2 of Back to Basics which is to improve the functioning of municipalities by getting the basics right to achieve developmental outcomes.

The Back to Basics strategy focuses on five pillars, namely:

- Putting people and their concerns first;
- Creating conditions for decent living;
- Demonstrating good governance;
- Ensuring sound financial management and
- Building and maintaining sound institutional and administrative capabilities

We are indeed no exception to the rule and we will make sure that we implement the following 6 Points from the 10 Point Plan of B2B:-

1. Ensuring Positive Community Experiences.
2. Municipalities Consistently Receiving Disclaimer Audit Opinions.
3. Revenue Enhancement Programme.
4. Appointment of Senior Managers in Municipalities.
5. Services and Infrastructure.
6. Implementation of Forensic Reports.

The Letsemeng Local Municipality will embark on the following high level objectives to turn the Local Municipality around prioritise them as Drivers of Change.

1. Revenue collection must improve from 36% to 75% within 2017 with a further escalation of 5% per annum

2. Billing System must be improved.
3. Inculcate the culture of payment amongst residents to support the improved revenue collection objective
4. Implement sound and prudent Financial Management to ensure financial viability, accountability and sustainability.
5. Improve on the qualified municipal audit outcome to a clean audit and put systems in place to maintain the status quo
6. Facilitate radical Economic transformation through emancipation of local SMME`s and Enterprise development support.
7. Avail Municipal Land for development of Solar Plants to support the promotion of alternative energy sources
8. Set aside 30% of the budget for empowerment of Women and the Youth.
9. Establish relations with the Private sector for Investment opportunities and Public Private Partnerships
10. Fill critical positions at Senior level (section 56/57) and across the structure (Technical, Community services/Artisans to implement the strategic objective of the IDP in totality
11. Accelerate and improve Service delivery standards to Communities
12. Accelerate Land reform processes within the Municipality to promote agricultural activities amongst previously disadvantaged individuals
13. Identify prime land for Local Economic Development and development of industrial areas
14. Improve and maintain existing Municipal Infrastructure.
15. Develop Infrastructure master plan complimented by a sound Infrastructure maintenance plan
16. Implement and cascade Performance Management System to all levels to improve on Municipal performance and accountability.
17. Ensure Compliance and Good Governance.

Our primary objective is to hastily make our way towards our clean audit from a qualification opinion over the next four years, we will not regress but rather steadily improve on our audit outcome. We will conform to all financial reforms and regulations and make sure that each and every individual employee of Letsemeng Local Municipality play their part in achieving this ideal.

I cannot emphasize the importance of payment of municipal services, we urge our communities to do the right thing by paying their municipal accounts and in the process benefit from the Municipal Incentive Scheme. It is a policy which Council has adopted to assist communities to come and make payment arrangements with our revenue collection department and in the process receive a 50% discount on outstanding areas when affecting actual payments. Our Revenue Collection Rate is currently standing at 36% and we can never pride ourselves with such cause it is

defeating the service delivery mandate laid before us by the electorate, we therefore reiterate the importance of payment of municipal services to enable the municipality to consistently apply sustainable service delivery to our communities.

We urge communities to actively participate in all municipal processes which affects them and are applicable to them in their different constituencies, work more closely with Councillors and elected Ward Committees in all six (6) wards to promote a culture of active citizenry. Communities are urged to use the Hlasela War Rooms and Ward Offices of Councillors effectively for service delivery issues as the intent of those offices is to take service delivery to the people in order for people to gain easy access to Government Services.

We strongly believe that Letsemeng Local Municipality has always been one of the most viable and functional municipalities since its establishment and we commit to retain that status quo and improve on all the challenges our municipality is confronted with.

We commit to play our part in the education of our children and will support all learners through outreach programmes and support initiatives in our locality, education is one of the key priorities of Government and we duly align ourselves accordingly. We will keep on making budget provision to assist deserving and previously disadvantaged matriculants with registration fees of Institutions of Higher Learning whilst they are waiting for their bursaries.

We commit ourselves to serve our communities more effective with outmost commitment and commit to spend 30% of our total procurement budget on local SMME's over the next 4 years as part of Radical Economic Transformation.

T.I REACHABLE

MAYOR – LETSEMENG LOCAL COUNCIL

CHAPTER 1

1. Introduction

(a) What is the IDP?

1.1 Legislative Context

In accordance with **Chapter 5 of the Municipal Systems Act No. 32 of 2000**, all Categories of Municipalities in South Africa, ranging from Metropolitan, District and Local Municipalities are required to compile a five year strategic plan (IDP's) with the current one for the period of **2016 – 2021**, which:-

- Links integrates and coordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- Complies with the provisions of this Chapter; and
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation;

An IDP is the principal strategic planning instrument of the municipality which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality. It binds the municipality in the exercise of its executive authority and binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law and it should be a product of intergovernmental and inter-sphere planning;

The Objective

The Integrated Development Plan is intended to link and coordinate sectoral mandates, strategies and interventions. Aligns strategic priorities with financial and human resources and integrates community inputs, priorities and resources.

The plan should look at economic and socio economic development of the area as a whole and set out a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected. The legislation requires each municipality to develop a plan for the development of its area of jurisdiction. The legislation mandates that the plan should be holistic and integrated in its approach and content. The plan should be long_term, covering a

medium term revenue expenditure framework period. The Integrated Development Plan (IDP) is therefore a five-year development plan of a municipality.

(a) Section 28 of the Municipal Systems Act (Adoption of process)

Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan. The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.

A municipality must give notice to the local community of particulars of the process it intends to follow.

The Process Plan outlines the following issues:

The Process Plan should in detail include the following:-

- *Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, and other role-players in the IDP drafting process; and*
- *The identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation.*

The Process Plan should fulfil the function of a business plan or an operational plan for the IDP process. It should say in a simple and transparent manner:-

- what has to happen when;
- by whom;
- with whom, and
- where, and it should include a cost estimate.

The Process Plan document will therefore deals with the following aspects:

- Consideration, inclusion of any relevant and new information;
- An overview of the IDP Review;
- The time and budget schedule for the planning process;
- Roles and responsibilities of different role players;
- An approach to public participation;
- Institutional structures to be established for management of the process; and
- Monitoring and evaluation of the process.

INSTITUTIONAL ARRANGEMENTS and ROLES and RESPONSIBILITIES

Role Players	Responsibilities
Municipal Council	<p>As the ultimate political decision-making body of the municipality, the Municipal Council:</p> <ul style="list-style-type: none"> • Consider and adopt a Process Plan; • Consider, adopt and approve the IDP;
Ward Councillors	<p>Councillors are the major link between the municipal government and the residents. As such, their role is to:</p> <ul style="list-style-type: none"> • Link the planning process to their constituencies and/or wards; • Be responsible for organising public consultation and participation; • Ensure the annual business plans, and municipal budget are linked to and based on the IDP.
Municipal Manager and IDP Manager	<p>The Municipal Manager or a senior official being charged with the function of an IDP Manager on his/her behalf has to manage and co-ordinate to IDP process. This includes to:-</p> <ul style="list-style-type: none"> • Prepare the Process Plan; • Undertake the overall management and co-ordination of the planning process; • Ensure that all relevant actors are appropriately involved, • Nominate persons in charge of different roles; • Be responsible for the day- to-day management of the drafting process; • Ensure that the planning process is participatory, strategic and implementation orientated and is aligned with and satisfies sector planning requirements; • Respond to comments on the draft IDP from the public, horizontal alignment and other spheres of government to the satisfaction of the municipal council; • Ensure proper documentation of the results of the planning of the IDP document; and • Adjust the IDP in accordance with the MEC for COGTA's proposals; <p>Even if the Municipal Manager delegates some of these functions to an IDP Manager on his behalf, he is still responsible and accountable.</p>
Heads of Departments and Officials	<p>As the persons in charge for implementing IDPs, the Heads of Departments have to be fully involved in the planning process to:</p> <ul style="list-style-type: none"> • Provide relevant technical, sector and financial information for analysis for determining priority issues; • Contribute technical expertise in the consideration and finalisation of strategies and identification of projects;

	<ul style="list-style-type: none"> • Provide departmental operational and capital budgetary information; • Be responsible for the preparation of project proposals, the integration of projects and sector programmes; • Be responsible for preparing amendments to the draft IDP for submission to the municipal council for approval and the MEC for COGTA for alignment.
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PARTICIPANTS IN THE IDP REVIEW PROCESS and TERMS OF REFERENCE

IDP Steering Committee	
"Support the IDP Manager and ensure a smooth planning process"	
Composition	Terms of Reference
<p>Chair: Municipal Manager or IDP Manager</p> <p>Secretariat: Dedicated Municipal Official</p> <p>Members: Chairpersons of Section 79 Committees Heads of Departments Project Management Unit – Technician</p>	<ul style="list-style-type: none"> • Provides terms of reference for the various planning activities • Commissions research studies • Considers and comments on: <ul style="list-style-type: none"> - inputs from sub-committee/s, study teams and consultants - inputs from provincial sector departments and support providers • Processes, summarises and documents outputs • Makes content recommendations • Prepares, facilitates and documents meetings
IDP Representative Forum	
"Institutionalises and guarantees representative participation in the IDP Process"	
Composition	Terms of Reference
<p>Chair: Mayor of Letsemeng Council</p> <p>Secretariat: IDP Steering Committee</p> <p>Members:</p> <ul style="list-style-type: none"> • Councillors • Ward Committee Chairpersons • Heads of Departments / Senior officials • Stakeholder representatives of organised groups • Resource people 	<ul style="list-style-type: none"> • Represent the interests of their constituents in the IDP process • Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders • Ensure communication between all the stakeholder representatives • Monitor the performance of the planning and implementation process • Participate in the process of setting up and monitoring "key performance indicators" in line with the "Performance Management Framework of Letsemeng Municipality".

•Community Representatives	
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PUBLIC AND STAKEHOLDER PARTICIPATION DURING THE IDP PHASES

Planning phase		Participation Mechanisms
1	Analysis	<ul style="list-style-type: none"> • Community consultation meetings organised by councillors; • Stakeholder meetings in all wards; • Written submissions from the public domain;
2	Strategies	<ul style="list-style-type: none"> • District level strategy workshops, with representatives of all municipalities in the Xhariep District; • Sector Provincial and National departments; and selected representatives of stakeholder organisations; • IDP Representative Forum at local level; • Stimulation of public debates through public events;
3	Project planning a) Projects/ programmes with municipality-wide scale b) Localised community-level projects	<ul style="list-style-type: none"> • Technical sub-committees with few selected representatives of stakeholder organisations and civil society; • Intensive dialogue between technical subcommittees and affected communities;
4	Integration	<ul style="list-style-type: none"> • IDP Representative Forum;
5	Approval	<ul style="list-style-type: none"> • Broad public discussion/ consultation process within all community and stakeholder organisations; • Opportunity for comments from communities and stakeholder organisations;
6	Monitoring of Implementation	<ul style="list-style-type: none"> • IDP Representative Forum;

(b) The Constitution of the Republic of South Africa

The Constitution of the Republic of South Africa outlines the kind of local government needed in the country. According to the Constitution (sections 152 and 153), local government is in charge of the development process in municipalities, and notably is in charge of planning for the municipal area.

The Constitutional mandate gives a clear indication of the intended purposes of municipal integrated development planning:

- To ensure sustainable provision of services;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To give priority to the basic needs of communities; and
- To encourage involvement of communities.

The Constitution also demands local government to improve intergovernmental coordination and cooperation to ensure integrated development across the neighboring communities.

(c) The Municipal Systems Act, No 32 of 2000

Section 25 (1) of the Municipal Systems Act stipulates that “Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality”.

The Municipal Systems dictates that the IDP should:

- Link, integrate and coordinate plans; and
- Should take into account proposals for the development of the municipality;
- In addition the plan should align the resources and capacity of the municipality with the implementation of the plan.

Moreover, the plan must form the policy framework and general basis on which annual budgets must be based. Furthermore, the plan should be compatible with national and provincial development planning requirements binding on the municipality in terms of legislation.

The IDP has a legislative status. Section 35 (1) of the Municipal Systems Act states that an IDP adopted by the Council of a municipality—

- a. is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;
- b. binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails; and
- c. binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of' those persons have been passed as a by_law.

(d) The White Paper on Local Government

The White Paper on Local Government gives municipalities responsibility to “work with citizens and groups within the community to find sustainable ways to address their social, economic and material needs and improve the quality of their lives”.

1.2 Policy context

The Constitution stipulates that all three spheres of governance are autonomous but Inter - dependent. This in essence calls for rather closer collaboration and effective implementation of intergovernmental relations between all these spheres of Government. It is very important to note and take cognizance of the fact that most of our national and international policies have a particular bearing on the Provincial and Local spheres of government. A few critical ones are highlighted below.

(a) Medium Term Strategic Framework

The Medium Term Strategic Framework is a statement of government intent which explicitly identifies the development challenges facing South Africa and outlines the medium_term strategy for improving living conditions of South Africans. The MTSF base document is meant to guide planning and resource allocation across all spheres of government. National and provincial departments need to develop their five_year strategic plans and budget requirements, taking into account the medium 8 term imperatives.

(b) The 12 Outcomes of Government

From the development focus of the MTSF the government has derived twelve outcome areas that set the guidelines for more results-driven performance.

The **TWELVE KEY OUTCOMES** that have been identified and agreed to by the Cabinet are:

1. Improved quality of basic education;
2. A long and healthy life for all South Africans;
3. All people in South Africa are and feel safe;
4. Decent employment through inclusive economic growth;
5. A skilled and capable workforce to support an inclusive growth path;
6. An efficient, competitive and responsive economic infrastructure network;
7. Vibrant, equitable and sustainable rural communities with food security for all;
8. Sustainable human settlements and improved quality of household life;
9. A responsive, accountable, effective and efficient local government system;
10. Environmental assets and natural resources that is well protected and continually enhanced;
11. Create a better South Africa and contribute to a better and safer Africa and world;
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

Out of the 12 outcomes above, Outcome 9 is closest to local government. The champion of this Outcome is the National Department of Cooperative Governance and Traditional Affairs. In order to achieve the vision and objectives of a "Responsive, accountable, effective and efficient local government system".

Seven outputs have been identified under Outcome 9, which are as follows:-

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

(c) National Development Plan

The South African Government, through the Ministry of Planning, has published a *National Development Plan* which aims to eliminate poverty and reduce inequality by 2030. The Plan is targeting the development of people's capabilities to improve their lives through:-

1. Education and skills development;
2. Health care;
3. Better access to public transport;
4. Jobs;
5. Social protection;
6. Rising income;
7. Housing and basic services; and
8. Safety

It proposes to the following strategies to address the above goals:

1. Creating jobs and improving livelihoods;
2. Expanding infrastructure;
3. Transition to a low_carbon economy;
4. Transforming urban and rural spaces;
5. Improving education and training
6. Providing quality health care;
7. Fighting corruption and enhancing accountability;
8. Transforming society and uniting the nation;

The primary intention of the National Development Plan is to eliminate poverty and reduce inequality is the special focus on the promotion gender equity and addressing the pressing needs of youth.

(d) The Free State Growth and Development Strategy (FSGDS)

The Provincial government of Free State has developed a seven-year development strategy; The Free State Provincial Growth and Development Strategy (PGDS)

- The PGDS is the fundamental policy framework for the Free State Provincial Government;
- It is the embodiment of the broad strategic policy goals and objectives of the FS Province in line with national policy objectives;

The Strategy addresses the key and most fundamental issues of development, spanning the social, economic and political environment. It constantly takes into account annual Provincial priorities and sets broad targets in terms of Provincial economic growth and development, service delivery and public service transformation.

The Strategy has identified four priority areas of intervention by the FS Province, namely:

1. Economic Development and Employment Creation;
2. Social and Human Development;
3. Justice and Crime Prevention;
4. Efficient Administration and Good Governance

The expressed “overarching goal of the PGDS is to align the provincial policies with the national policies and to guide development in terms of effective and efficient management and governance to achieve growth and development.” The Letsemeng

Local Municipality is committed in aligning its IDP to the FSGDS as one of the principle development tools in the Free State Province. Shaping the debate in pursuit of robust economic growth in our municipal area should be the order of the day.

The FSGDS is guided by the National policy thrusts identified for the Millennium Development Goals (2004 – 2014). This document strives to balance development of economic sectors and spatial localities.

The FSGDS principles are as follows:

- a) Apply the principles of sustainable development;
- b) Acknowledge the ecological limitation of the environment;
- c) Ensure alignment between all spheres of government;
- d) Ensure integrated development planning and implementation;
- e) Actively address economic and social inequalities;
- f) Promote economic infrastructure investment and development spending in areas of potential and need according to the principles of the NSDP;
- g) Acknowledge the importance of BEE, as well as the need to broaden access to the economy;
- h) Promote labour intensive approaches to development.

Based on the social and economic development challenges the Free State Province has identified the following as primary development objectives:

- a) Stimulate economic development;
- b) Develop and enhance infrastructure for economic growth and social development;
- c) Reduce poverty through human and social development;
- d) Stimulate economic development;
- e) Ensure a safe and secure environment for all people of the Province;
- f) Promote effective and efficient governance and administration

(e) Powers and Functions OF the Municipality

Local government is assigned specific powers and functions that are unique and appropriate to the lower sphere of government. Similar to the position on national and provincial spheres, local government powers and functions are constitutionally entrenched and protected and cannot be unilaterally taken away by another sphere of government. Albeit constitutionally protected, the powers and functions of municipalities are not absolute and are subject to both constitutional and national legislative requirements.

Chapter 3 of Municipal Systems Act, 2000 states that a municipality has all the functions and powers assigned to it in terms of the Constitution, and must exercise them subject to Chapter 5 of the Municipal Structures Act, 1998. Furthermore, a municipality is empowered by legislation to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers.

Against this legislative directive, we understand and interpret our powers and functions aligned to the objects of local government as set out in section 152 of the Constitution as follows:

LEGISLATION	FUNCTIONS AND POWERS
<p>A. OBJECTS OF LOCAL GOVERNMENT <i>(section 152 of the Constitution of the Republic of South Africa)</i></p>	<ol style="list-style-type: none"> 1. To provide democratic and accountable government for local communities. 2. To ensure the provision of services to communities in a sustainable manner. 3. To promote social and economic development. 4. To promote a safe and healthy environment. 5. To encourage the involvement of communities and community organizations in the matters of local government.
<p>B. FUNCTIONS AND POWERS OF MUNICIPALITIES (section 83 (1) of the LG: Municipal Structures Act)</p> <p>POWERS AND FUNCTIONS OF MUNICIPALITIES (section 156 of the Constitution of the Republic of South Africa)</p>	<ol style="list-style-type: none"> 6. To provide democratic and accountable government for local communities. 7. To ensure the provision of services to communities in a sustainable manner. 8. To promote social and economic development. 9. To promote a safe and healthy environment. 10. To encourage the involvement of communities and community organizations in the matters of local government.
<p>C. FUNCTIONS AND POWERS OF MUNICIPALITIES (section 83 (1) of the LG: Municipal Structures Act)</p> <p>MUNICIPAL FISCAL POWERS AND FUNCTIONS (section 229 of the Constitution of the Republic of South Africa)</p>	
<p>D. DIVISION OF FUNCTIONS AND POWERS BETWEEN DISTRICT AND LOCAL</p>	<ol style="list-style-type: none"> 1. Section 84 (1) (b) – potable water. 2. Section 84 (1) (c) – bulk supply of electricity.

LEGISLATION	FUNCTIONS AND POWERS
<p>MUNICIPALITIES (section 84 (3)(a) of the LG: Municipal Structures Act)</p> <p>The minister may, by notice in the Government Gazette, and after consultation with the Cabinet member responsible for the functional area in question, and after consulting the MEC for local government in the province and, if applicable, subject to national legislation, authorise a local municipality to perform a function or exercise a power mentioned in subsection (1) (b), (c), (d) or (i) in its area or any aspect of such function or power.</p>	<ol style="list-style-type: none"> 3. Section 84 (1) (d) – domestic waste water and sewage disposal systems. 4. Section 84 (1) (i) – municipal health services.
<p>E. NOTICE OF AUTHORISATION IN TERMS OF SECTION 85 (1) OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 1998 – PROVINCIAL GAZETTE (11 APRIL 2008)</p> <p>The MEC for local government in a province may, subject to the other provisions of this section, adjust the division of functions and powers between a district and a local municipality as set out section 84 (1) or (2), by allocating, within a prescribed policy framework, any of those functions or powers vested – (a) and (b).</p>	<p>As listed in:</p> <ol style="list-style-type: none"> 1. Section 84 (1) (e) – social waste disposal sites. 2. Section 84 (1) (f) – municipal roads. 3. Section 84 (1) (i) – municipal health services. 4. Section 84 (1) (j) – firefighting services. 5. Section 84 (1) (n) – municipal public roads (– relating to the above functions).

(f) SPATIAL ECONOMY AND DEVELOPMENT RATIONALE

Overarching guidelines for the LLMSDF are provided by the National Spatial Development Perspective (NSDP), in the context of the World Summit on Sustainable Development (WSSD) 2002, by other national and international commitments, the Provincial Growth and Development Strategy (PGDS) and is also informed by other local guiding policies and documents. The main principles pertaining to land development are captured in the following legislation:

- Development Facilitation Act (Act 57 of 1996);
- Environmental Management Act (Act 107 of 1998);
- Land Use Management Bill (2001).

LAND USE MANAGEMENT BILL, 2001

Letsemeng Municipality has completed its Land Use Management Scheme according to the Land Use Management Bill, Chapter 3 (2001), all Spatial Development Frameworks (SDF) must give effect to:

a) Directive principles

- Any national land use framework applicable in the area of the municipality, and
- Any national and provincial plans and planning legislation.

b) The main principles pertaining to land development are captured in the following legislation:

- Development Facilitation Act (Act 57 of 1996);
- Environmental Management Act (Act 107 of 1998);
- Land Use Management Bill (2001).

c) The principles set out in above legislation can be divided into 4 main principles:

- Principle of sustainability;
- Principle of equality;
- Principle of efficiency;
- Principle of integration.

The Letsemeng Municipality duly supports the principles set out in the above legislation; however significant community principles were identified during the IDP review and community workshops that were held.

MUNICIPAL DEMARCATION ACT 27 OF 1998

The Municipal Demarcation Act 27 of 1998 (DMA) provides criteria and procedures for the determination of municipal boundaries by an independent authority. In terms of the Act, the Municipal Demarcation Board is established to determine municipal boundaries.

Section 24 provides that when demarcating a municipal boundary, the Board must aim to establish an area that would enable the municipality to fulfil its Constitutional obligations, including the provision of services in an equitable and sustainable manner, the promotion of social and economic development and the promotion of a safe and healthy environment.

The tax base must also be as inclusive as possible of users of municipal services in the municipality.

ORGANISED LOCAL GOVERNMENT ACT 52 OF 1997

The Organised Local Government Act 52 of 1997 (LGA) provides for the recognition of national and provincial organisations representing the different categories of municipalities and determines various procedures concerning local government, including procedures by which local government may consult with national and provincial government.

MUNICIPAL STRUCTURES ACT 117 OF 1998

The main object of the Municipal Structures Act 117 of 1998 (MSA) is to provide for the establishment of municipalities in accordance with the requirements relating to categories and types of municipality and to provide for an appropriate division of functions and powers between categories of municipality. It is one of a set of legislation that is aimed at the transformation of local government into a more financially sustainable and performance orientated sphere of government. The Act is aimed at creating the permanent structures mandated by the Constitution, which will replace the transitional structures created by the Local Government Transition Act. Municipalities are categorised either as A, B or C, depending on the level of development. Chapter 5 sets out the functions and powers of the municipalities in accordance with the Constitution.

MUNICIPAL SYSTEMS ACT NO. 32 OF 2000

The Municipal Systems Act 32 of 2000 (MSA) describes the core principles, mechanisms, and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of communities and ensure access to services that are affordable to all. Its focus is primarily on the internal systems and administration of the municipality. The Act enables the process of decentralization of functions through assigning powers of general competence to local Government. Municipal by-laws are regulated to achieve harmony with national and provincial legislation.

As service authorities, municipalities remain responsible for the effective delivery of services and must provide an appropriate policy and regulatory framework. This can be achieved

through the most appropriate service provider, ranging from internal departmental delivery to joint ventures to private sector delivery options.

Performance management systems are to be developed to measure and evaluate performance in priority areas, which are to be reported annually to citizens and other spheres of government. The process to be followed in planning, drafting and adopting the Integrated Development Plan is set out.

THE DEVELOPMENT FACILITATION ACT 67 OF 1995

The Development Facilitation Act 67 of 1995 (DFA) sets out a planning and land development system, which ensures that national, provincial, and local government policies are implemented. Section 28 describes the requirements for Land Development Objectives, which must be developed by each local authority. One of the objectives of Land Development Objectives is to create a new system of planning that encourages sustained utilisation of the environment, particularly with regard to the environmental consequences of developments. Municipalities are encouraged to co-operate in order to develop the capacity of each municipality to exercise its powers and duties and manage its affairs.

NATIONAL ENVIRONMENTAL MANAGEMENT ACT 107 OF 1998

The National Environmental Management Act 107 of 1998 (NEMA) provides for co-operative governance by establishing principles and procedures for decision-makers on matters affecting the environment. An important function of the Act is to serve as an enabling Act for the promulgation of legislation to effectively address integrated environmental management. Some of the principles in the Act are –

- Accountability;
- Affordability;
- Cradle to Grave Management;
- Equity; Integration;
- Open Information;
- Polluter Pays;
- Subsidiary; Waste Avoidance and Minimisation;
- Co-operative Governance;
- Sustainable Development; and
- Environmental Protection and Justice.

A STRUCTURED APPROACH TO SPATIAL DEVELOPMENT

GUIDING PRINCIPLE: SUSTAINABLE DEVELOPMENT

THE LLMSDF takes as its starting point the goal of sustainable development. Although sustainable development is a much talked about and widely supported goal, in practice our development path, globally, nationally and in the LLM, is taking us in the opposite direction. Not everyone has the same interpretation and understanding of "sustainability". This causes numerous problems between civil society, developers, conservationist and authorities. In the above view, development must only be acceptable and in the public interest if it is socially equitable, economically viable and environmentally sustainable. This means that the development need of present generations should be met without the ability of future generations to meet their needs, being compromised. Sustainable development encompasses the integration of social, economic and ecological factors into planning, decision-making and implementation so as to ensure that development serves present and future generations.

KEY SPATIAL ISSUES

A detail community and stakeholder analysis was done with all the respective communities at a day work session. The sessions were specifically to allow the communities to analyse the region and to provide their specific needs. The main issues identified by the communities are summarized as follows.

Community Spatial Issues

SPATIAL KEY ISSUE	BRIEF DESCRIPTION
Access to land	The issue of access to land relates the local municipality as well as individuals and groups. As far as individuals and groups are concerned, the burning issues are access to residential land in urban areas and to agricultural land for emerging farmers. The municipalities experiences a shortage of land for residential expansion and other social functions
Land development	Land Development relates to the availability, preparation and funding of certain key land uses such as sites for housing developments, land for needed social amenities and

	economic activities. The key issues requiring attention in this regard include: the generation of proper information of projected land development needs, funding, co-operation and local capacity to evaluate development applications.
Spatial integration	Spatial integration has to focus on both a macro and a micro level. On a macro level there need to be more focused development initiatives at key nodal points to develop the municipality within its region strategically within current resource constraints. On a micro level, most town areas are still geographically segregated and direct intervention within former buffer strip areas will be required to integrate communities.
	The long term sustainability of all land development practices will be the key factor in the environmental and economic future of this predominantly mining and agricultural region. Specific attention will have to be given to the building of capacity amongst especially emerging land users (both miners and farmers) and the provision of a management framework to all land users within the municipality.
Sustainable land management	
Land reform and restitution	Proper distribution network
Land Conservation	Various areas adjacent to the rivers are well suited for tourism and agricultural development alike. These areas are however sensitive to over utilization and pollution and will have to be protected and conserved to ensure long term benefits thereof.

LOCALISED SPATIAL DEVELOPMENT PRINCIPLES

From the above national and provincial legislation the community identified localized objectives and principles. These principles serve as a statement of the community, which should be taken in to consideration when future development is planned.

Localised Spatial Development Principles

- To ensure the availability of land for the various land uses and in specific for future residential extensions;
- To enhance the economic base of the region through the optimal utilization of agricultural land;
- All future development should be accessible to the larger community, to promote the accessibility of employment opportunities from residential areas;
- Future development should promote the development of compact human settlements, and low intensity urban sprawl should be combated;
- Plans of neighbouring municipalities and regions should relate positively to each other;
- Promote mixed use development;
- Land use and development decisions must promote harmonious relationships between the built and natural environment;
- Land development and planning should protect natural, environmental and cultural resources;
- Land used for agricultural purposes may only be reallocated to another use where real need exists, and prime agricultural land should as far as possible remain available for production;
- Land use regulators and planning authorities must ensure that previous disadvantaged communities and areas receive benefit and opportunities flowing from land development;
- Appropriateness of land use must be determined on the basis of its impact on society as a whole rather than only the applicant or immediate neighbours;
- Special focus will be placed on rural development, especially where service delivery is not up to standard;
- Incentives should be reinstalled to promote the development of valuable riparian properties in the urban and rural areas,

SPATIAL OBJECTIVES

The Spatial Development Framework (SDF) supports the Letsemeng Vision as indicated in the IDP document and is intended to promote an urban form that will deliver the long-term vision for Letsemeng. The main purpose of the SDF is to create a town that is sustainable, accessible and efficient. The following objective will ensure that the municipality succeeds in their main purpose.

Table for Spatial Objectives

Objective 1	To create sustainable human settlement with quality physical, economic and social environments;
Objective 2	To encourage land reform towards more intensive land uses;
Objective 3	To encourage urban and regional integration and rectification of past imbalances;
Objective 4	To create a sustainable local land use management system;
Objective 5	Support Local Economic Development Opportunities;
Objective 6	Manage Informal settlements;
Objective 7	Manage development to ensure environmental sustainability;
Objective 8	Promote regional connectivity;

The outcomes of the above objectives are indicated in the Table below

SUSTAINABLE ENVIRONMENT	ACCESSIBLE MUNICIPALITY	AN EFFICIENT TOWN
<ul style="list-style-type: none"> • The responsible use of natural resources; • Focused activities and investment; • Sustainable neighborhoods; • Infrastructure viability; • Managed growth; • Cultural heritage; 	<ul style="list-style-type: none"> • A physical town structure that promotes accessibility; • Form and structure that lead to greater efficiency; • A sustainable rates base; 	<ul style="list-style-type: none"> • Equity within the urban system; • Protection of existing investments; • Focused investment; • Safety and security; • Diversity within the urban system; • Open space system; • Sustained economic growth;

STRUCTURING ELEMENTS

The Spatial Development Framework needs to be indicative and therefore the need to adopt a set of structuring elements that can give future structure to the urban and rural form of the municipal area must be identified. Four spatial structuring elements were identified; the main purpose of these structuring elements is to:

- To ensure that the SDF achieves the desired urban form;

- It needs to link spatial objectives with clear implementation strategies;
- Ensure that infrastructure is carefully planned;
- Policy and institutional instruments are in place;
- Growth is appropriately managed;
- Ensure that all relevant sectors are aligned to the plan;

The above can be achieved by implementing an effective growth management approach, which steers development to achieve the desired spatial and developmental outcomes. Growth management is a multi-sectoral concept that should be reflected in an integrated management system which relies on the contributions of all service providers in the area.

(g) NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE

NATIONAL SPATIAL DEVELOPMENT VISION

Government's National Spatial Development vision can be described as follows:

"South Africa will become a nation in which investment in infrastructure and development programmes support government's growth and development objectives"

- by fostering development on the basis of local potential;
- by focusing economic growth and employment creation in areas where this is most effective and sustainable;
- by supporting restructuring where feasible to ensure greater competitiveness;
- by ensuring that development institutions are able to provide basic needs throughout the country.

NORMATIVE PRINCIPLES

The NSDP proposes the following normative principles to be used as a guide by all spheres of government when making decisions on infrastructure investment and development spending:

- (a) Government spending on fixed investment, beyond the constitutional obligations to provide basic services to all citizens, should be focused on localities of economic growth and/or potential for sustainable economic development in order to attract private sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities. In these areas government's objective of both promoting economic growth and alleviating poverty will best be achieved.

- (b) In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending beyond basic services should focus on social investment, such as human resource development, labour market intelligence and social transfers, so as to give people in these areas better information and opportunities. This will enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities. The further concentration of people in need in areas of low potential should therefore not be encouraged.

DEVELOPMENT POTENTIAL

NSDP Categories of Development Potential

Categories of development potential proposed by the NSDP are:

- (a) Innovation and experimentation;
- (b) Production – high value, differentiated goods (not strongly dependent on labour costs);
- (c) Production – labour intensive, mass-produced goods (more dependent on labour costs and/or natural resource exploitation);
- (d) Public services and administration;
- (e) Retail and services;
- (f) Tourism.

Based on the above development potential towns are classified as having a high combined development potential, above average combined development potential, below average combined development potential and limited combined development potential.

Chapter 2

2.1 Vision

“A responsive Municipality in pursuit of Service excellence”

Mission

“Providing sustainable quality services through partnering with Stakeholders and Communities”.

Values

- Integrity
- Commitment
- Transparency
- Innovation
- Accountability

2.2 Situational Analysis

(a) Letsemeng Local Municipalities Demographic Overview

Population

This municipality has shown a population growth from **38 628** residents in **2011** to **40044** in **2016**. Herewith a detailed breakdown of the population STATS per age groups and gender for our municipality:-

Province, District and Local Municipality	0-14 (Children)			15-34 (Youth)			35-64 (Adults)			65+ (Elderly)			Total			Dependency Ratio
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Free State	397502	399763	797265	530743	528205	1058948	355678	377185	732863	96042	149596	245638	1379965	1454749	2834714	58.2
DC16: Xhariep	20074	20511	40585	28926	28775	57701	18943	18709	37652	5984	8758	14743	73927	76754	150681	58.0
FS161: Letsemeng	4930	5025	9955	8744	7050	15794	5718	4938	10656	1747	1892	3639	21140	18904	40044	51.4

Population Group and Sex

Province, District and Local Municipality	Black african			Coloured			Indian/asian			White			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Free State	1225180	1289810	2514990	35042	37052	72095	4700	2596	7296	115042	125291	240333	1379965	1454749	2834714
DC16: Xhariep	58318	60539	118857	9022	9010	18032	216	37	253	6371	7167	13539	73927	76754	150681
FS161: Letsemeng	14134	12339	26473	4557	4037	8593	43	-	43	2406	2529	4935	21140	18904	40044

Education

Highest level of education	Free State	DC16: Xhariep	FS161: Letsemeng
No schooling	124092	9780	3228
Grade 0	82660	4484	1040
Grade 1/Sub A/Class 1	77179	4502	982
Grade 2/Sub B/Class 2	65319	3736	926
Grade 3/Standard 1/ABET 1	106668	6964	1477
Grade 4/Standard 2	105582	6281	1407
Grade 5/Standard 3/ABET 2	106609	6662	1629
Grade 6/Standard 4	132475	8715	2233
Grade 7/Standard 5/ABET 3	131450	8807	2195
Grade 8/Standard 6/Form 1	176496	11471	2918
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	188195	10729	2824
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	252624	12795	3941
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	229960	9410	2589
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	565842	25176	7438
NTC I/N1	1815	-	-
NTCII/N2	2365	82	15
NTCIII/N3	5583	114	16
N4/NTC 4/Occupational certificate NQF Level 5	9722	243	14
N5/NTC 5/Occupational certificate NQF Level 5	6475	245	39
N6/NTC 6/Occupational certificate NQF Level 5	10067	230	79
Certificate with less than Grade 12/Std 10	1540	104	-
Diploma with less than Grade 12/Std 10	4104	154	10
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	15532	563	105
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	38554	1230	277
Higher Diploma/Occupational certificate NQF Level 7	17518	535	62
Post-Higher Diploma (Master's	11807	406	92
Bachelor's degree/Occupational certificate NQF Level 7	31348	1044	354

Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	15423	336	80
Master's/Professional Master's at NQF Level 9 degree	4932	96	-
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	3198	115	59
Other	8822	346	41

Household Dynamics

Province, District and Local Municipality	Main dwelling that household currently lives in											
	Formal dwelling/house or brick/concrete block structure on a	Traditional dwelling/hut/structure made of traditional	Flat or apartment in a block of flats	Cluster house in complex	Townhouse (semi-detached house in a complex)	Semi-detached house	Formal dwelling/house/flat/room in backyard	Informal dwelling/shack in backyard	Informal dwelling/shack not in backyard (e.g. in an	Room/flatlet on a property or larger dwelling/servants quart	Caravan/tent	Other
Free State	704511	15509	16142	2659	6515	2395	55569	56447	76001	3692	109	7028
DC16: Xhariep	44134	199	316	-	429	142	1701	2598	2934	328	-	341
FS161: Letsemeng	11545	10	-	-	131	17	120	674	1327	71	-	74

Household Weight

Province, District and Local Municipality	Households
Free State	946638
DC16: Xhariep	53146
FS161: Letsemeng	13969

Household Access to Electricity

Province, District and Local municipality	Household access to electricity									
	In-house conventional meter	In-house prepaid meter	Connected to other source which household pays for (e.g. con	Connected to other source which household is not paying for	Generator	Solar home system	Battery	Other	No access to electricity	Total
Free State	108973	761009	17676	2466	209	992	179	4786	50349	946638
DC16: Xhariep	9451	39523	1212	504	28	141	-	443	1845	53146
FS161: Letsemeng	2073	10495	648	242	-	69	-	59	384	13969

Household Access to Refuse Removal

Province, District and Municipality	Refuse removal							
	Removed by local authority/private company/community members at least once a week	Removed by local authority/private company/community members less often than once a week	Communal refuse dump	Communal container/central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	Total
Free State	659477	36019	33928	7242	165624	37494	6854	946638
DC16: Xhariep	33784	1700	1904	370	12955	2121	311	53146
FS161: Letsemeng	8139	65	889	36	4140	665	35	13969

Household Access to Ablution Facilities

Province, District and Local Municipality	Main type of toilet facility used										Total
	Flush toilet connected to a public sewerage system	Flush toilet connected to a septic tank or conservancy tank	Chemical toilet	Pit latrine/toilet with ventilation pipe	Pit latrine/toilet without ventilation pipe	Ecological toilet (e.g. urine diversion; enviroloo; etc.)	Bucket toilet (collected by municipality)	Bucket toilet (emptied by household)	Other	None	
Free State	663809	19526	19662	64462	105588	1602	24131	13650	18526	15684	946638
DC16: Xhariep	42535	3469	648	1302	1839	-	504	508	494	1847	53146
FS161: Letsemeng	9709	1404	579	809	755	-	173	163	129	247	13969

Household Access to Water

Province, District and Local Municipality	Main source of water for drinking													Total
	Piped (tap) water inside the dwelling/house	Piped (tap) water inside yard	Piped water on community stand	Borehole in the yard	Rain-water tank in yard	Neighbours tap	Public/com munal tap	Water-carrier/ tanker	Borehole outside the yard	Flowing water/stream/river	Well	Spring	Other	
Free State	357926	499067	25768	8098	694	13142	14680	11226	8548	1124	411	1108	4848	946638
DC16: Xhariep	17830	31071	524	954	-	639	96	635	1176	13	-	10	199	53146
FS161: Letsemeng	6469	6487	153	291	-	46	29	65	364	13	-	-	52	13969

(b) Community Needs Analysis

Focus/ Performance Area	Needs	Area/Town
Health	More ambulances in all five towns to reduce response time to incidents	All Towns
	More doctors for Letsemeng municipal area as it is currently being served by one doctor only	
	Hiring of more nurses (more especially local one's) and issuing of bursaries to local kids to study nursing	
	Educational health awareness programmes and campaigns	
	Shading for passengers at collection points alternatively using of community halls as collection points	
	Building of a local clinic in Sandershoogte	Jacobsdal
	Building of a local clinic in Relebohile	Luckhoff

Sport & Recreation	Outsourcing of maintenance of all Recreational Parks in all Wards to local SMME's	All Towns
	Community access to stadiums in all affected towns	Koffiefontein Luckhoff
	Erection of pipe line for raw water supply to the Ratanang Sport Complex	Jacobsdal
	Building of Sport Complex	Oppermans
Streets and Storm water	Building of proper storm water canals in all towns and townships	All Towns
	Upgrading of road infrastructure – road building through proper gravelling in all towns (short term)	
	Paving and tarring of internal streets	
	Resealing and repairing of current tar roads	
	Erecting of street names in all towns	
	Building of speed humps and pedestrian crossings more especially at schools	
	Upgrading of road signs and signals	
Job creation, Poverty Alleviation & Local Economic Development Projects	Building of a hydroponic project	Luckhoff
	Hosting of a Letsemeng Local Economic Development Summit	Koffiefontein
	Revitalization of Poultry project	Luckhoff
	Building of sewing projects	Luckhoff, Jacobsdal &Oppermans
	Building of fruit and vegetable stalls for local SMME's	All towns
	Capacity building on the Procurement Policy of the municipality to local businesses	All Towns
	Building of an Ostrich project	Koffiefontein

	Building of an Artisan Academy	Koffiefontein
	Training of Fire Fighting Team for Letsemeng	All Towns
	Building of Brick and Tile factory	Koffiefontein
	Building of a Crusher Plant	Koffiefontein
	Building of a Shopping Complex in Dithake	Koffiefontein
	30% spending of the municipal budget on local procurement for local SMME's	All Towns
	Preferential Procurement treatment to local Contractors and Enterprises	All Towns
	Implementation of Local Contractor Development programmes	All Towns
	SMME development and promotion Development and appointment of local contractors at projects	All Towns
	Youth development and radical economic empowerment projects	All towns
	Roll out and facilitating of Bursary and Learnership programmes for the youth through the WSP of the municipality	All Towns
	Roll out and facilitating Computer classes as well as support programmes on Drivers licenses for the unemployed youth	All Towns
	Building of community gardens in all towns especially as part of the school food nutrition programme	All Towns
Street lights	Provision of street lights in all newly developed areas as well as areas without lights	All Towns
	Repairs and regular maintenance of current street and high mast lights	All Towns
Housing	Building of more RDP houses in all five areas	All Towns
	Upgrading of existing low quality RDP houses	

	Completion of incomplete RDP houses	
	Compiling of living waiting lists in conjunction with local Housing Committees	
	Prioritisation of housing allocations	
Electricity	Provision of electricity to all households without electricity	All Towns
	Upgrading of electricity networks in all areas where the municipality is the Service Provider with special emphasis to Koffiefontein town	
Community facilities	Building of Community halls in Oppermans and Diamanthoogte	All Towns
	Upgrading and maintenance of current community facilities and the repair of the Luckhoff Town Hall	
Land Availability	Provision of more business sites and biased allocation to local businesses	All Towns
	Conducting of land audit	
	Allocation of vacant sites through the Municipal Planning Tribunal	
	Formalisation of informal settlements	
Water and Sanitation	Provision of household water supply for all residential sites	All Towns
	Application for bulk water supply in areas with water shortages and upgrading of water treatment plants and reservoirs	
	Provision of sanitation for all sites	
	Replacement of all bucket systems	

Chapter 3 - Key Performance Areas

The Letsemeng Local Municipality has aligned its IDP with the top – level Service Delivery Budget Implementation Plan to achieve the Strategic Objectives as set out in the IDP. The Service Delivery and Budget Implementation Plan (SDBIP) is defined in Chapter one of the MFMA as "a detailed plan approved by the Mayor of a Municipality in terms of Section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget". Essentially the SDBIP is the Council's operational business plan and is an integral part of the planning, implementation and reporting processes. Although the SDBIP only needs to be approved by the Mayor 28 days after approval of the budget, its preparation occurs in tandem with the IDP and MTREF process.

The SDBIP of Letsemeng Local Municipality is aligned with the:-

- IDP Strategic Objectives: this is the primary alignment of the SDBIP and serves as the bases of the Annual Performance Report and informs Chapter three of the Annual Report;
- IDP Pre-determined Objectives;
- National Outcomes;
- National Key Performance Areas;
- National Development Plan; and
- Provincial Strategic Outcomes

The various objectives, plans and outcomes are contained within the IDP as follows and covers the following six Key Performance Areas of Local Government:-

1. Service Delivery and Infrastructure Development
2. Financial Viability and Management
3. Local Economic Development
4. Public Participation and Good Governance
5. Municipal Transformation and Institutional Development
6. Spatial Development Framework

The municipality has set itself the following developmental objectives for the next 5 years ahead:-

- Accelerated and improved basic service delivery to communities
- Financial viability and sustainability
- Good governance and Public Participation
- Facilitating economic development and job creation
- Improving Municipal Infrastructure
- Fighting poverty and building safe, secure and sustainable communities and
- Improving Skills development to raise productivity

The SDBIP is utilised as the basis of Council's Performance Management System (PMS) and has the following objectives and uses:

- To facilitate strategy (IDP) deployment throughout the municipality, and ensure alignment of strategic objectives;
- To transform the Strategic Objectives; Vision; Mission; and the IDP as a whole into clear and measurable deliverables;
- To create an organisational performance culture (culture of best practices);
- To provide early warning signals;
- To promote accountability;
- To develop open and constructive relationship between customers, leadership and employees;
- To manage and improve poor performance; and
- To link performance to skills development and career planning, therefore encourage learning and growth.

3.1 Service Delivery and Infrastructure Development

Strategic Objective

Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance

Intended outcome

Sustainable delivery of improved services to all households

The municipality in its planning of the Technical Directorate and Community Services Directorate prioritizes the following areas of service provision with shared responsibilities in some of the overlapping functions:-

- Basic residential infrastructure for water sanitation, roads, refuse removal, street lighting;
- Connector and bulk infrastructure;
- Municipal infrastructure like sport, recreation and community facilities;
- Electricity;
- Storm – water drainage systems;
- Water distribution networks;
- Cemeteries;
- Safety and Security facilities;

Situational Analysis of Service Delivery and Infrastructure Development

The municipality is mindful of the reality that it is currently operating without an Infrastructure Investment Plan (IIP) and intends to develop a Masterplan to that effect. The municipality however do not have the neither the financial nor technical ability to develop the Infrastructure Investment Plan internally and therefore requested the MISA Engineers to support the municipality to develop the said Masterplan. MISA is in the process of procuring a Service Provider to support the municipality to develop its own Masterplan that will serve as a vehicle to give strategic direction to the future planning of the municipality with regard to all components of Infrastructure Development towards 2030.

Investment support from the Private Sector is minimal as the municipality is currently only limited to the investment from Petra Diamonds on their implementation of the Social Labour Plan which is subject to projects prioritised by the community and not necessarily infrastructure development support as per the priorities of the municipality. These interventions from the Mine are also predominant in Koffiefontein and at a very small scale in the other towns, it is therefore imperative for the municipality to source more Private Partners to support the municipality across all Sectors. The municipality is currently relying on DORA allocations for infrastructure development as its revenue is too

low to implement its own Capital projects from its revenue and only budget for maintenance of its existing infrastructure.

The WSDP of the municipality has been developed through the assistance of DBSA and is due for adoption by Council before actual implementation commence.

Water

The Municipality's objective remains that of ensuring that 100% of its populaces have access to portable water. Measures are being implemented on a regular and on-going basis to ensure that this objective is achieved. It is safe to report that Letsemeng Local Municipality does not have any backlogs for both Domestic and Associated Services at this stage but envisage to fall into a backlog due to the newly development townships within all six Wards in the near future. All informal settlements are currently supplied water with trucked water from the nearest towns with jojo tanks which can be located not more than 200m walking distance from the affected households. All schools and clinics that are in remote areas (Farming areas) are sometimes being supplied with water tankers as and when there is a demand from the affected occupants as this is an ad – hoc arrangement.

Letsemeng Local Municipality is both the WSA and WSP and both the functions are being implemented by the Technical Directorate at this stage. Currently the functions of WSA and WSP are not clearly defined though the Technical Directorate is overseeing all the responsibilities of the WSA and WSP.

The status quo with regard to areas with unreliable water supply are as follows in the six (6) Wards of Letsemeng Local Municipality:-

Ward/s	Settlement/Areas	Status Quo
1 – 6	Private Farms	All private owned areas or farms are not being supplied with water or any other services, this is due to accessibility of the areas, farmers (farm owners) refuse access to their land
1	Luckhoff & Oppermansgronde	Unreliable Water supply due to low capacity of the water treatment works
2	Ratanang and Sandershoogte	Unreliable Water supply due to low capacity of the water treatment works
3	Jacobsdal Town	Unreliable sewer pipes which result in frequent spillages in town which contaminates drinking water

3 and 6	Bolokanang	Unreliable water supply, capacity of boreholes which are failing to meet the current demand
4 and 5	Koffiefontein, Dithake and Sonwabile	Unreliable Water supply due to low capacity of the water treatment works

It must be noted that the upgrade to the Water Treatment Works of the affected areas is high on the priority list of the municipality and will be addressed over the MTEF period through our MWIG allocations as capital projects and the foreseeable future development in all Wards will also be taken into account.

LLM currently does not have approved service levels at this stage but a document is being prepared by the Administration office to curb this deficiency. There are currently no Operations and Maintenance Manuals in place and as a result operation and maintenance is becoming a huge challenge. Most of the existing infrastructure has dilapidated to a form which is no longer acceptable for use neither is it no longer cost effective to operate and subsequently no longer yielding any results by running.

There are no plans in place to manage the WCWD strategies, however; there are a number of items that are put in a pipe line to reduce the losses. There are monitoring programmes in place and water quality is checked every two weeks for compliance. In case where there are failures, the Technical department investigate the cause and apply remedial actions and then re-test the water. The results are loaded in to the Blue Drop System (BDS) on a monthly basis for proper monitoring by the relevant authorities (Department of Water Affairs and we have been registered in terms of the Blue Drop requirements of the National Certification Programme.

Sanitation

The Municipality continues to provide proper sanitation facilities to all communities. The municipality managed to eradicate all bucket systems in formal settlements within the municipal area and this was achieved two years ago, earlier than the target dates set in National Standards, except for the 202 newly formalised sites in Ratanang which has been earmarked as a priority area for provision of basic services in Letsemeng Local Municipality and has now being financed in the 2016/2017 FY through MIG funds and the project is in procurement phase. The municipality manages the WWTW, but there are no plans in place to re-use the treated water, only the Petra Mine has requested to divert the final effluent to their plants for reuse.

It must be noted that there is usage of Bucket Toilets in a portion in Ward 2 of Ratanang. The current problem will only be reduced after the completion of the Project in the FY 2018/19 though there will still be a total of about 250 remaining bucket toilets because

of the informal settlements in the area. All the informal settlements does not have any form of acceptable sanitation at this stage, neither does the municipality have any funding available to provide temporary services to the affected people.

About 90% of the VIP toilets in Petrusburg are dilapidated due to poor workmanship and the same VIP toilets are filled up which makes it extremely difficult for it to be drained or sucked by a truck and some of the toilets are not accessible for this truck.

The overall judgement on our WWTW is fair, although some are in a poor state and is not effectively operational due to damaged mechanical and electrical equipment at the affected WWTW's. There are no Operation and Maintenance Plans available but a letter was sent to DBSA to assist with financing the development of sector plans.

Electricity

Electricity provision in the Municipality is jointly supplied by ESKOM and the Municipality. The Municipality is servicing all the five towns under its jurisdiction, which are Koffiefontein, Petrusburg, Oppermansgronde, Jacobsdal and Luckhoff. The municipality also sells prepaid electricity to all consumers in Koffiefontein and a certain newly developed area in Luckhoff. ESKOM is selling electricity to the communities of Bolokanang, Ratanang, Saundershoogte, Relebohile and Teisesville. The electricity network still remains a challenge in some of the areas and the municipality will now apply for funding from the National Department of Energy to upgrade some of these networks.

Refuse Removal

Waste Removal Services are provided to all towns within FS161 which are, Koffiefontein, Petrusburg, Luckhoff, Oppermansgronde and Jacobsdal. The Municipality is in a process of developing an Integrated Waste Management Plan in conjunction with the DBSA. In addition to this land fill sites that are currently used as transfer stations will be registered accordingly and be optimally used as land fill sites.

Housing

The objective of the Municipality is to facilitate provision of RDP housing structures to the communities in its area of jurisdiction. Provision of houses is not the core competency of the Municipality; this objective is undertaken in partnership with the Provincial Department of Human Settlements which continues to allocate houses to residents on an on-going basis. There is an ever increasing demand for houses from communities and the municipality has resolved to establish the Local Housing Committees in all five Wards which will assist in coordinating housing functions more transparent and efficient. There is a further challenge of low quality of RDP houses which has been built in previous years and the municipality has made such referrals to the Department of Human Settlements for intervention.

Roads and Storm Water

Another aim of the municipality is to facilitate adequate and constant maintenance of access internal and access roads. Every year an affordable amount of kilometers of internal roads are being paved under the MIG, the municipality has even gone further to appoint local SMME's to do pothole repairs and internal road upgrades. To date more than 200 km's of these roads have been repaired.

Strategic Objectives for the Service Delivery and Infrastructure Development KPA for the 2017/18 FY

KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Targets / Delivery Date	Responsible Person
1	Basic Service Delivery and Infrastructure Development	To ensure sustainable provision of services and to give priority to the basic needs of the Communities	252 Households supplied with Basic Water in Koffiefontein	Quarterly Assessment Reports. Proof of Registration of Projects with MIG/WSIG	252	Director Technical Services
2			Install Bulk Water meters in Water Treatment Works.	Approved Budget for Bulk Water Meters. Meter Installation Records with GPS coordinates indicating location	6	Director Technical Services
3			Construction of sports complex in Koffiefontein Ward 4 over a period of 3 FY	Advertisement, Appointment Letter Service of Provider, Monthly Progress report	775 000	PMU Manager
4			Upgrading of 2,2 paved road in Koffiefontein Ward 4 and Ward 5 for two financial years	Advertisement, Appointment Letter Service of Provider, Monthly Progress report	3 681 675,74	PMU Manager
5			Construction of 202 sites sewer sanitation (Ward 2)	Advertisement, Appointment Letter Service of Provider, Monthly Progress report	6 057 210,03	PMU Manager
6			Construction of new solid waste disposal site (Ward 2) Phase 1 (Scoping and EIA)	Advertisement, Appointment Letter Service of Provider, Monthly Progress report, EIA report	495 610	PMU Manager

KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Targets / Delivery Date	Responsible Person
7	Basic Service Delivery and Infrastructure Development	To ensure sustainable provision of services and to give priority to the basic needs of the Communities	Construction of new solid waste disposal site (Ward 2) Phase 2 (Implementation)	Advertisement for Contractor, Appointment Letter, Monthly Progress Reports	0	PMU Manager
8			70% compliance with discharge license requirements on average for effluent quality at Koffiefontein (Ward 5) and Jacobsdal (Ward 2)	Laboratory Analysis Results	Quarterly	Director Technical Services
9			≥95% SANS 241 compliance on average for Portable Water quality	Laboratory Test Results and Annual Progress Audit report	Quarterly	Director Technical Services
10		Reduction of water loses and revenue enhancement	Replacement of broken Households Water Meters (6 Wards)	Meter Audit Report. Meter Installation Records with GPS coordinates indicating location	Sep-17	Director Technical Services
11			Install level control valves at reservoirs			
12			Conduct meter audit on all businesses			
13			Install water meters at all car washes			
14		Bulk water infrastructure to new Formalised development	Apply for Funding from MIG and WSIG (Water project for Jacobsdal and Petrusburg).	Technical reports and Proof of submission of business plans	252	Director Technical Services

KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Targets / Delivery Date	Responsible Person
15	Basic Service Delivery and Infrastructure Development	Meet current and Future Water Demand Management	Upgrade Water Treatment Works in Jacobsdal, and Luckhoff	Proof of Submission of Business Plans for Phase 3 of Luckhoff WTW. Proof of Submission for a letter of Motivation for additional funding at Jacobsdal WTW to complete project in two financial year	Jun-18	Director Technical Services
16			Improve water quality to SANS Standards- 99% and ensure compliance with Process Controller qualifications.	Laboratory Test Results and Training Reports	Quarterly	Director Technical Services
17			Eradication of bucket toilets in Jacobsdal	Approved Lists of occupants. Permission to occupy letters issued by 30 June 2018.	Jun-18	Director Technical Services
18		Koffiefontein sewer spillages	Install shipping container at the pumps station and security monitoring devices	Approved Invoices	Feb-18	Director Technical Services

KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Targets / Delivery Date	Responsible Person
19	Basic Service Delivery and Infrastructure Development	Security at our WWTW	Install concrete palisade fencing at Jacobsdal WWTW. Register a Project with MIG	Proof of Submission of Business Plans Proof of Submission for a letter of Motivation for additional funding at Jacobsdal WTW to complete project in two financial year	Jun-18	Director Technical Services
20		Improved Electrical supply with less interruptions	Upgrade Substation in Koffiefontein.	Proof of Advertisement for electrical PSP and Appointment of Service Provider. Project Progress Reports.	Phase 1: Upgrading of Substation (2016/17-2017/18)	Director Technical Services
21		Reduction of electrical loses and revenue enhancement	Install 3 Bulk Meters (Luckhoff, Petrusburg and Koffiefontein). Replaced faulty Domestic Meters in 3 Wards: - (Luckhoff, Petrusburg and Koffiefontein).	Proof of Purchase/ Order. Job Cards with GPS Coordinates	Feb-18	Director Technical Services
22	Roads and Storm Water	Improved Roads, Storm Water Infrastructure and accessibility in all Wards	Maintain all access roads: 2 Access Roads per Ward per Financial year.	Proof of Appointment Letter of SMME's and Progress Reports.	6 km's	Director Technical Services
23			Approve Roads and storm water Master plan.	Advertisement Letter and the Appointment Letter of a Consultant.	Jun 2018	Director Technical Services

KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
1	Basic Service Delivery and Infrastructure Development	To ensure sustainable provision of services and to give priority to the basic needs of the Communities	Remove Refuse once a week in all 6 Wards	Refuse Removal Programme	Weekly	Director Community Service
2			Maintain all Sport Facilities in Jacobsdal, Koffiefontein, Luckhoff and Petrusburg	Maintenance Reports	Quarterly	
3			Repair and maintain Municipal Halls and Offices	Proof of Advert of Service Providers, and Photos of Buildings before and after	June 2018	
4			Allocation of sites	Approved lay-out plans by MEC	June 2018	
5			Koffiefontein 1500 sites	Letters of Permission to occupy sites		
6			Luckhoff 658 sites			
7			Oppermans 124 sites			
8	Spatial Development Perspective	Sustainable Human Settlements and Land Reform	Identify land that belong to the Municipality in all 6 wards and submitted report to Council for noting	Proof of Advertisement for the appointment of services Provider	Jun-18	Director Community Services
9				Formalize Phambili as an Informal Settlement		
	Monthly progress reports from service provider					
	MPT reports to Council					
9			Layout Plans	Jun-18	Director Community Services	

KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
10	Spatial Development Perspective	Sustainable Human Settlements and Land Reform	Provision of Basic Services to Phambili Households	Progress Report	Jun-18	Director Community Services
11			Develop the following policies and submit to Council:	Council Resolution	Jun-18	
12			Spatial Development Framework	SDF		
13			TOR for Land Audit	TOR for Land Audit		
14			TOR for Land Use Scheme	TOR for Land Use Scheme		
15			Disaster management plan (Local)	Disaster Management Plan (Local)		
16		Environmental Sustainability	Greening of Local environment through Planting of trees in all 6 wards	Acknowledgement letter from DESTEA on number of trees to be allocated	Jun-18	Director Community Services
			Photos before and after planting			

3.2 Financial Viability and Management

Strategic Objective

To improve overall financial management in municipalities by developing and implementing appropriate financial management policies, procedures and systems.

Intended Outcome

Improved financial management and accountability.

Letsemeng Local Municipality has taken an approach of adopting the following budget principles:-

- Drafting a delivering a realistic and funded budget
- Drafting an mSCOA compliant budget
- Focusing on provision of basic services
- Improving the revenue base and payment rate for services provided
- Maintaining commitment to deliver quality services
- Improving the cash reserves to increase future capital investment capacity of the municipality

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 10 per cent increase in revenue collection within the first six months;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services and full implementation of the approved budget related policies of the municipality;

The revenue base of the municipality has declined drastically and the low revenue collection has put the municipality in a compromising position in terms of both its financial sustainability and its cash flow. The municipality is currently in the process of reviewing its Revenue Enhancement Strategy and has started to roll out a massive Operation Patala campaign.

The Council also approved a number of budget related policies which are as follows:-

- Budget policy;
- Virement policy;
- Supply chain management policy;
- Credit control and debt collection policy;
- Indigent support policy;
- Property rates policy;
- Tariffs policy;
- Funding and reserves policy;

Budget Policy

To set out the budgeting principles which the municipality will follow in preparing each annual budget and to secure sound and sustainable management of budgeting and reporting practices by ensuring compliance with norms and standards and other requirements as established by the National Treasury.

Virement Policy

The purpose of this policy is to provide a framework whereby transfers between line items within votes of the operating budget may be performed with the approval of certain officials.

Supply Chain Management Policy

To provide for effective systems for demand management, acquisition management, logistics management, disposal management, risk management and performance management and to ensure that the procurement processes are conducted in an effective, efficient, equitable, transparent and sustainable manner.

Credit Control and Debt Collection Policy

To ensure that all consumers pay for the services that are supplied and consumed according to the approved tariff structure of the municipality and to ensure that all consumer account related enquiries are attended to promptly and diligently.

Indigent Support Policy

To provide procedures and guidelines for the subsidization of basic service charges to registered indigent households, using the Council's budgetary provisions received from National Government, according to prescribed policy guidelines.

Property Rates Policy

To determine criteria to be applied for the levying of differential rates for different categories of properties, exemptions, reductions and rebates, and rate increases.

Tariffs Policy

To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); to prescribe procedures and guidelines in terms of tariff structure to be imposed on services provided by the municipality.

Funding and Reserves Policy

The objective of the policy is to set out the assumptions and methodology for estimating the projected billings, collections and all direct revenues; the provision for revenue that will not be collected; the funds the municipality can expect to receive from investments; the funds to be set aside in reserves and the proceeds the municipality can expect to receive from the transfer or disposal of assets;

The Letsemeng Local Municipality has undergone the necessary budget reforms and intends to implement the following principles with regard to budgeting:-

- A more strategic approach to budgeting and financial management;
- Promote sound financial governance by clarifying roles;
- Modernization of financial management;
- Promoting cooperative governance;
- Promoting sustainability

Some of the modernization initiatives the municipality has taken will be aimed at achieving the following:-

- Thinner budgets – 3 year timeframes (MTREF period);
- Budgets gets tabled 90 days before the start of the new year to deepen consultation and transparency;
- Integrate policy, planning and budgeting;
- Monthly reporting to promote in-year management and discipline;
- Implementation of accounting standards (GAMAP, GRAP), promoting comparability;
- Timely submission of financial statements;

The long term vision of the municipality is to promote:-

- Sound financial systems and processes;
- Transparent budgeting processes;
- Effective management of revenue, expenditure, assets and liabilities;
- Unqualified financial statements prepared on the accrual basis and on time.

The municipality has also adopted the following IDP/Budget process cycle to ensure credibility of both the IDP and Budget of the municipality as well as to ensure alignment of these two critical documents:-

STEP – BY – STEP IDP/BUDGET PROCESS CYCLE		
No	Step	Process
1	Planning	Schedule key dates, establish consultation forums, review previous processes
2	Strategising	Review IDP, set service delivery targets and objectives for the next 3 years, consult on tariffs, review all budget related policies, free basic services. Consider local, provincial and national issues, the prior year's performance and current economic and demographic trends
3	Preparing	Prepare budget, revenue and expenditure projections, draft budget policies, consult and consider local, provincial and national priorities

4	Tabling	Table IDP/Budget and budget – related policies before municipal council, consult and consider formal local, provincial and national inputs or responses
5	Approving	Council approves budget and budget related policies and any amendments to the IDP
6	Finalising	Approve SDBIP and publish with budget and annual performance agreements and indicators

The Finance Directorate is administering and managing all conditional and non – conditional grants received from the Division of Revenue Act, though the actual implementation responsibility lies upon the respective Directorates within the municipality

The following grants are being received by the municipality with the following conditions which the municipality must comply with to ensure effective application and proper reporting of these grants:-

Grant	Objective	National Financial Year		
		Column A	Column B	
			Forward Estimates	
2016/2017	2017/2018	2018/2019		
Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act	1,825,000	1,900,000	2.155,000
Expanded Public Works Programme Integrated Grant for Municipalities	To incentivize municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme Guidelines: road maintenance and maintenance of buildings, low traffic volume roads and rural roads, basic services infrastructure, including water and sewer reticulation, sanitation, pipelines (excluding bulk infrastructure), other economic and social infrastructure, tourism and cultural industries, waste	1,000,000	0	0

	management, parks and beautification, sustainable land-based livelihoods, social services programme, health service programme and community safety programme			
Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities	16,635,000	17,754,000	18,544,000
Municipal Water Services Infrastructure Grant	To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a water supply service	55,000,000	65,000,000	70,000,000
Equitable Share	To enable municipalities to provide basic services to poor households and to enable municipalities to afford administration and governance capacity to perform core municipal functions.	47,402,000	45,691,000	48,269,000

Strategic Objectives for the Financial Management KPA for the 2017/18 FY

KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person	
10	Municipal Transformation and Institutional Development	To create efficient, effective and accountable administration	Conduct Fraud prevention workshop	Attendance Register	30-Apr-17	Risk Officer	
11	Good Governance & Public Participation	Promote a Culture of participatory and Good Governance	Develop and manage Lease Agreements	Contract Management Register and Contract Progress Reports	31-Mar-17	Admin Manager	
12	Municipal Financial Viability and Management	To improve overall Financial Management	Develop Valuation Roll	Proof of Advert for a service provider	31-Mar-17	SCM Manager	
13			Develop Revenue Enhancement Strategy and present it to Council for approval	Council Resolution	31-Mar-17	Revenue & Budget Manager	
14			Develop Audit Action Plan and present to Management for Action	Audit Action plan and Attendance Register	31-Mar-17	CFO	
15			30% of Municipal budget must prioritize Local SMMEs	SCM Report to management	Quarterly	SCM Manager	
16							
17			Implement Mscoa in line with Treasury Regulations	Report to Council	`30 June 2018	CFO	
18			Procure new office buildings	Signed offer to purchase, Invoice	31-Mar-17	MM	
19			Revenue Enhancement	Procure 10 Cellphones for meter system	Invoice	30-Apr-17	SCM Manager

20			Conduct Indigent audit of all RDP houses in all 6 Wards	Indigent Register and Report	01-Jul-17	Manager Revenue and Budget
21	Municipal Financial Viability and Management	Revenue Enhancement	Register 4800 indigent households for the financial year 2017/18 in all 6 Wards.	Signed off Indigent Register	1200 per Quarter, Split per Town:	Manager Revenue and Budget
Koffiefontein: Target=325						
Petrusburg: Target=450						
Jacobsdal: Target 225						
Luckhoff: Target=175						
Oppermans: Target=25						
22			Develop Seasonal rates billing process model to improve Revenue Collection in 6 Wards and present to Council for Approval.	Seasonal rates billing process model and Council resolution	31-May-17	Manager Revenue and Budget
23			Facilitate the Appointment of Bid committee members at the beginning of financial year	Appointment Letters	01-Jul-17	MM
24			Submit the procurement plan by the start of financial year 2017/18 to Council and Treasury	Approved Procurement Plan and proof of	30-Apr-17	SCM Manager

				submission to Treasury		
25	Municipal Financial Viability and Management	Revenue Enhancement	Disposal of obsolete and redundant assets	Appointment Letters of Service provider	15-Apr-17	SCM Manager
26			Review the Asset Register and ensure compliance with GRAP	Asset Management Report	30-Jun-17	SCM Manager
27			Verification of all Municipal properties and Infrastructure	Asset Management Report	30-Apr-17	SCM Manager
28			Review all rental contracts	Signed revised Supplier Contracts and the Contract Register	31-Mar-17	Admin Manager
29			Implement Inventory Management System and conduct spot checks	Monthly Stock Take Reports	Monthly	SCM Manager
30			Develop financial procedure manual and present it to Council for approval	Council resolution and Financial procedure manual	30-Jun-17	CFO
31			Implement Budget related policies for the financial year 2017/18 and present to Council for approval	Council resolution and Budget policy manual	30-May-17	CFO
32			Develop Financial Management Plan for Financial year 2017/18 and submit to Council for approval	Council Resolution	30-May-17	Manager Accounting Services
33						

	Municipal Transformation and Institutional Development	To create efficient, effective and accountable administration	Review ICT Security Policy and submit to Council for approval	Signed IT Security Policy and Council resolution		
34	Municipal Transformation and Institutional Development	To create efficient, effective and accountable administration	Develop Disaster Recovery policy and submit to council for approval	Disaster Recovery Policy and Council resolution	Mar-18	IT Officer
35			Procure 50 Microsoft licenses	Requisition, order, invoice	Jun-17	IT Officer
36			Conduct an ICT Infrastructure Assessment and Capability for all 5 Towns	ICT Infrastructure Assessment Report	Head Office Review: July 2017 Other Towns by December 2017	IT Officer
38			Renovate & Upgrade the server room	Appointment of a service provider	`30 June 2018	

Audit Action Plan with remedial actions to Audit Findings raised by the Auditor – General

Functional Area	Audit finding	Recommendation by AGSA	Remedial Actions [Separate row should be used for each action]	<u>Completion date</u>
QUALIFICATION MATTERS				
PPE				
Immovable assets				
Prior Year Assets				
Audit communication 54	During the audit of Infrastructure assets we inspected the asset register to determine if the infrastructure assets were correctly valued as at 30 June 2015. The items were valued by using the actual cost method. We were unable to obtain reasonable assurance whether these items are correctly valued due to a limitation of scope as the original actual invoices were not provided in order for us to assess if the original take on cost was accurate.	Management should ensure that they impact an audit action plan that addresses the unresolved misstatement of the prior year.	Accurate and correct valuations to be done on the assets. To implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.	20-Aug-17
Audit communication 58	During the audit of Infrastructure assets we inspected the MIG project list received, it was noted that the following assets during 2007/2009 was valued using the Deemed Cost approach The municipality was unable to provide proof of actual cost incurred thus we are unable to obtain assurance on value of infrastructure assets due to limitation of scope to the total value of R27 803 649,53	Management should ensure that they impact an audit action plan that addresses the unresolved misstatement of the prior year.	Accurate and correct valuations to be done on the assets. To implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.	20-Aug-17

<p>Audit communication 16</p>	<p>During the audit of property, plant and equipment, verifications of assets at various locations were performed from the floor to the Fixed Asset Register (FAR). Infrastructure assets were confirmed through assistance of a consultant who used software that uses Map Feature ID from the Google Maps and Geographical Information System (GIS) which could clearly indicate where assets are on the map. The GIS would then provide the FAR_ID that it is recorded as on the FAR. Certain Infrastructure asset could not be traced to the FAR</p> <p>Land and buildings were selected from the Valuation Roll submitted for audit and by using the ERF number for assets in the name of the Municipality it could be traced back to the FAR. Certain building could however not be traced back to the FAR</p>	<p>Management should ensure that they impact an audit action plan that addresses the unresolved misstatement of the prior year.</p>	<p>To review the FAR for completeness and perform reconciliations. To implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.</p>	<p>20-Aug-17</p>
<p>Audit communication 54</p>	<p>While auditing the property plant and equipment a sample of items of land were selected for testing. Upon the execution of the work, it was identified that the land is not in the name of the municipality; therefor the municipality should not recognise these assets. In attempting to respond to these findings, the consultant ran a deed search for the properties and falsely concluded that they are the same ones that we were referring to in our finding, due to corresponding ERF. We then upon identifying that this other assets, tried to trace this assets to the asset register but we could not trace them, indicating that the assets are not complete on the asset register.</p>	<p>Management should ensure that they impact an audit action plan that addresses the unresolved misstatement of the prior year.</p>	<p>To perform a complete deed search to identify all land and buildings that belong to the municipality and update the asset register with assets that only belong to the municipality</p>	<p>31-May-17</p>

<p>Audit communication 63</p>	<p>While testing the valuation method of Infrastructure assets it was noted that the municipality incorrectly used the Current replacement cost as basis for calculating the cost ,Acc Depreciation and Carrying value instead of the depreciated replacement cost as required by GRAP17.</p>	<p>Management should ensure that they impact an audit action plan that addresses the unresolved misstatement of the prior year.</p>	<p>Accurate and correct valuations to be done on the assets. To implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.</p>	<p>31-Jul-17</p>
<p>Additions</p>	<p>While testing additions to property, plant and equipment, the following was identified. The following land and building was incorrectly classified as a movable asset</p>	<p>Management should ensure that property, plant and equipment items are correctly classified.</p>	<p>To adequately perform physical verifications of land and buildings and ensures that they have been correctly classified in the fixed asset register.</p>	<p>20-Aug-17</p>
<p>Incorrect classification of land</p>	<p>During physical verifications, we identified that the following assets recorded as buildings in the fixed asset register were actually empty land sites which therefore should have been classified as land. Furthermore the assets shouldn't have been depreciated.</p>	<p>Management to prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information</p>	<p>To adequately perform physical verifications of land and buildings and ensures that they have been correctly classified in the fixed asset register.</p>	<p>20-Aug-17</p>
<p>Rights and Obligations</p>	<p>Through the deed search that we performed for assets that belongs to the municipality, we identified that the following assets could not be found under Letsemeng local municipality. Further procedures were performed and we identified that the assets belong to other individuals/entities therefore should not be recorded in the fixed asset register</p>	<p>Management should perform reviews of the entire population of land and buildings recorded in the asset register and ensure that they belong to the municipality.</p>	<p>To perform a complete deed search to identify all land and buildings that belong to the municipality and update the asset register with assets that only belong to the municipality</p>	<p>30-Jun-17</p>
<p>Work In Progress</p>	<p>The following projects are complete but have not been capitalised to property, plant and equipment.</p>	<p>Management should review all projects and ensure that those that are completed are capitalised in the fixed asset register</p>	<p>To perform reviews of the work in progress to ensure that all the completed assets have been capitalised, and ensure</p>	<p>30-Jun-17</p>

			that completed assets are being depreciated.	
Completeness	While testing completeness of the fixed asset register, we selected assets from the ground and traced them to the fixed asset register (FAR). We used the GIS system and google earth which both show the asset number or map feature ID and used that to trace the asset in the FAR. However, certain infrastructure assets could however not be traced to the FAR	Management should ensure that regular assets count is performed to ensure all assets of the municipality are correctly accounted for	To review all the assets of the municipality and ensure that all the assets have been added on to the fixed asset register	31-Jul-17
Landfill Sites	The municipality did not recognise depreciation on the following landfill sites	Management should ensure that depreciation on the landfill sites is calculated and disclosed in the annual financial statements	Review the fixed asset register to ensure that depreciation was correctly recognised for all the assets including the landfill site	30-Jun-17
MOVABLE ASSETS				
Assets in poor conditions not assessed for impairment	While performing the physical verification of the movable assets, the following assets were deemed to be in a poor condition as they had indicators of impairment. The assets were however not assessed for impairment	Management should ensure that when they perform the physical verification of assets, they also assess the conditions of the assets and assess them for impairment.	To adequately identify all the assets which are in poor conditions which would require impairment assessment.	30-Jun-17
EXPENDITURE/PAYABLES				
Incorrectly classified transaction	During the audit of general expenses, we identified that the following transaction has been incorrectly included in the general expense	Management should ensure that there are effective controls in place to ensure that transactions are correctly classified	To ensure proper controls are in place to ensure that transactions are allocated to correct vote accounts	31-Mar-17

REVENUE

<p align="center">Prepaid electricity incorrectly calculated</p>	<p>During the testing it was established that the prepaid electricity for the following consumers were not calculated correctly in terms of the approved tariffs list for 2015/16.</p>	<p>Management should, with the assistance of Syntell, regularly review the system to ensure that the approved tariffs are correctly charged throughout the financial period</p>	<p>To review the Syntell system to ensure that the approved tariffs are charged throughout, as well as implement controls over daily and monthly processing and reconciling of transactions.</p>	<p align="center">31-Mar-17</p>
<p align="center">Property rates were incorrectly calculated</p>	<p>While performing work on the property rates of the municipality, it was identified that the municipality used a property valuer that differed from the one on the approved valuation roll of the municipality, resulting in incorrect billing of property rates.</p>	<p>Management should physically verify the properties within Letsemeng against the valuation roll to confirm that the rating category are accurate, and then review the municipal valuation roll and the all properties on the system to ensure that the information is captured accurately. With regards to indigent debtors, a monthly review of the system billing report should be performed to ensure that the R70 000 value of property is exempt and no charge is included as revenue.</p>	<p>Review the billing system to ensure that the rating categories agrees with the approved municipal valuation roll,</p>	<p align="center">31-Mar-17</p>

<p>Inaccurate calculation of water meter and conventional electricity</p>	<p>During the financial year under audit and the prior year, it was established that the municipality uses interim for a significant number of its meters for both water and electricity as they believe the reading of the meter readers are not accurate. We identified that the meter readers and revenue officials did not correctly bill the customers due to incorrect calculations of usage and also incorrect capturing of water and electricity usage</p>	<p>Management should investigate the above matter and ensure that meters are read on a monthly basis accurately</p>	<p>To ensure accurate readings of the electricity and water meters on a monthly basis by meter readers, and that adequate review processes that the units read by the meter readers are correctly captured on the bill system</p>	<p>30-May-17</p>
<p>Refuse and Sewerage inaccurately charged</p>	<p>We identified that the municipality did not correctly calculated the service charge: refuse and sewerage and sanitation as the following difference were noted</p>	<p>Management should physically verify the properties within Letsemeng against the valuation roll to confirm that the rating category are accurate, and then review the municipal valuation roll and the all properties on the system to ensure that the information is captured accurately. With regards to indigent debtors, a monthly review of the system billing report should be performed to ensure that no refuse and sanitation and sewerage charges are included as revenue.</p>	<p>To review the billing system to ensure that the rating categories agrees with the approved municipal valuation rolls and ensure that we don't incorrectly bill indigent customers and recognise revenue for indigent debtors</p>	<p>30-May-17</p>
<p>Properties that were NOT charged sewerage and refuse</p>	<p>We selected from the valuation roll submitted for audit and the properties were traced to the consolidated billing (consbill) report to confirm that the properties were billing for refuse and sewerage and sanitation. We identified that the municipality did not bill the</p>	<p>Management should physically verify the properties within Letsemeng against the valuation roll to confirm that they are included and then review the</p>	<p>To review the consbill reports against the valuation roll to ensure that all billable property are charged refuse and sewerage and sanitation</p>	<p>30-May-17</p>

	following properties for service charge: refuse and sewerage and sanitation	municipal valuation roll and the all properties on the system to ensure that the property is included in consbill		
Completeness of Prepaid electricity (External sale points)	The completeness of service charges: prepaid electricity with regards to external sale points could not be tested as management does not perform a comprehensive reconciliation of the units of electricity sold by SYNTELL to the units of electricity purchased from Eskom	Management should prepare a comprehensive reconciliations of the units sold and the units purchased from Eskom.	To perform a reconciliation of the system and Eskom.	30-Jun-17
Revenue	Prepaid electricity incorrectly calculated	Management should, with the assistance of Syntell, regularly review the system to ensure that the approved tariffs are correctly charged throughout the financial period	Management will ensure that approved tariffs are correctly captured on the system.	2017/03/01
Revenue	It was identified that the municipality used a property valuer that differed from the one on the approved valuation roll of the municipality, resulting in incorrect billing of property rates.	Management should physically verify the properties within Letsemeng against the valuation roll to confirm that the rating category are accurate, and then review the municipal valuation roll and the all properties on the system to ensure that the information is captured accurately. With regards to indigent debtors, a monthly review of the	Management will ensure correct capturing of valuation roll on the system after the work has been done by the appointed valuers.	26-May-17

		system billing report should be performed to ensure that the R70 000 value of property is exempt and no charge is included as revenue		
Revenue	During the financial year under audit and the prior year, it was established that the municipality uses interim for a significant number of its meters for both water and electricity as they believe the reading of the meter readers are not accurate. We identified that the meter readers and revenue officials did not correctly bill the customers due to incorrect calculations of usage and also incorrect capturing of water and electricity usage	Management should investigate the above matter and ensure that meters are read on a monthly basis accurately.	Management will ensure that monthly readings are done and the correct accurate reading are captured on the system	24-Mar-17
Revenue	Refuse and sewerage and sanitation was selected from the consolidated billing report, and the properties were traced to the valuation roll to obtain the rating category and also the indigent register submitted for audit to confirm that the customer is not an indigent debtor. We identified that the municipality did not correctly calculated the service charge: refuse and sewerage and sanitation	Management should physically verify the properties within Letsemeng against the valuation roll to confirm that the rating category are accurate, and then review the municipal valuation roll and the all properties on the system to ensure that the information is captured accurately. With regards to indigent debtors, a monthly review of the system billing report should be performed to ensure that no refuse and sanitation and sewerage charges are included as revenue	Management will ensure that the correct service charges are calculated	26-May-17

Revenue	We selected from the valuation roll submitted for audit and the properties were traced to the consolidated billing (consbill) report to confirm that the properties were billing for refuse and sewerage and sanitation. We identified that the municipality did not bill the following properties for service charge: refuse and sewerage and sanitation	Management should physically verify the properties within Letsemeng against the valuation roll to confirm that they are included and then review the municipal valuation roll and the all properties on the system to ensure that the property is included in consbill	Management will ensure that the consbill reports and valuation roll are reviewed.	26-May-17
Revenue	The completeness of service charges: prepaid electricity with regards to external sale points could not be tested as management does not perform a comprehensive reconciliation of the units of electricity sold by SYNTELL to the units of electricity purchased from Eskom.	Management should prepare a comprehensive reconciliations of the units sold and the units purchased from Eskom.	Management will ensure that a reconciliation of units sold and units purchased from Eskom is made.	13-Apr-17
Revenue	Difference on amounts disclosed in the schedules for conventional and prepaid electricity and the trial balance.	Management should properly review the detailed schedules and agree them to the trail balance amount.	Management will ensure that a reconciliation is made between the schedules and trial balance	30-Jun-17
Revenue	Other income : The supporting evidence not received (Limitation of Scope)	management should ensure that proper record keeping systems are implemented relating to payment vouchers are completed	Management will ensure that proper record keeping is done	24-Mar-17
Revenue	During the testing it was established that the consolidated billing system (system) did not calculate interest on outstanding receivables in terms of the approved Credit Control and Debt Collection Policy.	Management should, with the assistance of SEBATA, programme the system to be in line with the approved policies to ensure that the interest is accurately determined	Management will ensure that the system is in line with the approved policies	11-May-17

Revenue	During physical meter reading process the below listed accounts for water and electricity could not be physically read as we were unable to obtain access to the water/electricity metered and some of the meters were broken or no meter is installed. Through inspection of the debtor's statement it was determined that the meter readers have not read the meters for these accounts for the whole 12 months under audit. The municipality have used estimates throughout the period under review which could not be substantiated.	Management should take steps to obtain the accurate readings and also ensure that faulty meters are fixed or replaced.	Management will ensure that accurate readings is made and all broken/ faulty meters are fixed.	14-Apr-17
Revenue	Grave yard services that could not be traced to general ledger	Management should on a monthly basis review the grave register and other registers of revenue and trace the individual transactions to the general ledger to confirm that they were recorded.	Management will ensure that the graveyard register and the general ledger agrees	17-Mar-17
Revenue	Prepaid electricity from external sale points - Difference noted and limitation of scope	Management should ensure that information is submitted timeously for audit purposes.	Management will ensure that prepaid electricity information from the external sale points are safeguarded by the municipality	25-May-17
Revenue	The municipality in the current financial year did not have a returned cheques register	Management should ensure that information is submitted timeously for audit purposes.	Management will ensure that a r/d cheque register is compiled	17-Mar-17
Revenue	We identified that the investment register was not properly maintained, reviewed and no monthly reconciliations performed as required by the investment policy.	Management should keep and maintain a proper investment register and ensure it is regularly reviewed on a monthly basis.	Management will ensure that an investment register is properly maintained regularly	10-Mar-17

Receivables	Limitation of indigent debtors	Management should ensure that proper record keeping systems are implemented relating to indigent debtors.	Management will ensure proper record keeping of indigent's application forms.	25-May-17
Receivables	Receipts not received	Management should ensure that information is submitted timeously for audit processes.	Management will ensure that there is a safe guarding of receipts	25-May-17
Receivables	Follow up on prior year issues of property transfers in the current financial year and found that the previous owner is still billed for services on Sebata for the below properties. Also, we selected a sample of property transfers in the current financial year and found that the valuation roll was not updated with the new owner's details	Management should implement an audit action plans to address the unresolved misstatements of the prior year	Management will ensure that information on the system is updated regularly	14-Apr-17
Receivables	Incorrect calculation of Debt aging for exchange transaction. Differences were noted between the auditors recalculated debt aging and the debt aging that was calculated by SEBATA system.	Management should, with the assistance of SEBATA, programme the system to ensure that the debt aging is accurately determined based on the first-in-first out principle	Management will ensure that the system is programmed to ensure that the debt aging is accurate	25-May-17
Receivables	Incorrect disclosure on debt aging .differences were noted between the auditors recalculated presentation and disclosure and the amount disclosed on the financial statements under note 4 and 5	Management should review the financial statements to ensure that it is correctly disclosed.	Management will ensure that the correct disclosure is made on the annual financial statement	30-Jun-17
Receivables	Incorrect calculation of Debt aging for non-exchange transaction. Differences were noted between the auditors recalculated debt aging and the debt aging that was calculated by SEBATA system.	Management should, with the assistance of SEBATA, programme the system to ensure that the debt aging is accurately determined.	Management will ensure that the system is programmed to ensure that the debt aging is accurate	25-May-17

Budget	Quarterly reports not submitted During the audit of compliance, it was noted that the Mayor did not submit a report for the 3rd and 4th quarter to the council.		Management will ensure that quarterly returns are compiled	30-Jun-17
Budget	Report on impending shortfalls and overspending of budget not submitted. Through the work done, it was confirmed the accounting officer did not submit reports on shortfalls in budgeted revenue or on overspending of the budget.	The accounting officer should ensure that reports on shortfalls in budgeted revenue or on overspending of the budget are submitted to council.	Management will ensure that reports are done on the impending shortfalls and overspending of budget	25-May-17
Budget	Differences were noted between the provision amount as disclosed in the Annual Financial Statements (Budget Statement) and the amount as per the actual budget.	Management should ensure that the correct amounts are disclosed in the budget statements	Management will ensure that the correct information is disclosed on the financial statements	30-Jun-17
Employee Related Cost: Errors in employee taxes	While comparing the recalculated UIF and SDL amounts to the amounts per the schedules that were provided, the discrepancies were identified:	Management should implement and ensure that reviews and reconciliations of the schedules of employee related cost are performed to ensure that third party payments were made correctly for all employees.	Preparations of reconciliations and review on monthly basis	28-Feb-17
Employee related cost : PAYE discrepancies for councillors	While comparing the recalculated PAYE amounts to the amounts per the schedules that were provided, the discrepancies were identified:	Management should ensure that the correct PAYE rates are used when calculating the tax payable to SARS on behalf of councillors. Management should, on a regular basis, review deductions made on the salaries of councillors.	Preparations of reconciliations and review on monthly basis	28-Feb-17

<p>Prior year issue- Housing subsidy allowance</p>	<p>During the audit of Employee Related Cost, the allowances of the employees were selected to determine if the allowance received is in accordance with SALGA regulations. The following differences were identified while comparing the home owner's allowance received to the determined allowance as per SALGA: Circular No. 01/2015.</p>	<p>The municipality should ensure that monthly reviews are performed of employee related cost to ensure that the correct amounts are paid.</p>	<p>Preparations of reconciliations and review on monthly basis</p>	<p>28-Feb-17</p>
<p>Prior year issue- Housing subsidy allowance</p>	<p>During the audit of Employee Related Cost, the allowances of the employees were selected to determine if the allowance received is in accordance with SALGA regulations. The following differences were identified while comparing the home owner's allowance received to the determined allowance as per SALGA: Circular No. 01/2015.</p>	<p>Management should ensure that all matters raised during the audits are followed up and comparative figures restated.</p>	<p>funds be recovered from affected employees</p>	<p>30-Jun-17</p>
<p>Accuracy of overtime</p>	<p>differences were identified between the auditor's recalculation for overtime payments and the overtime on the pays lip:</p>	<p>Management should ensure that overtime hours are calculated and captured on the payroll system correctly through reviewing the overtime to be paid before approving the salary run for each month.</p>	<p>Review of overtime calculation before payment</p>	<p>28-Feb-17</p>
<p>1. AOPO- Reliability of Performance Information</p>	<p>In accordance with section 74 (1) of the Municipal Finance Management Act, 2003 (Act No. of 2003) (MFMA) which states that, the accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.</p>	<p>Management should ensure that information relating to the indicators are properly maintained and should furthermore ensure that reported targets are accurately disclosed. To achieve this, management should implement the following:</p> <p>1.3 Include the processes</p>	<p>Re do the survey by sending individuals forms to do the Service delivery survey</p>	<p>May-17</p>

		<p>and controls in place to ensure that information is valid, accurate and complete</p> <p>1.4 Review processes to ensure the information used to complete the Annual Report is accurate and complete</p>		
<p>2. Revenue: Meters not in a working condition</p>	<p>Conditional grants to be received by the municipality are also determined in the Annual Division of Revenue Act, 1 of 2015 (DoRA). However, recognition as revenue is as per GRAP 23 par.42 - .45 and will only be upon meeting the conditions of the grant. Until then, a municipality should recognise a conditional grant liability.</p>	<p>We recommend that the accounting officer should prepare a checklist that enables that expenditure officer and the SCM officer to properly review the transactions whether they will meet the conditions of the grants.</p> <p>The checklist should include the following as a minimum: Purpose of the grant Conditions of the grant, and Whether the conditions of grants where met</p> <p>Management should ensure that the payments are reviewed before the payment is made to ensure that the expenditure meets the requirement of the grant</p>	<p>Monitor all the expenditure that is in line with the Grants,</p> <p>If not, then notify the MM and the CFO to reverse any transaction and correct it as soon as possible</p>	<p>Continuous</p>

<p>Compliance: Consequences management</p>	<p>Section 4(3) states that A disciplinary board must consist of maximum five members appointed on a part- time basis by the council or board of directors for a period not exceeding three years, in accordance with a process as determined by the municipal council or board of directors. Section (5) of the financial misconduct regulations state that the following persons are disqualified from membership of a disciplinary board: (a) A person who has been convicted of an offence in terms of this regulation or any other legislation;</p> <p>(b) a person who, whether in the Republic or elsewhere, has been convicted of theft, fraud, forgery, the uttering of a forged document or any offence of which dishonesty is an element;</p> <p>(c) A person who has at any time been removed from any office of trust on account of misconduct or dishonesty;</p> <p>(d) An accounting officer of a municipality or municipal entity;</p> <p>(e) A political office-bearer or a member of a board of directors; and</p> <p>(f) A person who is an office-bearer in a political party.</p>	<p>The management should ensure that disciplinary structure is set up to ensure that all allegations of misconduct are properly followed up as required by the legislations</p>	<p>Apply the provision of SALGBC Collective Agreement as it supercede the relations and established Disciplinary Board that would investigate fraud</p>	<p>28-Feb-17</p>
<p>1. Employee Related Cost : Competency levels not assessed</p>	<p>Mfma 83, Competency levels of professional financial officials. — (1) The accounting officer, senior managers, the chief financial officer and other financial officials of a municipality must meet the prescribed financial management competency levels. (2) A municipality must for the purposes of subsection (1) provide resources or opportunities for the training of officials referred to in that subsection to meet the prescribed competency levels. (3) The National Treasury or a provincial treasury may</p>	<p>Management must at all times ensure compliance with applicable laws and regulations.</p>	<p>Procure the services of the service provider who will assist with screening of candidates. Develop a form a template that would be send to the previous employee requesting</p>	<p>31-Mar-17</p>

	assist municipalities in the training of officials referred to in subsection (1).			
1. Prior year issue- Remuneration of MM and SM	In accordance with regulation 35 of the Local Government Regulation on the appointment and conditions of employment of Senior Managers, circular 6/2014 which states that, the minister must by notice in the Gazette annually determine the upper limit if the total remuneration package of the senior managers according to the different categories of the municipality. Furthermore, the Government Gazette no. 37500, issued 29 March 2014 states that this government notice is applicable to all newly appointed senior managers and senior managers whose employment contracts are either renewed or extended, and who have complied with chapter 3 of the regulations."	The municipality should ensure that the correct limits are used when employing section 57 managers.	Adhere to the limits determined for senior managers.	Ongoing
Leave pay accrual : Incorrect calculation	In accordance with section 62(1) of the MFMA Act 56 of 2003 which states that, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure (a) that the resources of the municipality are used effectively, efficiently and economically; (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; (c) that the municipality has and maintains effective, efficient and transparent systems— (1) of	Management should ensure the following: 1. The leave forms are timeously processed to the system to ensure that the system agrees to the actual leave days taken. 2. That regular reviews are performed of the leave registers and the leave per the system to ensure that the register and the system agree.	Requested SEBATA come and reset the codes. Process leave forms on time. Reconcile leave forms against the system on monthly basis.	31 March 2017

	financial and risk management and internal control; and (2) of internal audit operating in accordance with any prescribed norms and standards	3. That the leave forms are timeously processed and added to the relevant employee's file.		
Unauthorised Fruitless and wasteful Expenditure	During the audit of compliance, we identified that reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1) (d) of the Municipal Finance Management Act.	Management should ensure that they implement controls in place to prevent irregular, unauthorised and fruitless and wasteful expenditure.	Management must see to it that before the order is issued to the service provider all the SCM processes are followed to avoid unauthorised irregular and fruitless and wasteful expenditure	31-May-17
Unauthorised expenditure Understatement :	1. Through the work done on the unauthorised expenditure of the municipality, it was identified that the municipality did not completely disclose all the instance of unauthorised expenditure, the municipality did not have record of which votes were used to allocate the capital spending, this resulted in the audit team not being able to establish whether there was any overspending in the capital expenditure per vote or not.	The municipality should implement daily processing and review of transactions to keep track of the budgeted and actual spending at the municipality. This is not a process that can wait for the consultants at the end of the year as it is normally too late at that time.	Management should make sure that all the irregular fruitless and wasteful expenditure are recorded on the UIF register to avoid completeness issues or understatement.	31-May-17
No investigations were conducted for fruitless, unauthorised and irregular expenditure	During the audit of compliance, we noted that in all instances of unauthorised, irregular and fruitless and wasteful expenditure investigations were not done to determine if any person is liable for the expenditure or to recover the previous irregular expenditure for 2014/15 amounting to R19 825 423 fruitless and wasteful expenditure R305 704 and unauthorised expenditure of R27 915 334.	Management should ensure that there are investigations done and follow up made on the irregular, unauthorised and fruitless and wasteful expenditure to recover some of the expenditure that could be recoverable	The section 32 Committee must be initiated to investigate all the previous irregular fruitless and wasteful expenditure	31-May-17

Procurement: Non-compliance with preference point system as prescribed by the PPPF Act and errors on the functionality points	We were unable to obtain the evaluation sheets for the following awards between the R30 000 and R200 000 to confirm that they were calculated in accordance with the preference point system as prescribed by the PPPF Act.	Management should ensure that all tender adverts state all requirements that should be met.	The SCM Manager should ensure that all the threshold between R30000 and R200000 must comply with the principles of PPPF Act.	31-May-17
Procurement: Non-compliance with preference point system as prescribed by the PPPF Act and errors on the functionality points	We were unable to obtain the evaluation sheets for the following awards between the R30 000 and R200 000 to confirm that they were calculated in accordance with the preference point system as prescribed by the PPPF Act.	Management should ensure that all tender adverts state all requirements that should be met.	The SCM Manager should ensure that all the threshold between R30000 and R200000 must comply with the principles of PPPF Act.	31-May-17
1. Procurement: Minutes not attached	We were unable to obtain sufficient and appropriate audit evidence on the following below matters as SCM officials were unable to provide us with the minutes of bid adjudication:	Management should also ensure that proper record keeping processes are in place to ensure that documents are readily available and submitted timeously	Management must ensure that SCM unit is provided with an office space to file the incoming tender documents since we do not have enough space.	31-May-17
1. Procurement: Information not submitted resulting in limitation of scope	The following requested information as per request for information 23, issued on 30 September 2016 with a due date of 04 October 2016, has not been submitted for audit purposes:	Management should also ensure that proper record keeping processes are in place to ensure that documents are readily available and submitted timeously.	Management must ensure that SCM unit is provided with an office space to file the incoming tender documents since we do not have enough space.	31-May-17
1. Procurement: No 3 quotations obtained	During the audit of SCM, we identified that less than three quotations were obtained for the following transactions and that there was no deviation report approved by a delegated official.	Management should ensure that all procurement processes are followed.	SCM will make sure that transaction between 0-2000 quotation will be provided and 2000 -30000 three quotation must be attached and if not the must be a deviation letter or motivation approved by the Municipality Manager.	31-May-17

<p>1. Procurement: Transactions split into parts of lesser value to avoid tender processes for payments over the threshold for SCM processes Transactions split into parts of lesser value</p>	<p>We noted that the following suppliers had total payments in excess of R200,000 for which no tender process has been done: For quotations between R10 000 and R30 000, the following suppliers did not go through SCM processes as transactions exceeded R30 000:</p>	<p>Management should follow procurement processes in all transactions and not split transactions to lesser value to avoid tender process for payments over R30000 and R200 000.</p>	<p>SCM must follow all the necessary procedures to avoid splitting of orders</p>	<p>31-May-17</p>
<p>1. Procurement: Requisition forms not approved by the accounting officer</p>	<p>The following payment vouchers were not signed by the accounting officer as final approval for payment granted:</p>	<p>Management should ensure all payment vouchers are approved before payment is made.</p>	<p>The end users must make sure that before the send a requisition to SCM unit the requisition form is completed and approved by the Head of Department including the Budget.</p>	<p>31-May-17</p>
<p>1. Procurement: No advert was obtained</p>	<p>The following tenders did not contain adverts as advertised in the newspapers and could not verify number of days bid was advertised:</p>	<p>Management should ensure that all the adverts are kept and submitted for audit purposes.</p>	<p>SCM unit will make sure that all transaction above 30000 are advertised on notice boards, Website or a Local newspaper.</p>	<p>31-May-17</p>
<p>Procurement: Evaluation committee does not consist of SCM</p>	<p>The evaluation committee for the following contracts did not consist of the SCM practitioner:</p>	<p>Management should ensure that the evaluation committee consists of at least one supply chain management practitioner</p>	<p>The SCM unit will make sure that as part of evaluation committee the SCM practitioner must form part as a requirement by the SCM Policy</p>	<p>31-May-17</p>
<p>36. Procurement: Contracts not obtained</p>	<p>The signed contracts for the following tenders could not be obtained for audit purposes:</p>	<p>Management should also ensure that proper record keeping processes are in place to ensure that documents are found quickly and submitted timeously.</p>	<p>Training must be provided to the SCM Manager and Manager Administration on how to draft contracts in order to avoid relying on the tender documents.</p>	<p>31-May-17</p>

<p>1. Procurement: Awards made to suppliers without obtaining tax clearance certificates from SARS/Suppliers</p>	<p>The following quotations were awarded to suppliers who did not submit their SARS Tax clearance certificates confirming that their tax matters are in order.</p>	<p>The bid adjudication committee should implement adequate controls to ensure that bidders submit all the required bid documentation and certificates, including the SARS tax clearance certificate.</p>	<p>As a requirement by the SCM policy and Regulation Management must make sure that all the service provider we do business with are tax Compliance ,SARS documents must be attached on each transaction to confirm that .</p>	<p>31-May-17</p>
<p>1. SCM - Incorrect Bid documentation</p>	<p>The following non-compliance with supply chain management regulations were identified with regards to Koaho civil contractors.</p>	<p>The municipality should designate an SCM official that is responsible for ensuring that the bid documentation complies with the necessary SCM regulations and PPR at all times.</p>	<p>The SCM policy and Regulations must be adhered to especially on competitive bidding</p>	<p>31-May-17</p>
<p>Procurement: No declarations of interest by suppliers</p>	<p>We noted that for payments of transactions between R10 000 and R30 000, no declarations of interest have been sought from the following winning suppliers:</p>	<p>Management should formulate and implement adequate internal controls over the handling of awards to ensure that suppliers who fail to submit the required information are disqualified immediately during evaluations.</p>	<p>The SCM unit will make sure that all service providers will declare their interest before the render their service with the municipality</p>	<p>31-May-17</p>
<p>1. Procurement: Electrical engineering contract awarded to a civil engineer contractor.</p>	<p>The following contractor was awarded an electrical contract whereas the contractor is a civil engineer:</p>	<p>Management should implement controls to stipulate that only submissions of tender offers or expressions of interest by contractors who are registered in the category of registration in relation to that contract.</p>	<p>The SCM policy and Regulations must be adhered to especially on competitive bidding</p>	<p>31-May-17</p>

1. Procurement - SCM Processes not followed	No proof could be obtained that preference point system was utilised on the following contract:	Management should determine a preference point system to be followed for all quotations above R30 000.	Management must see to it that any transactions above R30000 must comply with preferential point systems.	31-May-17
1. Procurement - Payment to Singatel more than contract amount	Payment to Singatel was more than the contract value of:	Management should implement controls to ensure that payment to contractors do not exceed the contract amount.	The SCM Manager must manage the contract management to make sure that invoices doesn't exceed the tender Amount	31-May-17
1. Procurement - No proof of advert of CIDB website	Proof could not be obtained that the following contracts were advertised on the CIDB website:	Management should implement controls to comply with the legislation and advertise also on the CIDB website.	Management must make sure that they access the CIDB website in order to can advertise, Several follow ups were made last year with CIDB the municipality didn't get any assistant with regard to the advertising on the CIDB website their phones were always ringing.	31-May-17
No investigations were conducted for fruitless, unauthorised and irregular	During the audit of compliance, we noted that in all instances of unauthorised, irregular and fruitless and wasteful expenditure investigations were not done to determine if any person is liable for the expenditure or to recover the previous irregular expenditure for 2014/15 amounting to R19 825 423 fruitless and wasteful expenditure R305 704 and unauthorised expenditure of R27 915 334.	Management should ensure that there are investigations done and follow up made on the irregular, unauthorised and fruitless and wasteful expenditure to recover some of the expenditure that could be recoverable	The section 32 Committee must be initiated to investigate all the previous irregular fruitless and wasteful expenditure	31-May-17
1. PPE - Prior year issues not addressed	During the follow up of prior year findings the following were found to be unresolved:	Management should ensure that they impact an audit action plan that addresses the unresolved misstatement of the prior year.	Management will address the prior year issues to avoid recurring of the findings	31 June 2017

1. PPE- Additions: Incorrect classification of asset	The following land and building was incorrectly classified as a movable asset	Management should ensure that property, plant and equipment items are correctly classified.	Asset Officer and the SCM Manager must reclassified the PPE correctly on the FAR	31 June 2017
1. PPE: Incorrect classification of land	During physical verifications, we identified that the following assets recorded as buildings in the fixed asset register were actually empty land sites which therefore should have been classified as land. Furthermore the assets shouldn't have been depreciated.	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Asset Officer and the SCM Manager must reclassified the PPE correctly on the FAR	31 June 2017
1. Property, plant and equipment: Rights and obligations	Through the deed search that we performed for assets that belongs to the municipality, we identified that the following assets could not be found under Letsemeng local municipality. Further procedures were performed and we identified that the assets belong to other individuals/entities therefore should not be recorded in the fixed asset register:	Management should perform reviews of the entire population of land and buildings recorded in the asset register and ensure that they belong to the municipality.	Management must see to it that all the assets that supposed to be recorded has been recorded on the FAR and Deeds	31 June 2017
1. PPE- Completed projects not capitalized to PPE	The following projects are complete but have not been capitalised to property, plant and equipment.	Management should review all projects and ensure that those that are completed are capitalised in the fixed asset register.	The Assets officer /SCM Manager will make sure that all Projects completed and capitalised correctly on the FAR.	31 June 2017
1. PPE - WIP not complete	It was determined that the below project selected from the commitment register is not included in the work-in-progress (WIP) even though the project is currently under development.	Management should review all the running projects to ensure that those that are incomplete are identified and disclosed under work in progress	The Assets officer /SCM Manager will make sure that all Projects completed and capitalised correctly on the FAR.	31 June 2017
1. WIP: Supporting evidence was not provided for audit purpose	The supporting evidence for the following transactions was not provided for audit purposes.	Management disagrees to this finding. Sedibeng Water, the invoices are provided, Multi-seal invoice and Phethogo	The Assets officer /SCM Manager will make sure that will ensure that supporting documents are available.	31 June 2017

		consultant invoices were provided to the person who was doing creditors. A copy of the payment vouchers for Phethogo consulting and Multi-Seal have submitted to the auditor, and an invoice copy for Multi-Seal have been emailed.		
1. Incorrect valuation of Work In-Progress	The following differences were identified between the auditor's recalculated balance of work-in-progress (WIP) and the amount recorded in the WIP register	Management should adequately review the WIP register to ensure that the amounts are recorded correctly and accurately.	The Assets officer /SCM Manager will make sure that WIP valuation is correctly recorded on the FAR.	31 June 2017
1. PPE- No depreciation recognised on landfill sites	The municipality did not recognise depreciation on the following landfill sites.	Management should ensure that depreciation on the landfill sites is calculated and disclosed in the annual financial statements.	The Assets officer /SCM Manager will recognised depreciation on landfill sites and pass a Journal	31 June 2017
1. PPE- No supporting documents provided on impairment loss	While testing impairment losses, no adequate supporting documentation could be obtained for the amount of R269 531	Management should ensure that all amounts disclosed in the financial statements are supported with adequate evidence and calculations.	Management will make sure that all the impairment loss disclosed on the AFS are supported by documentation.	31 June 2017
1. Assets non-compliance - No maintenance plan	During the prior year and in the current year, through the audit of property, plant and equipment it was identified that the municipality does not have an approved Asset maintenance plan in place to ensure that all assets of the municipality are maintained to ensure effective service delivery.	Management should actively participate in the development of an asset-management policy that will ensure assets are maintained and to provide budget input that optimises the useful lives of assets.	Technical and Finance must initiate the maintenance plan within the Municipality	31 June 2017

1. Prior Year : Misstatements not addressed: Inventory	During the inventory count items of inventory were selected from the floors which were traced back to the inventory listing that supports the amount disclosed in the AFS and the following items of inventory could not be traced back to the listing:	Management should ensure that all inventory which belong to the municipality and are currently in use have been recorded in the asset register.	The Assets officer /SCM Manager will make sure that misstatements are addressed and recorded on the FAR.	31 June 2017
1. PPE- Assets in poor conditions not assessed for impairment	While performing the physical verification of the movable assets, the following assets were deemed to be in a poor condition as they had indicators of impairment. The assets were however not assessed for impairment	Management should ensure that when they perform the physical verification of assets, they also assess the conditions of the assets and assess them for impairment.	The Assets officer /SCM Manager will make sure that assets in poor condition are impaired.	31 June 2017
1. PPE- Completeness	While testing completeness of the fixed asset register, we selected assets from the ground and traced them to the fixed asset register (FAR). We used the GIS system and google earth which both show the asset number or map feature ID and used that to trace the asset in the FAR.	Management should ensure that regular assets count is performed to ensure all assets of the municipality are correctly accounted for.	The Assets officer /SCM Manager will test completeness on assets, from the floor tracing them back to the asset register.	31 June 2017

The Letsemeng Local Municipality maintained its Qualified Audit Opinion for the 2014/2015 and 2015/2016 Audits respectively and has drawn up the Audit Action Plan stipulated above to improve on its 2016/2017 Audit Opinion. The Provincial Department of Treasury is also providing hands on support to the municipality to achieve this objective.

3.3 Local Economic Development

Strategic Objective

Create an environment that promotes development of the local economy and facilitate job creation.

Intended Outcome

Improved municipal economic viability and Radical Economic Transformation.

The Constitutional Provisions

Section 152 (1) c states that one of the objects of local government is to promote social and economic development. Expanding on the developmental duties of municipalities, Section 153 goes on to state:

“A municipality must

- a) Structure and manage its administration, budgeting and planning processes, to give priority to the basic needs of the community and to promote the social and economic development of the community; and
- b) Participate in national and provincial development programmes.”

These objectives are further articulated in the Municipal Systems Act 32 of 2000.

The stated priority function of this Act is “To provide for the core principles, mechanisms and processes that is necessary to move progressively towards the social and economic upliftment of local communities...” and more so “to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities”...

The primary means to give effect to these developmental roles is by undertaking

Developmentally-oriented municipal planning which should ensure progress towards

Section 152 and Section 153 of the Constitution (Chapter 5, sub-section 23, Municipal Systems Act). Thus the Integrated Development Plan (IDP) of each municipality is intended to reflect a “single inclusive and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality”.

Local Government has been identified as the primary institution for LED, however it is not exclusive; within this context Municipalities (Local Government) has three primary roles to play in LED:-

- To provide leadership and direction in policy making (by-laws and processes to regulate land in manner that reduces the costs of doing business and maximises the involvement of people in the local economy);
- To administer policy, programme and projects (the core function of anybody or structure responsible for LED is to co-ordinate and maximise the impact of programmes and projects with respect to growth and development);
- To be the main initiator of economic development programmes through public spending, regulatory powers, and (in the case of larger municipalities) their promotion of industrial, small business development, social enterprises and cooperatives.

What is LED?

LED is not one particular strategy or theory, but rather it is a wide range of activities that are implemented at the local level in response to local developmental needs and it can be described as a locally-driven process designed to identify, harness and utilise local resources to stimulate the economy and create new employment opportunities. It is therefore a process by which public, business and non-governmental sector partners collectively (or independently) work together to create better conditions for economic growth and employment creation

LED occurs best when a partnership between the local authorities, business, NGO's and most importantly, individuals is formed, and together they strive to improve the localities Economic development is the process of building strong, adaptive and sustainable local economies.

The development of Strategies which are driven by:-

- Local assets and realities;
- A diverse industry base; and
- A commitment to equality of opportunity and sustainable practices;

have emerged as those that will ensure a strong foundation for long-term stability and constant growth. Even within the parameters of these principles, what constitutes success in economic development and the specific strategies to accomplish it will look different from town to town, it is quite evident that the economy of Jacobsdal differs from the economy of Luckhoff for instance. Despite these differences, leadership is consistently identified as a critical factor in effective economic development.

Dedicated leadership is needed to:-

- Raise awareness;
- Help develop and communicate a common vision; and
- Motivate stakeholders into action;

Although leadership can come from many institutions within the community, local elected Councillors are particularly well-positioned to take on this role. The political influence of elected leadership is critical to helping communities stay the progression toward a vibrant economic future. From the podium to the design and coordination of public development strategies, the Mayor and Council members have opportunities every day to effect change and promote a strategic vision of economic growth for their respective communities.

The local economic trajectory of the Letsemeng Local Municipality is undergoing an improved way of "Shaping the debate" around LED in its municipal jurisdiction. It is essential for the municipality to create conditions under which the local economy can undergo swift growth. In attaining these swift growth patterns in the local economy of the FS161 municipal jurisdiction it is quite critical for the municipality's local economic development Unit and Council to contextualize and understand the following principles of its local economy.

The local economic strengths and weaknesses

To have a stronger understanding of its community's economic profile will help to create a realistic vision and strategies for economic development.

The community's place in the broader Regional, Provincial and National economy

To gain a firm grasp of how the Letsemeng community fits into the broader Regional, Provincial and National Economy we need to work very close with other spheres of Government to gain National economic success.

The community's economic development vision and goals

Local Municipal officials in the LED Unit of Letsemeng Local Municipality should play a key role in building consensus for a vision and goals that provide clear direction for local economic development.

The community's strategy to attain its goals

A strategic approach which must link economic development goals to specific activities, allocating a budget and appointing or placing staff to these activities and evaluating performance based on measurable outcomes.

Connections between economic development and other Council policies

When drafting economic development policies, it is essential to consider how other Council policies (e.g. SCM policies) affect your economic development goals.

The local economic stakeholders and development partners

Municipal officials should think strategically on a project-by-project basis about who needs to be involved, the resources they bring to the table, and what it will take to get them engaged.

The needs of our local business community

Municipal officials should help create an environment that supports the growth and expansion of local businesses, primarily by opening lines of communication and encouraging partnerships amongst local business.

The community's economic development message

Municipal officials must develop a clear, accurate and compelling message that reflects its local vision and that helps ensure broad support for economic development projects undertaken by the Municipality and its partners.

The economic development staff

Councillors will be more effective in leading economic development activities to the extent that they forge strong relationships with staff members who work on these issues on a daily basis.

The goal of the abovementioned principles is basically to identify fundamental ways on how Council can become informed and strategic decision-makers who can connect the policy "dots," be effective communicators and take a leadership role in economic development. It is based on the premise that Councillors can and should actively participate in and lead long term development strategies that make sense for their communities.

Assessing the Local Economy of Letsemeng Local Municipality

The community's strengths and weaknesses, such as quality-of-life amenities, infrastructure and workforce skills, determine the potential of the local economy to support economic growth. This economic profile lays the foundation for creating a realistic vision and strategic direction for economic success that is unique to each community.

Information about the local economy can also help engage and educate constituencies and build community support for economic development decisions, on this note Letsemeng Local Municipality commits to undertake an in-depth diagnosis of its local economy.

This exercise will assist the local economic development Unit to identify factors within and outside of the control of local government that impact and shape its local economy. It will further assist in identifying strengths and opportunities which are quite crucial, but local officials also should pay attention to weaknesses and potential threats.

For example:-

What industries in our community and region are growing or struggling?

What barriers and support services exist for local entrepreneurs and small businesses?

All of these factors should be understood in comparison to the respective communities and in the context of the broader economic trends. As a result of this process, we will have a stronger sense of our unique local assets, as well as what we can and should be doing to build on strengths and mitigate weaknesses.

Though the budget for Local Economic Development in the local space is still limited the municipality and its role-players has made significant strides in trying to change the communities mind-set from a state reliance syndrome; to that of a making things possible to work with community members to take inventory of their local capacity (Human, Physical, Social, Environmental and Economic Assets) and to acknowledge their own potential and strengths.

The municipality has in essence aligned itself to the four key strategies which are:-

- Improving good governance, service delivery and public and market confidence in municipalities;
- Spatial development planning and exploiting the comparative advantage and competitiveness of Districts;
- Enterprise support and business infrastructure development; and
- Introducing sustainable community investment programmes focusing on organising communities for development and maximising circulation of public spend in local economies;

The municipality will over the next multi – year period of three years focus its energies and redirect its available financial resources aimed at local economic development on implementing the following strategic objectives.

Objective	Actions/Plans	Programme/Plans
To shift towards a more strategic approach to the development of our local economy and to overcome challenges and failures	Ensure that social and economic development are prioritised within the municipal Integrated Development Plans (IDPs);	Skills programmes to respond to business and government for greater productivity and efficiency;
To support the local economy in realising its optimal potentials and making local communities' active participants in the economy of the country.	Conduct local economic regeneration studies that form a core component of the IDPs; Identify and market new economic opportunities;	Business support programmes to retain existing businesses and encourage start-up or relocating businesses to enter the area;
To wage the local fight against poverty more effectively through local level debates, strategies and actions.	Improve the quality of life, and facilitate economic opportunities, of people living within the municipality by addressing infrastructure and service delivery backlogs; Create an 'enabling environment' for local businesses through efficient and effective service and infrastructure delivery;	Infrastructure development to increase access for businesses and households;
To improve community access to economic initiatives, support programmes and information.	Motivate and support individuals, community groups and local authorities to initiate and sustain economic initiatives; Mobilise civil society to participate in LED and encourage public participation;	Social development programmes to increase participation in the local economy and build better lifestyles for the community;

To improve the coordination of economic development planning and implementation	Network with key sectors and role players to create partnerships and projects; Promote interdepartmental collaboration across line departments; and	Promoting of multi-stakeholder participation in the local economy;
	<p>Establish sector linkages and clustering of economic activity;</p> <p>Establish LED groups within the community to mobilise the efforts and resources of local stakeholders around a common vision;</p>	

The Letsemeng Local Municipality envisages achieving the following local economic strategies by implementing the following interventions to achieve its goals:-

Strategy	Aims	Interventions
Development and maintenance of infrastructure and services	Create an enabling Environment, Save time, cost and Technology	<p>The provision of:</p> <p>Reliable, cost effective municipal service delivery – choose a service delivery mechanism that targets the under-serviced</p> <p>Efficient infrastructure maintenance</p> <p>Municipal provision of social amenities and facilities (health, recreation and pre-school)</p> <p>Effective housing and settlements policy</p> <p>Appropriate zoning</p>

Retention and expansion of existing services	<p>Assist local businesses to improve their productivity and increase market share</p> <p>Graduate to higher value added levels of the production chain</p>	<p>Development of local business skills (training)</p> <p>Providing advice and technological support</p> <p>Developing under-exploited sectors that have comparative advantages</p> <p>Outreach programmes (identifying specific problems in local economy)</p> <p>Financial schemes and assistance packages (approach banks)</p> <p>Bulk buying</p> <p>Place and product purchasing</p> <p>Networking</p>
Increase spending on products of the local economy	To stem the outflow of money from poor areas	<p>Encourage communities to buy local (understanding the reasons for external purchasing)</p> <p>Funding special events and festivals</p> <hr/> <p>Providing infrastructure using local labour and locally manufactured materials</p> <p>Promoting employee training within local businesses and communities</p> <p>Networking enterprises of all sizes in the local area</p>
Human capital development and productivity	Ensuring that economic development brings social benefits often requires explicit linkages between 'living wages', human capital development and productivity	<p>General and customised training within lead Sectors</p> <p>Basic and advanced skills development</p> <p>Targeted procurement policies</p>
Community economic development	Support poverty reduction in low income communities and organisations	<p>Promote safe savings collectives and financial services, community based environmental management and maintenance schemes, urban farming projects</p> <p>Support SMME development by providing business infrastructure, technical support</p>

		through business advice centres, opportunities for involvement of SMMEs in government procurement, network key sectors in which SMMEs dominate
Linkage of profitable growth to redistributive development/ financing	To ensure that businesses investment benefits disadvantaged communities and areas	Example: Banks or other financial institutions opening a branch in any municipal area in Letsemeng Municipality should invest some of their turnover in local small businesses (Corporate Social Responsibility of private Companies, e.g. FNB, Petra Diamonds, OVK)

Based on both the strategic goals and strategic objectives as stated above, Letsemeng Local Municipality will use the following scheduled projects and programmes which is aligned to the strategic goals and objectives in pursuit of excellent achievements.

MAIN ECONOMIC SECTORS

Agriculture

Agriculture is the largest contributor to the local economy, but does not dominate as much as in the other two local municipalities. The very sought after products of the Petra Diamond Mines contribute the major part to the local economy. The farming industry varies throughout the region. The irrigation scheme of Jacobsdal produce crops such as grapes, potatoes, maize, wheat, lucern and groundnut. Cattle and sheep farming dominate farming practice in Luckhoff and Koffiefontein. Luckhoff is well known for its Merino sheep. In Petrusburg mixed farming pays the rent, with sheep farming as the main activity and potatoes and maize as the main crops. Other crops such as sunflowers and corn are also produced. In Oppermansgronde vineyards produce a major income for the town.

Letsemeng Municipality as a whole does not have industries that would ensure employment of our people. It is an agricultural area wherein the Government has really showed support in emerging farms for livestock farming, irrigation and other projects related to agriculture. The challenge existing is that this emerging farmers remains emerging forever and this blocks the cycle as it should be completed in terms of growing and giving way and contributing largely on the economy of the country. The department of Agriculture has started a mentorship programme that would assist the farmers in the long run. There is abundance of water in Jacobsdal area and on the irony; Petrusburg does not have a reliable water source.

Mining

Mining has a significant impact on the rural areas with diamonds being mined extensively in the area. You will find mainly mining, poultry farming and piggery in the Koffiefontein area. It is established as a service town for the mining industry. There is one diamond mine that is situated in the southeastern part of Koffiefontein namely, Petra Diamond Mines Limited.

Tourism

The Municipal area has a significant weekend related tourism potential that could, in future, contribute to the GDP of the district and should be further explored.

Light Industries

Letsemeng Municipality as a whole does not have industries that would ensure employment of our people. Projects have been identified to compliment and develop the industries that are currently operating. This includes a Tile making factory that will support the recycling of the slimes dams of the Koffiefontein mines. Few industries are situated in Petrusburg. Existing industries include furniture manufacturers and "scrap yards". Projects have been identified to compliment and develop the industries that are currently operating.

JOB CREATION INITIATIVES BY THE MUNICIPALITY

Expanded Public Works Programme

The Expanded Public Works Programme has been implemented in Letsemeng municipality since 2011 and is growing stronger by the year through the EPWP Incentive Grant from the National Department of Public Works. The municipality has made additional budget provision for the expansion of the EPWP in the municipality from its internal budget in order to create more jobs and give real effect to the EPWP.

Comprehensive Rural Development Programme

Jacobsdal has been declared a CRDP site and some high impact projects have been presented to the National Department of Public Works for implementation in the CRDP site, the municipality is still awaiting approval of these proposals. The upgrading of the stadium has however been completed and the appointment of a Service Provider for the completion of the Recreational Facility is in the process of being finalized by the Department of Rural Development.

These initiatives have brought about enormous changes in our endeavors to relieve the plight of the poor and to accelerate job creation opportunities. Putting the limited resources and rich diversity of minds and commitments into one basket has brought light

at the end of the dark tunnel, indeed it has brought hope to those in despair and has provided to those in need. The municipality is however challenged with the continuous monitoring of the implementation of some of these programmes as some has never been evaluated neither monitored after it was launched.

Development Objectives of the Local Economic Development KPA for the 2017/18 FY

KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
1	Local Economic Development	Created Sustainable Jobs and improved livelihoods of Communities in Letsemeng Local Municipality	Review EPWP Policy and submit to Council for approval	Council Resolution	30-May-17	IDP Manager
2			Created 135 EPWP Jobs	Contracts of Employment	30-Jun-18	IDP Manager
3			Implement EPWP Social Programmes in all 6 Wards: Youth, Ex-Offenders, People with Disability, Child headed households and women, widowers	Invoices, Invites and Attendance Registers	Quarterly	IDP Manager
4			Review Commonage Policy and submitted it to Council for approval	Council resolution	30-May-17	LED Officer
5			Conduct Audit on informal and formal businesses in all 6 Wards	Report to Council	30-May-17	LED Officer
6		Radical Economic Transformation	Reprioritization of SMME's by way of:-	Radical Economic Transformation Report and signed transversal contracts	01-Jul-17	IDP Manager
7			Categorization of SMMEs according to gradings			IDP Manager
8			Signing of transversal contracts with SMMEs			LED Officer
9			Draw up a roster system			SCM Manager

3.4 Public Participation and Good Governance

Strategic Objective

Promote a culture of participatory and good governance.

Intended outcome

Entrenched culture of accountability and clean governance

Governance structures:

Internal audit function

The Internal Audit function is operational and is currently being supported by an external service provider which is having a Service Level Agreement with the municipality.

Audit committee

The municipality is making use of a Shared District Audit Committee with all other municipalities in the Xhariep District but is in the process of exciting the Shared Audit Committee to establish its own municipal Audit Steering Committee for more effectiveness of this function.

Oversight committee

The Oversight Committee of Council's function has being established by Council is and is functional.

Ward committees

All six Ward Committees have been established and is currently functional, a new monthly directive of compulsory Ward meetings has been adopted by Council and it is being supported by monthly Ward Committee reports which gets send to Council through the reports of the office of the Speaker.

The elections of the newly established Ward Committees was done in accordance with the latest Ward Committee guidelines and was coordinated in conjunction with the Public Participation Directorate of the Department of Cooperative Governance and Traditional Affairs.

We are currently in the process of developing Ward Base Plans in close relation with the respective Ward Committees.

Council committees

All Section 79 Committees of Council have been established and is functional and is playing an active role in functioning and oversight.

Supply chain committees (SCM)

All SCM have been established and is operational in accordance with the regulations and prescripts of the MFMA.

Schedule of Council Meetings

A schedule of Council meetings has been adopted by Council and all Ordinary Council sittings are being convened in accordance with the adopted schedule. Special Council meetings are being convened as per the prerogative of the Speaker of Council, Honourable Councillor Thandiwe Reachable.

Strategic Objectives for the Public Participation and Good Governance Key Performance Area

KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
1	Good Governance and Public Participation	Promote the culture of good Governance and Public participation.	Developed SDBIP 2017/18 signed by the Mayor within 28 days after approval of IDP/Budget for 2017/18	Signed SDBIP 2017/18 by the Mayor	28 days after approval of the IDP/Budget for 2017/2018	PMO
2			Published SDBIP 17/18 on the website, all units and libraries within 14days after approval by the Mayor	Acknowledgement of receipt from all units and libraries, screen dump for publication on website	14 days after approval of the Mayor	PMO
3			Developed draft Performance Agreements of Section 56 and Sec 57 Managers and submit to Mayor for approval.	Acknowledgement of receipt and signed Draft Annual Performance Agreements of Section 56 and Sec 57 Managers from Mayor,	May-17	PMO
4			Submitted Final Signed Performance Agreements of Section 54 (a) and Sec 56 Managers to COGTA	Acknowledgement of receipt from COGTA	31 st July 2017	PMO
5			Submitted signed Performance Agreements of Section 54 (a) and Sec 56 Managers to Council for approval	Council resolution Signed Performance Agreements	Sep-17	PMO

6			Published signed Performance agreements on the website	Council Resolution		PMO
KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
7	Good Governance and Public Participation	Promote the culture of good Governance and Public participation.	Developed 4 Quarterly Performance Reports and submit to Internal Audit for review and to Council for noting	Acknowledgement of Receipts. Performance Reports. Council Resolution.	Quarterly	PMS Officer
8			Submitted Mid-year Budget and Performance assessment reports to Council (Sec 72 report) for July-Dec 2017 to Council by 25 January 2018	Council Resolution. Copy of Mid-Year Assessment Report	25-Jan-18	PMO
9			Submitted Draft Annual Report and Annual Performance Report for 2016/2017 to the Auditor General by 31 st August 2017	Acknowledgement of receipt from office of the Auditor General	31-Aug-17	PMO
10			Submitted Draft Annual Report 2016/17 to Council for approval	Council resolution Copy of draft Annual Report	31-Jan-18	PMO
11			Assessment of final Annual Report of 2016/17 by the oversight Committee	Oversight Committee Oversight Report, Minutes and attendance register	Quarterly	Internal Audit Manager
12				Council Resolution	30-Mar-18	PMO

			Submission of Oversight Report and final Annual Report of 16/17	Copy of Oversight Report		
13			Publication of the final Annual Report and the Oversight reports	Newspaper notice, Website, Notice	Within 7 days after 30 th March 2018	PMO
				Boards		
KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
14	Good Governance and Public Participation	Promote the culture of good Governance and Public participation.	Submission of the Annual report and the oversight report to National and Provincial Treasury, COGTA, and Free State Legislature	Proof of email.	Within 7 days after 30 th March 2018	PMO
15			Publication of Audited Financial Statements and SCM Policies.	Municipal Website, Municipal Notice Boards and Print Media	Annually	PMO
16			Monitored compliance of the Municipality in terms of (MFMA, MSA etc.)	Proof of submission of documents as per legislation	Monthly, Quarterly and Annually	PMO
17			Submission of Budget Income report to Council for approval	Council Resolution and Copy of report	Quarterly	CFO
18			Submission of Expenditure report to Council for approval	Council Resolution and Copy of Report	Quarterly	CFO
19			Conduct Risk assessments in all five Units	Risk Assessment Report.	30-Jun-17	Risk Officer

20			Develop a Risk Management Strategy that includes a Fraud Prevention Plan	Signed Risk Management Strategy Signed Fraud prevention plan by MM	30-Sep-17	Risk Officer
21			Conduct Quarterly Risk Management meetings	Minutes of meeting	Quarterly	Risk Management Committee chairperson
KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
22	Good Governance and Public Participation	Promote the culture of good Governance and Public participation.	Compile Risk Management report and submit to RMC, Management and Audit Committee for approval	Signed reports	Quarterly	Risk Officer
23			Conduct Fraud Prevention Workshops	Attendance Register	`June 2018	Risk Officer
24			Prepare and submit the draft budget as per prescripts of the Municipal Finance Management Act to Council for approval	Draft budget Council resolution	`31 March 2017	CFO
25			Submit Final Budget to Council for approval	Council resolution	`30 May 2017	CFO
26			Formulate Audit Action Plan on issues raised by Auditor General in 16/17 Audit Report and submit to Council for noting	Council Resolution Copy of Audit Action Plan to Council	`31 January 2018	CFO

27			Monitor Departmental Audit Action Plans on issues raised by AG for 2016/17 financial year to avoid recurrence of Audit findings	Progress Report from Internal Audit to Audit Committee and Management	Quarterly	Manager: Internal Audit Department
28			Develop an Audit Strategic documents: 1. Develop a risk based audit plan (RBAP) (MFMA - Section 165(2) (a)) 2. Internal Audit Charter 3. Audit Committee Charter 4. Developing Audit Methodology	Approved and signed strategic documents	30 June 2017	Manager: Internal Audit Department
29			Execution of Internal Audits in compliance with the plan	Internal audit reports	Quarterly	Manager: Internal Audit Department
KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
30	Good Governance and Public Participation	Promote the culture of good Governance and Public participation.	Submission of written reports on executed audits to Audit Committee for approval	Internal Audit Reports Proof of submission and Acknowledgement of receipts	Quarterly	Manager: Internal Audit Department
31			Monitor and follow- up on Management comments on Internal audits performed	Progress Reports	Quarterly	Manager: Internal Audit Department
32			Conduct Ad-hoc Audits as well consulting services	Audit report	When Required	Manager: Internal Audit Department

33			Submission of Internal Audit Reports on Performance Information to Performance Audit Committee	Audit report	Quarterly	Manager: Internal Audit Department
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3.5 Municipal Transformation and Institutional Development

Strategic Objective

An effective productive administration capable of sustainable service delivery.

Intended outcome

To create an efficient, effective and accountable administration.

Institutional Arrangements

The municipality have its Human Resource Management Policy Manual that encompasses all aspects that relate to all issues that pertain to Human Resources Management as well as Human Resources Development. The Municipality is in the process of finalising the review of Human Resources Management Policy Manual and it is anticipated that it will be tabled before the Municipal on or before June 2017. The Human Resources Policy Manual is used in conjunction with Local Government: Regulations on appointment and conditions of employment of senior Managers.

The current Municipal Organizational Structure was tabled before council for approval for 2015/16 financial year in May 2015. The draft Organizational Design is before the Local Labour Forum and it is planned to be tabled before the Municipal Council on or before June 2017. The vacancy rate at the Municipality stands at almost 39 % and this situation impedes the Municipality to deliver effective and quality services to the communities.

The Municipality have a Workplace Skills Plan which was conducted in consultation with relevant Stakeholders. The programmes in the Training Plan which are part of the WSP are being planned in anticipation to address the skills gaps that were revealed during the Skill Audit that was conducted. The municipality conducted a skills audit to identify the skills gaps amongst the employees of the municipality. Thereafter the Skill Development Facilitator consulted with all relevant stakeholders and collectively identify training programmes that will address those identified skills gaps.

Performance Management System

The Performance Management System of the municipality is currently conformed to that of Senior Managers reporting directly to the Accounting Officer as well as that of the Accounting Officer. This has caused a high level of complacency and underperformance in the municipality and the municipality is currently in the process of cascading the Organisational Performance Management System to each and every individual employee of the Municipality which will be effected from 01 July 2017 through individual Annual Performance Plans of employees.

Strategic Objectives for Municipal Transformation and Institutional Development

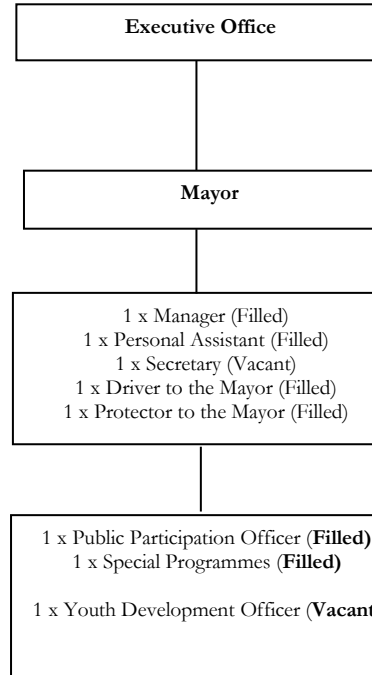
KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
1	Municipal Transformation and Institutional Development	To create efficient, effective and accountable administration	Review Organizational Structure and ensure sign off by the Council	Council Resolution	31-Mar-17	Director Corporate Service
2			Develop and Table the WSP before Council for approval	Council Resolution	31-Mar-17	
3			Submit WSP to LGSETA	Proof of Submission and acknowledgement	30-Apr-17	
4			Capture and Reconcile leave on the System (Annual, Sick, Special, Study, Maternity)	Excel Leave Register and Electronic Leave Report	End of each month	
5			HR Policy Review and table it before Council for Approval	Council Resolution Approving the Policy	31 June 2017	PMS Officer/Director Corporate Services
6			Schedule 4 LLF Meetings	Attendance Register and Minutes	Quarterly	
7			Cascade the Performance Management System to lower levels of the Organization and develop individual Annual Performance Plans	Quarterly Assessment Report	01-Jul-17	
8			Review the PMS Policy to include employees at all levels and submit it to the MM for approval	Signed PMS Policy by MM	Jun-17	

9			Submit reviewed Policy to Council for approval	Council Resolutions	Dec-17	Director Corporate Service
KPI NO	Deliverable (Broad KPA)	Objectives	KPI's	Unit of Measurement (POE)	Target/Delivery Date	Responsible Person
10	Municipal Transformation and Institutional Development	To create efficient, effective and accountable administration	Review the EE Plan and ensure Compliance with the EE Act and all relevant legislation	Compliance letter from Department of Labour, EE Minutes from EE Committee	Dec-17	Director Corporate Service
11			Vetting of BTO staff	Vetting Report	30-Jun-17	Director Corporate Service
12			Develop and Review Job Descriptions for all Departments	Report to Council	July 2017	Director Corporate Service
13			Develop Overtime plan for Technical Department	Approved Overtime Plan	01-Jul-17	Director Corporate Service
14	Good Governance and Public Participation	Promote a culture of participatory and good governance	Develop Customer Care Policy and submit to Council for approval.	Council Resolution	31-Mar-17	Director Corporate Service
15			Develop Customer Care Charter and submit to Council for approval.	Council Resolution	Jun-17	
17			Conduct refresher Course for all Customer Care Clerks on the usage of the electronic system.	Attendance Register	Dec-17	
18			Conduct Community Consultation/IMBIZO's on the service Delivery	Attendance Register	Annually	
19						

		4 Ordinary Council meetings be held per annum in terms of schedule of Council meetings.	Attendance Registers		Director Corporate Service
20		Manage seating of Section 32 adhoc committee	Section 32 Minutes	Quarterly	Director Corporate Service
21		Conduct Community Satisfaction Survey	Community satisfaction survey Report	30-Jun-18	Director Corporate Service
22		Maintain functionality of Oversight structures, (Section 79 Committees, Internal Audit, and Risk Committee).	Attendance Registers	Quarterly	Director Corporate Service
23		Celebrate and commemorate National Historic Days to foster Social Cohesion.	Attendance Registers	Annually	Director Corporate Service
24		Implement Council Resolutions and keep an updated Council Resolution Register	Signed Councils Resolution Register / Execution list by Directors and MM.	Quarterly	Director Corporate Service

Below herewith the Municipal Organogramme which is currently under review after which it will be submitted to Council for approval.

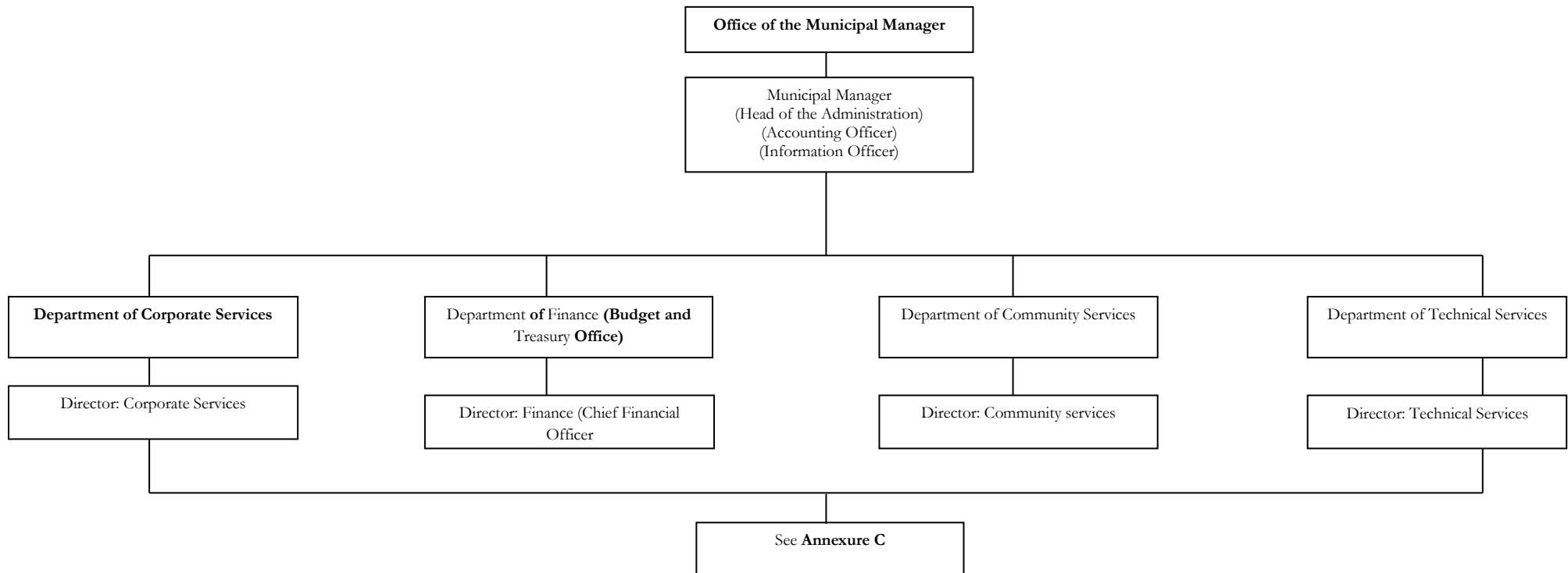
LETSEMENG LOCAL MUNICIPALITY EXECUTIVE OFFICE



Footnote: In terms section 36 (5) of Local Government; Municipal Structures Act, No. 117 of 1998 a councillor may not hold office as Speaker and mayor or executive mayor at the same time, but in a municipality of a type mentioned in section 9 (e) or (f) or 10 (c) the speaker must be called mayor. In the case of Letsemeng Local Municipality the speaker must be called mayor as the Municipality is plenary executive system.

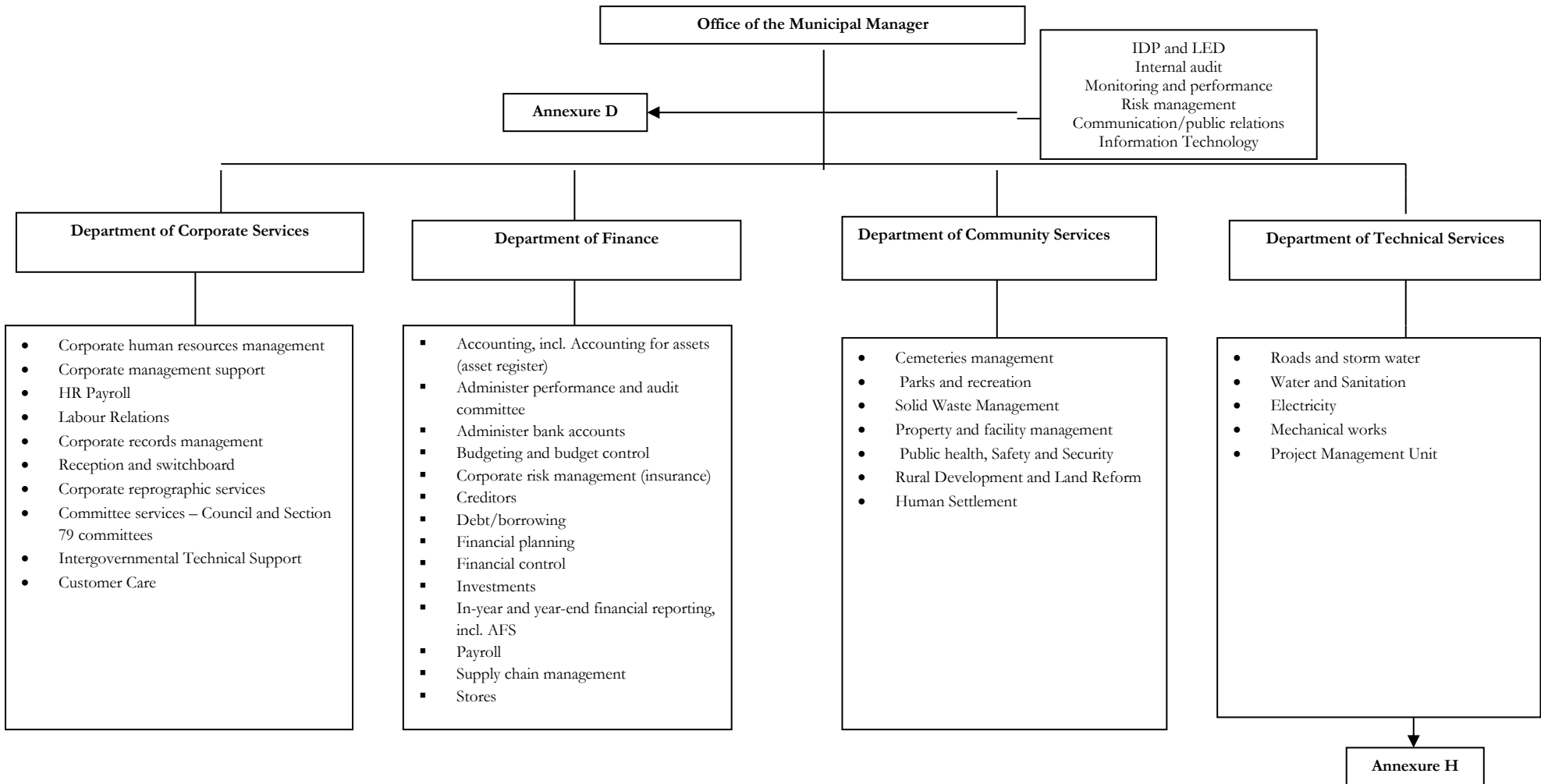
LETSEMENG LOCAL MUNICIPALITY MACRO-STRUCTURE

ANNEXURE B



LETSEMENG LOCAL MUNICIPALITY FUNCTIONAL STRUCTURE

ANNEXURE C



↓
Annexure E

↓
Annexure F

↓
Annexure G

LETSEMENG LOCAL MUNICIPALITY OFFICE OF THE MUNICIPAL MANAGER

ANNEXURE D

Municipal Manager (BA Mnguni)
(Filled)

Personal Assistant (M Nkone)
(Filled)

Section: Internal Audit

LED

IDP

Information Technology (IT)

Section: Performance Management

Risk Management

1 x Manager: Internal Audit **(Filled)**
1 x Internal Auditor **(Filled)**

1 x LED Officer **(Filled)**

1 x Manager: IDP **(Vacant)**
1 x Data Capturer: IDP **(Vacant)**

1 x IT Officer **(Vacant)**
1 x IT Technician **(Filled)**

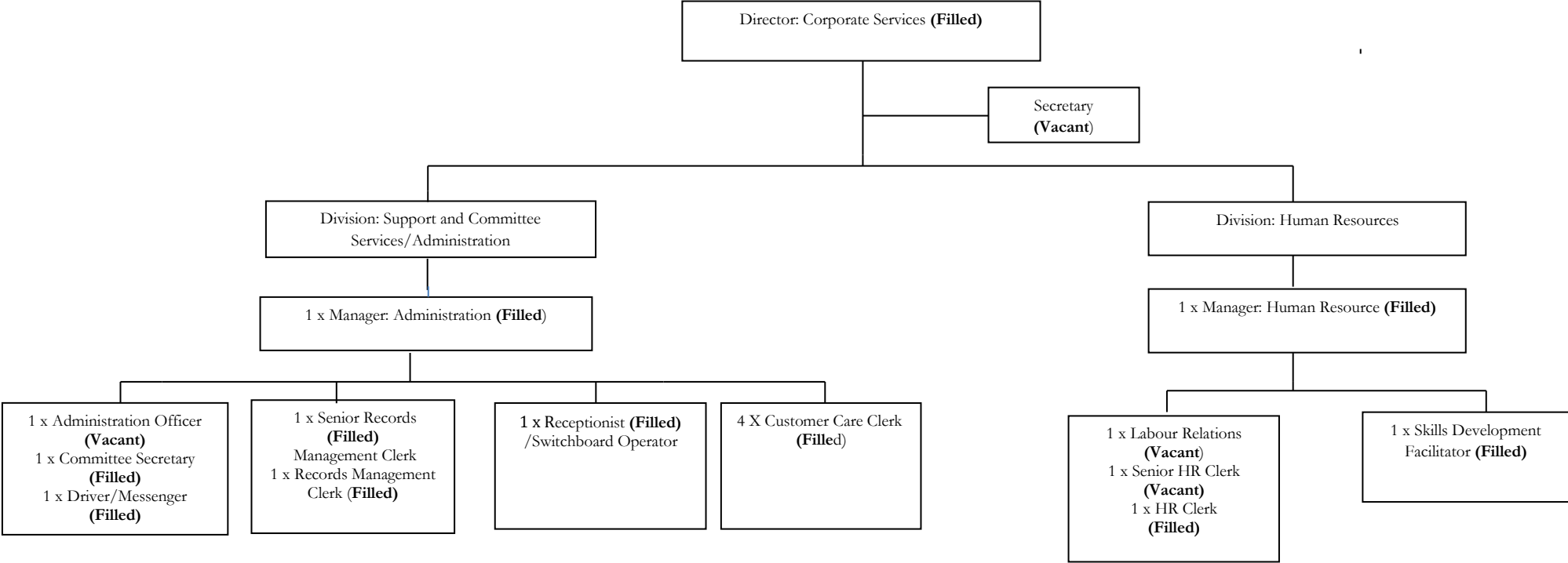
1 x Performance Management Officer **(Filled)**

1 x Risk Management Officer **(Filled)**

Audit and Performance Committee

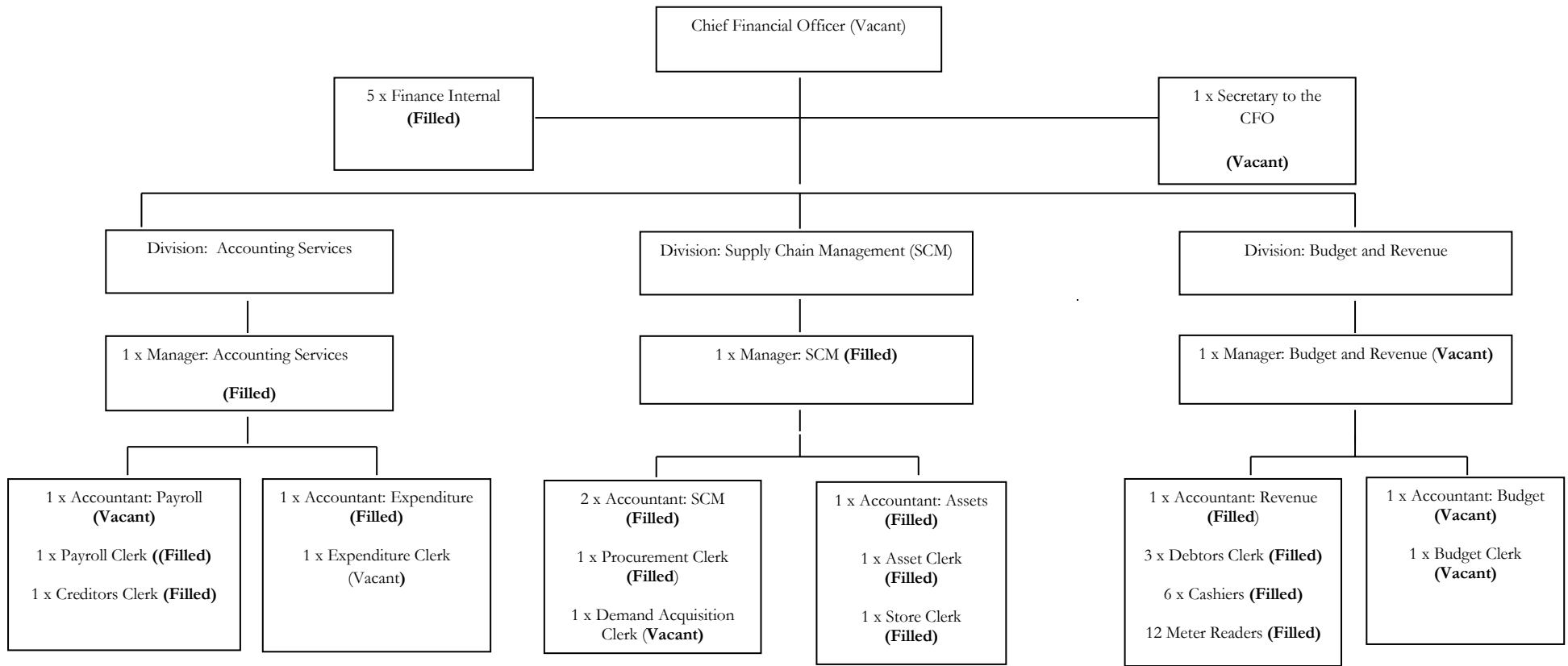
**LETSEMENMNG LOCAL MUNICIPALITY
CORPORATE SERVICES**

ANNEXURE E



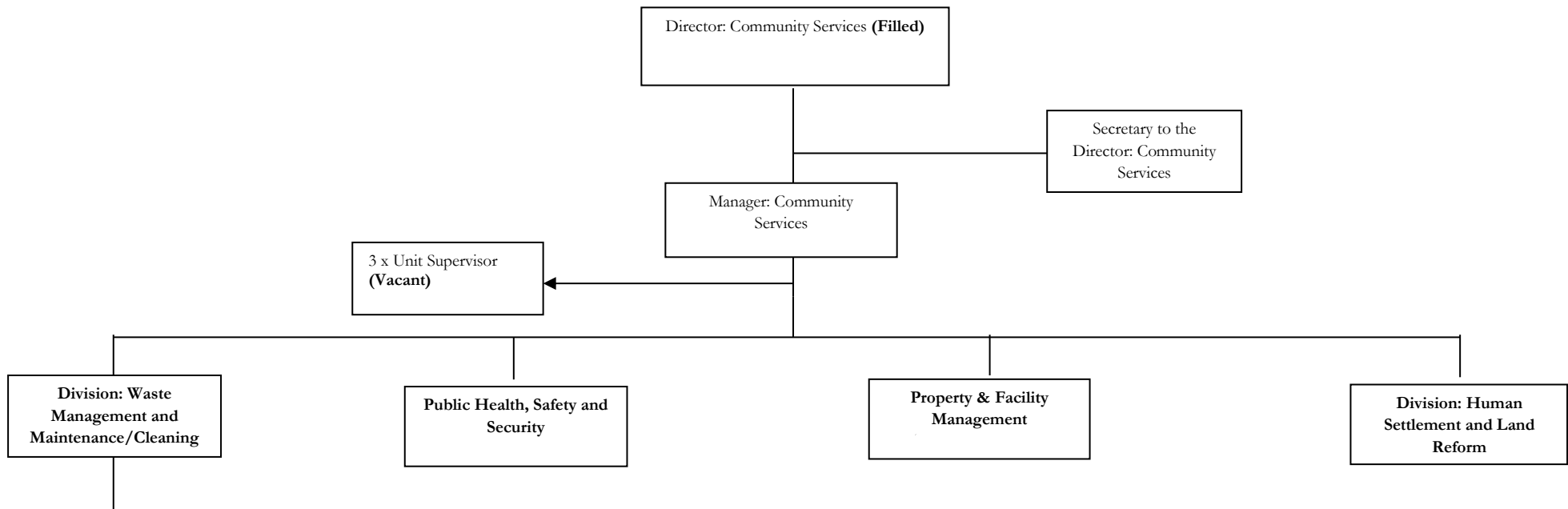
LETSEMENG LOCAL MUNICIPALITY BUDGET AND TREASURY OFFICE

ANNEXURE F



**LETSEMENG LOCAL MUNICIPALITY
COMMUNITY SERVICES**

ANNEXURE G



1 x Waste Management Officer
(Vacant)
4 x Driver Controller **(Filled)**
5 x Waste Controller **(Filled)**
25 x Maintenance General **(24 Filled)**
(1 Vacant)
12 x General Assistant **(8 Filled)**
(4 Vacant)

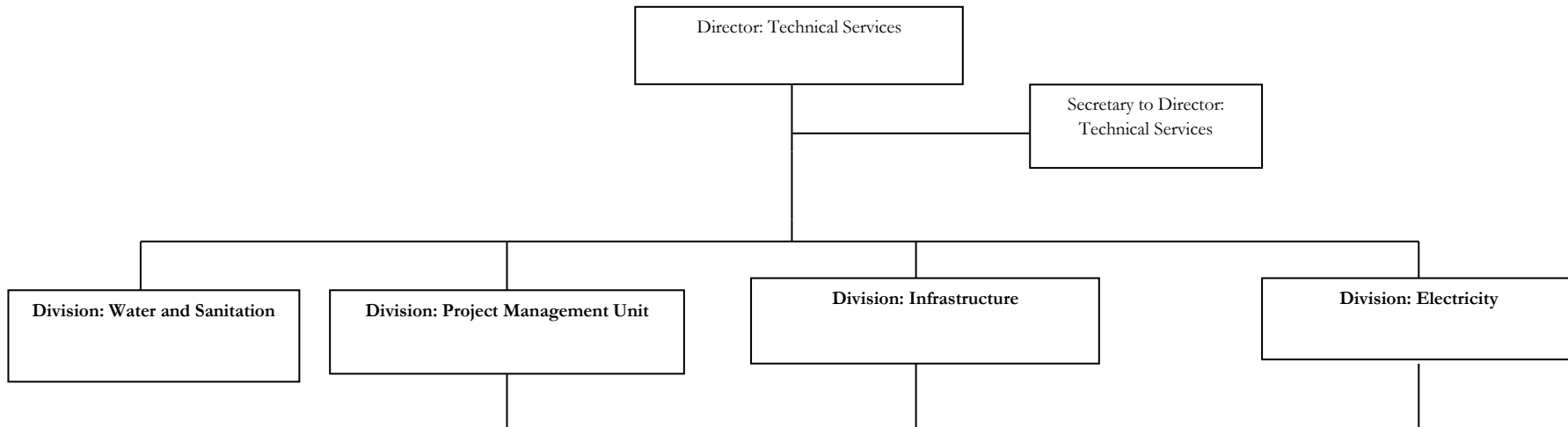
1 x Public Safety and Security Officer **(Vacant)**
1 x Disaster Management Officer **(Vacant)**

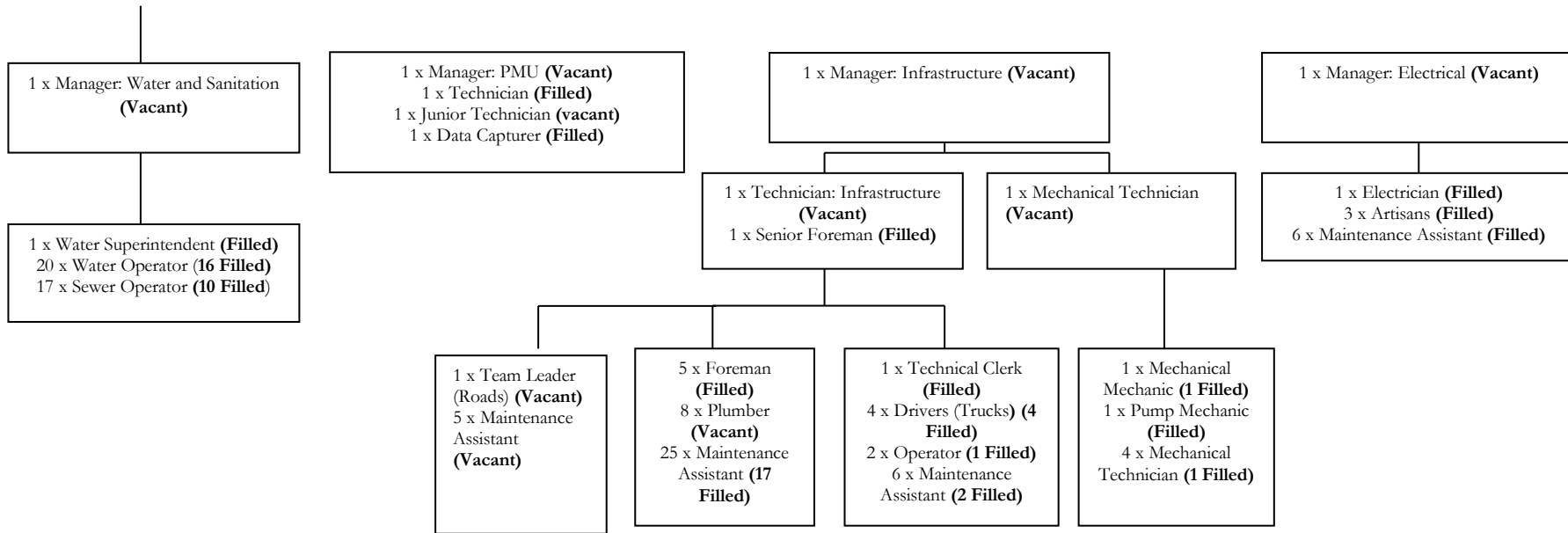
1 x Facility Supervisor **(Vacant)**
5 x Caretaker **(1 Filled)**
(4 Vacant)

1 x Housing Officer **(Filled)**
1 x Housing Clerk **(Filled)**
1x Pound Master **(Vacant)**
4 x Pound Assistant **(Vacant)**

**LETSEMENG LOCAL MUNICIPALITY
TECHNICAL SERVICES**

ANNEXURE H





Chapter 4 – Sector Plans

Sector Plan	Status Quo
Spatial Development Framework	Review Phase
LED Strategy	Draft
Tourism Sector Plan	Non – existent
Environmental Management Plan	Draft
Integrated Waste Management Plan (IWMP)	Draft
Disaster Management Plan	Draft
Fire Management Plan	Non - existent
Workplace Skills Plan	Review Phase
Organisational Performance Management System Policy	Non – existent
Human Resources Strategy	Review Phase
Energy Master Plan	Non – existent
Infrastructure Master Plan	Non - existent
Housing Sector Plan	Non – existent

Chapter 5 - Programmes and Projects

1. Departmental Programmes and Projects for period 2017 – 2021

a. Service Delivery and Infrastructure Development

KPA	Objective	Project description	Start date	End Date	Project Manager	Project category	Funding description	Budget		
								2017/18	2018/19	2019/20
KPA 2: BASIC SERVICE DELIVERY	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Operational Costs	01/07/2017	30/06/2018	PMU	Municipal Infrastructure Grant	Funds received from National Treasury	868 850	907 250	947 700
		Koffiefontein: Upgrading of existing Waste Disposal Site (MIS:207907)	2018/07/02	2019-02-30	PMU	Municipal Infrastructure Grant	Funds received from National Treasury		5 471 556	242 862
		Jacobsdal: Upgrading of waste water treatment works (Phase 2)	2018/05/01	2018/06/30	PMU	Municipal Infrastructure Grant	Funds received from National Treasury	1 034 694	-	-
		"Letsemeng: Provision of 10 High-Mast Lights								
		(Retention due Oct 2017)"	2015/08/28	2016/10/26	PMU	Municipal Infrastructure Grant	Funds received from National Treasury	130 220	-	-

		"Petrusburg/B olokanang: Upgrading of internal sewer network								
		(Retention Due July 2017)"	2016/02/15	2016/07/30	PMU	Municip al Infrastruc ture Grant	Funds received from National Treasury	54 204	-	-
		Koffiefontein/ Sonwabile: Construction of new sports facility (Phase 1)	2018/04/01	2018/09/30	PMU	Municip al Infrastruc ture Grant	Funds received from National Treasury	775 000	541 410	
		Koffiefontein: Upgrading of 2.2km paved road and storm water (MIS:239658)	2017/01/11	2017/07/15	PMU	Municip al Infrastruc ture Grant	Funds received from National Treasury	3 681 675	515 000	
		Jacobsdal/R atanang: Construction of waterborne Sanitation for 202 stands (MIS:240317)	2017/05/12	2018/01/26	PMU	Municip al Infrastruc ture Grant	Funds received from National Treasury	6 497 286	308 800	
		Koffiefontein/ Sonwabile: Upgrading of sports facility (Phase 2) (MIS:249754)	2019/06/15	2019/10/30	PMU	Municip al Infrastruc ture Grant	Funds received from National Treasury	0	280 000	850 000

b. Financial Viability and Management

KPA	Objective	Project description	Start date	End Date	Project Manager	Project category	Funding description	Budget		
								2017/18	2018/19	2019/20
Financial Viability and Management	To improve overall financial management in municipalities by developing and implementing appropriate financial management policies, procedures and systems.	Procurement of new office buildings	01/07/2017	30/06/2018	MM	CAPEX	Fund - Operating Income/ Revenue	440 000	0	0
		Procurement of new office buildings: Installation of IT infrastructure	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	250 000	350 000	450 000
		Development of Audit Strategic documents: 1. Develop a risk based audit plan (RBAP) (MFMA - Section 165(2) (a)) 2. Internal Audit Charter 3. Audit Committee Charter 4. Developing Audit Methodology	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	R 0	R 0	R 0

c. Local Economic Development

KPA	Objective	Project description	Start date	End Date	Project Manager	Project category	Funding description	Budget		
								2017/18	2018/19	2019/20
Local Economic Development	Create an environment that promotes development of the local economy and facilitate job creation	Review EPWP Policy and submit to Council for approval	01/07/2017	30/06/2018	IDP Manager	OPEX	Fund - Operating Income/Revenue	0	0	0
		Create 135 EPWP Job	01/07/2017	30/06/2018	IDP Manager	OPEX	Fund - Operating Income/Revenue	1 500 000	2 000000	2 500 000
		Implement EPWP Social Programmes in all 6 Wards: Youth, Ex-Offenders, People with Disability, Child headed households and women, widowers	01/07/2017	30/06/2018	IDP Manager	OPEX	Fund - Operating Income/Revenue	300 000	318 000	337 080
		Review Commonage Policy and submit to Council for approval	01/07/2017	30/06/2018	LED Officer	OPEX	Fund - Operating Income/Revenue	0	0	0
		Conduct Audit on informal and formal businesses in all 6 Wards	01/07/2017	30/06/2018	LED Officer	OPEX	Fund - Operating Income/Revenue	0	0	0

		Review EPWP Policy and submit to Council for approval	01/07/2017	30/06/2018	IDP Manager	OPEX	Fund - Operating Income/Revenue	0	0	0
		30% of Municipal spending must prioritize Local SMMEs	01/07/2017	30/06/2018	SCM Manager	OPEX	Fund - Operating Income/Revenue			
		Implement Mscoa in line with Treasury Regulations	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/Revenue	2 532 114	983 034	1 037 226
	Radical Economic Transformation	Reprioritization of suppliers SMMEs: - - Categorization of SMMEs according to grades. Signing of transversal contracts with SMMEs. - Draw up a roster system	01/07/2017	30/06/2018	IDP Manager	OPEX	Fund - Operating Income/Revenue	0	0	0
01/07/2017			30/06/2018	LED Officer	OPEX	Fund - Operating Income/Revenue	0	0	0	
01/07/2017			30/06/2018	SCM Manager	OPEX	Fund - Operating Income/Revenue	0	0	0	

d. Public Participation and Good Governance

KPA	Objective	Project description	Start date	End Date	Project Manager	Project category	Funding description	Budget		
								2017/18	2018/19	2019/20
Good Governance & Public Participation	Promote a culture of Good Governance and Public Participation	Accommodation	01/07/2017	30/06/2018	Mayor	OPEX	Fund - Operating Income/Revenue	150 000	158 550	167 428
		Delegations	01/07/2017	30/06/2018	Mayor	OPEX	Fund - Operating Income/Revenue	50 000	52 850	55 809
		Special events	01/07/2017	30/06/2018	Mayor	OPEX	Fund - Operating Income/Revenue	700 000	739 900	781 334
		Special program	01/07/2017	30/06/2018	Mayor	OPEX	Fund - Operating Income/Revenue	600 000	634 200	669 715
		Public Participation	01/07/2018	30/06/2019	Mayor	OPEX	Fund - Operating Income/Revenue	300 000	317 100	334 857
		Youth desk	01/07/2017	30/06/2018	Mayor	OPEX	Fund - Operating Income/Revenue	400 000	422 800	446 476
		Education	01/07/2017	30/06/2018	Mayor	OPEX	Fund - Operating Income/Revenue	120 000	126 840	133 943
		Catering	01/07/2017	30/06/2018	Mayor	OPEX	Fund - Operating Income/Revenue	50 000	52 850	55 809
		Hlasela war rooms	01/07/2018	30/06/2019	Mayor	OPEX	Fund - Operating Income/Revenue	300 000	317 100	334 857
		Ward Committee	01/07/2017	30/06/2018	Mayor	OPEX	Fund - Operating Income/Revenue	60 000	63 420	66 971
		Fuel and oil	01/07/2017	30/06/2018	Mayor	OPEX	Fund - Operating Income/Revenue	80 000	84 560	89 295
		Execution of Internal Audits in compliance with the plan	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/Revenue	0	0	0
		Submission of written reports on executed audits	01/07/2018	30/06/2018	Manager : Internal Audit	OPEX	Fund - Operating Income/Revenue	0	0	0

		Monitoring and follow-up on Management comments on Internal Audits performed	01/07/2017	30/06/2018	Manager : Internal Audit	OPEX	Fund - Operating Income/Revenue	0	0	0
		Conducting Ad-hoc Audits as well Consulting services	01/07/2017	30/06/2018	Manager : Internal Audit	OPEX	Fund - Operating Income/Revenue	0	0	0
		Conduct or coordinate Risk Assessment on a quarterly basis (Inclusive of all five towns).	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	0	0	0
		Review and approve the Risk Management Strategic documents by 30 September 2017.	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	0	0	0
		Compile quarterly RM reports to Management and the Risk Management Committee?	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	0	0	0
		Publish and circulate risk management policy and strategy to existing and newly appointed employees to	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	0	0	0

		acquaint themselves with contents and for compliance								
		Embed risk management practices and promote risk aware culture, through training and presentations within the municipality.	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	0	0	0
		To have the responsibilities for risk management incorporated in the Performance Agreements of Management?	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	0	0	0
		To have quarterly RMC meetings review the risk reports and the risk register to ensure that it incorporates the risks associated with (a) IDP (Strategic risks); (b) SDBIP (Operational risks); (c) Fraud risks.	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	7 000	7 420	7 865
		Attend quarterly Risk and Internal	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	8 000	8 480	8 988

		Audit Forums as required by Provincial Treasury.								
		Attend Risk Management trainings and Conferences/Indabas.	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	15 000	15 900	16 854
		To review audit strategic documents: (Risk Based IA plan, Audit committee charter and Internal Audit charter and IA methodology)	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/Revenue	0	0	0
		Develop and Customer Care Policy and submit to Council for approval	01/07/2017	30/06/2018	Administration Manager	OPEX				
		Conduct refresher course for all Customer Care Clerks on the usage of the Customer care electronic system.	01/07/2017	30/06/2017	Administration Manager	OPEX				
		Ensure that Municipal Council conduct 4 Council meeting per year.	01/07/2017	30/06/2018	Administration Manager	OPEX				

		Facilitate the implementation of Municipal Council Resolution by developing Execution Register.	01/07/2017	30/06/2018	Administration Manager	OPEX				
		Review Employment Equity numerical goals and submit Employment Equity Reports to Labour	01/07/2017	30/06/2017	HR: Manager	OPEX				
		Coordinate the sittings of Sec 79 Committees from Administration Division and appoint Administration Clerk	01/07/2017	30/06/2018	Administration Manager	OPEX				
		Payment of Consultation fees	01/07/2017	30/06/2018	Director: Corporate Services	OPEX				
		Payment of insurance fees	01/07/2017	30/06/2018	Director: Corporate Services	OPEX				
		Payment of legal fees	01/07/2017	30/06/2018	Director: Corporate Services	OPEX	Operating income	261 744	278 496	296 319

		Payment of license fees	01/07/2017	30/06/2018	Director: Corporate Services	OPEX	Operating income	2 121	2 257	2 401
		Rental for hired equipment	01/07/2017	30/06/2018	Director: Corporate Services	OPEX	Operating income	40 392	42 977	45 727
		Donations for charity	01/0/2017	30/06/2018	Director: Corporate Services	OPEX	Operating income	2 128	2 264	2 408
		Accommodation for attending meetings and conferences	01/07/2017	30/06/2018	Director: Corporate Services	OPEX	Operating income	63 840	67 925	72 272
		Advertisement of vacant positions	01/07/2017	30/06/2018	Director: Corporate Services	OPEX	Operating income	197 212	209 827	223 255
		Contribution to Compensation fund	01/07/2017	30/06/2018	Director: Corporate Services	OPEX	Operating income	R 390 000	R 414 960	R 441 517
		Travelling to attend to meetings and conferences/Delegation	01/07/2017	30/06/2018	Director: Corporate Services	OPEX	Operating income	85 120	90 567	6 363
		Provision for fuel and oil for vehicles	01/07/2017	30/06/2018		OPEX	Operating income	21 280	22 641	32 808
		Provision for material and stock	01/07/2017	30/06/2018		OPEX	Operating income	50 600	53 838	57 283

		Provision for purchasing of office equipment	01/07/2017	30/06/2018		OPEX	Operating income	28 355	30 169	32 099
		Provision for posting of mail/Postage	01/07/2017	30/06/2018		OPEX	Operating income	3 759	3 999	4 254
		Provision for purchasing of printing and stationary material	01/07/2017	30/06/2018		OPEX	Operating income	60 726	64 612	68 747
		Provision for payment of telephone costs	01/07/2017	30/06/2018		OPEX	Operating income	2 128 000	2 264 192	2 409 100

e. Municipal Transformation and Institutional Development

KPA	Objective	Project description	Start date	End Date	Project Manager	Project category	Funding description	Budget		
								2017/18	2018/19	2019/20
Municipal Transformation and Institutional Development	To create an efficient, effective and accountable administration	Subscription to professional bodies	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	1 500	1 590	1 685
		Renovations to the server room	01/07/2017	30/06/2018	MM	CAPEX	Fund - Operating Income/ Revenue	250 000	0	0
		IT Office equipment	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	300 000	350 000	400 000
		IT maintenance budget	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	100 000	106 000	112 000
		IT accredited training	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	120 000	127 200	134 832
		Review ICT Security Policy and submit to Council for approval	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	0	0	0
		Conduct an ICT Infrastructure Assessment and	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	0	0	0

		Capability for all 5 Towns								
		Development of Disaster Recovery policy and submit to Council	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	0	0	0
		Procurement of 50 Microsoft licenses	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	125 000	132 500	140 450
		Subsistence & Travel for MM staff	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	755 000	800 300	848 318
		Attending Trainings conduct by Provincial Treasury for Internal Audit	01/07/2017	30/06/2018	MM	OPEX	Fund - Operating Income/ Revenue	0	0	0
		Attending Trainings conduct by Institute of Internal Auditors for Internal Audit	01/07/2018	30/06/2019	MM	OPEX	Fund - Operating Income/ Revenue	40 000	42 400	44 944
		Conduct Fraud Prevention Workshop	01/07/2017	30/06/2018	Risk Officer	OPEX	Fund - Operating Income/ Revenue	0	0	0
		Payment of office of the	01-Jul-17	30-Jun-18	MM	OPEX	Fund - Operating Income/	3 806 216	4 034 589	4 276 665

		MM: Salaries and wages					Revenue			
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2. Capital Projects for MTREF Period 2017 – 2020

KPA	Strategic Objective	Project description	Start	End Date	Project Manager	Project category	Budget		
							2017/18	2018/19	2019/20
Project Management Unit Office	5 % of Financial Year Allocation	Operational Costs	01/07/2017	30/06/2018	PMU	MIG	868 850	907 250	947 700
KPA 2: BASIC SERVICE DELIVERY	Waste Management	Koffiefontein: Upgrading of existing Waste Disposal Site (MIS:207907)	2018/07/02	2019-02-30	PMU	MIG		5 471 556	242 862
KPA 2: BASIC SERVICE DELIVERY	Sanitation Upgrade	Jacobsdal: Upgrading of waste water treatment works (Phase 2)	2018/05/01	2018/06/30	PMU	MIG	1 034 694	-	-
KPA 2: BASIC SERVICE DELIVERY	Provide lighting to community of Letsemeng	Letsemeng: Provision of 10 High-Mast Lights (Retention due Oct 2017)	2015/08/28	2016/10/26	PMU	MIG	130 220	-	-
KPA 2: BASIC SERVICE DELIVERY	Providing basic sanitation	Petrusburg/Bolokanang: Upgrading of internal sewer network (Retention Due July 2017)	2016/02/15	2016/07/30	PMU	MIG	54 204	-	-
KPA 2: BASIC SERVICE DELIVERY	Providing recreational facility	Koffiefontein/Sonwabile: Construction of new sports facility (Phase 1)	2018/04/01	2018/09/30	PMU	MIG	775 000.00	541 410	

KPA 2: BASIC SERVICE DELIVERY	Paving Roads at Koffiefontein	Koffiefontein: Upgrading of 2.2km paved road and storm water (MIS:239658)	2017/01/11	2017/07/15	PMU	MIG	3 681 675	515 000	
KPA 2: BASIC SERVICE DELIVERY	Providing basic sanitation	Jacobsdal/Ratanang: Construction of waterborne Sanitation for 202 stands (MIS:240317)	2017/05/12	2018/01/26	PMU	MIG	6 497 286	308 800	
KPA 2: BASIC SERVICE DELIVERY	Providing recreational facility	Koffiefontein/Sonwabile: Upgrading of sports facility (Phase 2) (MIS:249754)	2019/06/15	2019/10/30	PMU	MIG	0.00	280 000	850 000
KPA 2: BASIC SERVICE DELIVERY	Waste Management	Luckhoff: Construction of a new solid waste landfill site Phase1 - Scoping (MIS:249112)		2017/09/30	PMU	MIG	497 610		
KPA 2: BASIC SERVICE DELIVERY	Paving Roads at Luckhoff	Luckhoff: Construction of 0,9km Paved Road and Storm Water	2018/10/05	2019/06/30	PMU	MIG	0.00	7 181 250	318 750
KPA 2: BASIC SERVICE DELIVERY	Waste Management	Luckhoff: Construction of a new solid waste landfill site Phase 2 - Implementation	2018/01/06	2018/09/30	PMU	MIG	3 837 458	1 517 912	256 402
KPA 2: BASIC SERVICE DELIVERY	Improving Revenue in Letsemeng LM	Letsemeng: Installation of Water meters	2019/04/01	2019/11/30		MIG	0.00	1 421 820	3 117 779
KPA 2: BASIC SERVICE DELIVERY	Service delivery	Jacobsdal/Ratanang: Construction of waterborne Sanitation for 540 stands	2019/07/01	2020/06/30	PMU	MIG	0.00	-	13 220 505

KPA 2: BASIC SERVICE DELIVERY	Increase Water storage in Oppermansgronde	Upgrading of Oppermansgronde Water Treatment Works (Phase 2)	01/07/2018	30/06/2019	PMU	MWIG	6 000 000		
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