

BLOUBERG LOCAL MUNICIPALITY



2014/15 ANNUAL PERFORMANCE REPORT

VISION

A Municipality that turns prevailing challenges into opportunities For growth and development through optimal utilization of available resources

MISSION

To ensure delivery of quality services through community participation and creation of enabling environment for economic growth and job creation

# Contents

## TABLE OF ACRONYMS AND ABBREVIATION

BLM	Blouberg Local Municipality
CDM	Capricorn District Municipality
EER	Employment Equity Report
EPWP	Expanded Public Works Programme
ESKOM	Electricity Supply Commission
LGSETA	Local Government Sector Education and Training Authority
LED	Local Economic development
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act ,2003
MIG	Municipal Infrastructure Grant
MSA	Municipal System Act ,2000
MTREF	Medium Term Expenditure and Revenue Framework
N/A	Not Applicable
SAMWU	South African Municipal Workers Union
SPLUMA	Spatial Planning and Land Use Management Act
STATSA	Statistics South Africa
SCM	Supply Chain Management
WSP	Work place Skill Plan
WSA	Water Services Authority
WSP	Water Services Provider

# Chapter 1

## CHAPTER 1: MAYOR'S FOREWORD

On behalf of the council of Blouberg we present the annual performance report for the financial year 2014\15. The report demonstrates the hard work attained by the collective of our administration, council and communities that we serve with pride. This annual report comes at a time when we have just completed fifteen years of our existence in the current form from the then Transitional Local Councils (TLCs). Looking back from where we come from we can surely put a smile on our faces as the ANC-led government has made a huge dent on the triple challenges facing our communities, viz, poverty, inequality and unemployment. Indeed, the Blouberg communities of today are better than communities of yesterday.

This annual report is presented at a time when the winds of change have resulted in the change of political leadership in the office of the Mayor and the office of the Chief Whip. It is the resolve of the ruling party, the African National Congress, to keep on reviewing the work of all its deployees and, where the need arises, to effect changes to accelerate service delivery and bring stability to both the political and administrative component of the institution.

On the service delivery aspect, especially the implementation of capital projects this report clearly indicates that all capital projects save, for the completion of the Inveraan Multi-Purpose Community Centre and upgrading of Senwabarwana Internal Streets and storm water control. The Municipality was able to successfully implement all its preschools at Motlana, Bognafarm, Motadi and. Two out of three internal streets and storm water control projects were successfully completed at Indermark and Dilaeneng. One of our flagship state of the art multi-purpose sports complex had its phase 1 and 2 successfully implemented at Mampote-Ben Seraki Sports Complex and was officially opened in July while at the same time phase three of the project which involves the construction of a guard house and grand stands was opened for construction purposes. The period under review saw the Municipality going in full throttle to expand access to electricity to its communities of Diepsloot, Mongalo, ward 17 settlements of Grootpan, Sias, Simpson and Arrie. The latter ward 17 was rolled over to the 2015\16 financial year. However, in general the Municipality's performance on the implementation of capital projects resulted in the National Treasury allocating an additional R5 million for infrastructure rollout. Through partnerships with the private sector, and more especially Venetia mine and its contractors such as Basil Read, the communities of Blouberg benefitted from the construction and handing over of Grootpan preschool, Alldays Multi-Purpose Sports Complex, revamping of Alldays swimming pool, as well as the construction of Sias preschool which was at an advanced stage of completion.

At the end of the financial all capital projects under implementation were nearing completion stage but the application for rollover funding of Inveraan MPCC and Senwabarwana internal streets and storm water control was not approved by the National Treasury resulting in a budget shortfall of R3.8 million which has to be sourced from the municipal own revenue funds.

Working together with our communities we have been able to cover much grounds in the provision of electricity, better schools, improved health facilities, decentralization of municipal services, development of infrastructure for nodal points especially internal streets upgrade, as well as economic development through construction of two retail nodes in Senwabarwana plus the construction of the first renewable energy station at Zuurbult near Vivo. The period under review witnessed the commencement of the construction of a modern retail node at Alldays town by the Gilfillan Trust and it is anticipated that the initiative is in line with the municipality's spatial Development Framework and the Local Economic Development Strategy. In 2002 council adopted the Blouberg Decentralization plan to accelerate access to government services within a walking distance. To date we have constructed satellite offices in Alldays, Eldorado, Tolwe, Witten and

Harriswhich, Laanglagte and Inveraan. The 2015\16 financial year should be dedicated towards staffing those offices by mainly redeploying personnel from head office to such offices.

This annual report acknowledges that backlogs and challenges still exist with regard to the provision of critical strategic infrastructure in the form roads, water and sanitation. It is our belief that all hands must be on deck to help in resolving challenges that continue to trouble our communities. We challenge our people to ask not what the Municipality can do for them but rather to ask what they can do for the municipality to better the lives of its people.

On behalf of our council I would like to pass my sincere gratitude to communities of our municipality who stood behind us and understood that against all odds we will prevail. Our religious leaders ward committees, magoshi, our business community and leaders from all walks of lives the achievements that we all celebrate today have been made possible by your support and active contribution.

We are confident that the municipality will work hard in the 2015\16 financial year to complete programmes that were not fully achieved in the 2014\15 financial year.

The journey continues....

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**CLR SELAMOLELA S**

**MAYOR**

## MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### COMPONENT B: EXECUTIVE SUMMARY

Blouberg municipality is one biggest municipality in Capricorn district in terms of hectares because it is measured at 9257.8 square kilometers. The large hectares of square kilometers is either under traditional authority and private farms. There are 125 settlements, 21 wards with the population of 162 625 as per STATSSA. The number of households is 41 416. The 2011 Census indicate the decline in populations compared to the community survey conducted in 2007 by Stats SA which indicated a growth in population of 194 119. The municipality has identified four nodal points which are: Senwabarwana, Alldays, Eldorado and Tolwe while Harriswhich, Buffelshoek and Laanglagte have been identified as service points.

The municipality had powers and functions assigned to it by the law and the MEC but not all the powers and functions were performed either because of capacity constraints and budget. Blouberg municipality is a rural municipality and the poverty level is high. The infrastructure backlog is huge resulting in capacity challenges with low revenue base.

### POWERS AND FUNCTIONS

The municipality has the following powers and functions assigned to it in terms of section 84(2) of the Act.

The provision and maintenance of child care facilities	Control of public nuisances
Development of local tourism	Control of undertaking that sell liquor to the public
Municipal Planning	Fencing and fences
Municipal Public Works	Ensuring the provision of facilities for accommodation, care and burial of animals
Municipal Public Transport	Licensing of dogs
Storm Water management system	Licensing and control of undertakings that sell food to the public
Administration of trading regulations	Administration and maintenance of local amenities
Provision and maintenance of water and sanitation	Development and maintenance of sports facilities
Refuse removal, refuse dumps and solid waste disposal	
Administration of street trading	
Provision of municipal health services	
Electricity Provision	

Of all these powers and functions assigned to the municipality only eleven are being undertaken.

#### **1.1.1 ENERGY PROVISION**

The Blouberg Municipality is the authority on the implementation and reticulation of electricity to its areas of jurisdiction alongside ESKOM.

#### **1.1.2 ROADS AND PUBLIC TRANSPORT**

The Municipality is responsible for municipal roads while there are roads assigned to the District and Provincial government.

#### **1.1.3 WATER AND SANITATION**

The Capricorn District Municipality is the Water Services Authority while the Blouberg Municipality is the Water services provider. The WSA-WSP arrangements make it the responsibility of the District Municipality to implement all major capital projects on water and sanitation while the completed project are handed over to the local municipality for operation, maintenance and management.

#### **1.1.4 REFUSE REMOVAL**

The municipality is the only entity that renders the services of refuse removal and general waste management to its communities. During the period under review a total of eleven settlements were benefitting from the provision of the services with two towns, Senwabarwana and Alldays, receiving the services on a daily basis.

#### **1.1.5 HOUSING**

The provision of the service is implemented by the Provincial Department of Co-operative Governance, Human Settlements and Traditional Affairs while the municipality plays the role of identification of beneficiaries and development of housing chapters. A total of **400** households benefitted from the provision of low cost housing in wards **8, 10, 12 and 17** after the projected **500** was reduced by the Province for want of financial resources.

#### **1.1.6 LOCAL ECONOMIC DEVELOPMENT**

Major investments were realized through a conducive environment rendered by the municipality through facilitation of land transfers and rezoning. This culminated with the implementation of the Soutpan energy renewable project at Zuurbult near Vivo and the opening of the second major retail outlet in Senwabarwana. As part of the Venetia mine's social and labour plan ways were paved for the recruitment of local labour and the procurement of goods and services from local suppliers. 617 Jobs were created through the Solar Park Project and Over 180 through Municipal Capital Projects.

The Municipality's Economic Development and Planning, through its spatial planning and land use division, has facilitated the approval of the first modern retail outlet in Alldays by the Gilfillan Trust and at the closure of the 2014\15 financial year construction had already started.

## 1.2 POPULATION DYNAMICS

The municipality has a population of about 162 625 and 41 416 households (Stats SA) with 123 settlements, 21 wards and 41 councillors. The majority of the population lives in the rural areas and few scattered in the farms. The majority of the population comprises the youths and women. Unemployment according to census 2011 is at 38% and the most affected group is women and youths.

Overview of neighborhoods within the Municipality		
Settlements Type	Households	Population
<b>Towns</b>		
ALLDAYS	750	8848
Sub-Total		
<b>Townships</b>		
SENWABARWANA	2300	10 000
Sub-total		
<b>Rural Settlements</b>		
121	32 595	133204

Sub-total		
Informal Settlements		
	N/A	N/A
N/A		
Sub-total		
Total		

Natural Resources	
Major Natural Resource	Relevance to Community
Rivers	livestock water and farming
Mountains	heritage sites/historical sites
game reserves	wild game preservation
Wetlands	heritage sites

The majority of the population lives in the rural areas with high poverty levels and unemployment.

The illiteracy level is also high. The economic pillars of the municipality are agriculture and tourism. The major challenge is with regard to the infrastructure backlog and dependency on underground water source.

#### **SERVICE DELIVERY OVERVIEW**

For the year under view all the capital projects were completed in time except for Inveraan Multi-Purpose Centre, Senwabarwana Internal streets and Storm Water Control phase 3 and the electrification of ward 17 extensions in villages such as Grootpan, Arrie, Sias and Simpson.

The road maintenance team has done well to construct the culverts and road maintenance. For the year under view the towns of Alldays and Senwabarwana were maintained thanks to the deployment of EPWP and CWP workers.

## SERVICE DELIVERY INTRODUCTION

The Municipality managed to achieve some of the key performance objectives and indicators in the IDP. Electricity is our major achievement as we have electrified all settlements within the Municipality. Hananoa Village which is located at the Mountains of the Bahananoa was provided with Solar Panels as a source of Energy, and now we are continuing with the electrification programme for new extensions for the already electrified settlements. Witten Extension was the first Village to be accommodated in 2011/12 financial year whereby 400 households were connected to the electricity supply. The programme proceeded in the 2012/ 13 financial year whereby another 400 households were connected to the Electricity supply in Witten Extension. In the 2014\15 financial year a minimum of 250 households were connected in settlements such as Motadi, Gideon, Silvermyn, Diepsloot, Mongalo and ward 17 extensions.

Challenges still remained with Water Services Delivery and Road Conditions. The Roads and Storm water maintenance unit established in 2010, continued to operate in three (3) Clusters being Buffelshoek/ Scheiding, Eldorado and Indermark. We still remain with the challenge of limited resources, but they are utilized to the maximum as we also increase them every financial year. The Municipality piloted to regravelling of internal streets at Inveraan and Mokhurumela.

Despite the intervention by the Capricorn District Municipality, some communities within the Municipality are still experiencing insufficient water service delivery. This is due to the fact that we rely entirely on Boreholes that are not sustainable and aged infrastructure in need of thorough rehabilitation. The Minimal Operation and Maintenance Budget allocated to our Municipality from Capricorn District Municipality as our Water Services Authority does not allow us to perform preventative maintenance but reactionary one when breakdowns occur. From this the Capricorn District Municipality has realized that there is a need for an investigation of the Infrastructure and thereby quantify all that needs to be replaced and thereby have a well informed Maintenance plan, that will also inform Operations and Maintenance budget for all its Local Municipalities that it has appointed as Water Services Providers. The mine has also committed itself to the solution of water related challenges hence the implementation of Alldays water augmentation project which capacitate the resources that draw water from Kromhoek village in ward 15.

### COMMENT ON ACCESS TO BASIC SERVICES:

The Municipality was directly responsible for the provision of electricity and waste management; and indirectly for water and waste water (sanitation) as a Water Services Provider on behalf of the Capricorn District Municipality. It further coordinated housing provision on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs. Free basic services were provided as follows:

FREE BASIC SERVICE	NO. OF INDIGENTS
Free Basic Electricity	1726
Free Basic Water	6734

## **FINANCIAL HEALTH OVERVIEW**

The Municipality is rural in nature and information from Statistics South Africa indicates a larger percentage of unemployment, illiteracy levels and poverty levels. This has a huge bearing on the revenue raising capacity of the Municipality. The bulk of the municipality's revenue basis is grant dependent with over 70% of the municipal income being derived from grants provided by the National Treasury. Such grants include the Equitable Share, Municipal Infrastructure Grant, Electrification Grant and Municipal Systems Improvement Grant (MSIG).

The following are key sources of the municipality's own revenue:

- user charges on electricity
- user charges on waste services
- sporadic sale of sites
- assessment rates and development fund
- land development applications and processing of building plans
- traffic service

The financial health of the municipality on own revenue performance was compromised by poor payments which necessitated council to invoke the use of debt collectors in the implementation of its credit control and debt management policies

To sustain its financial health the municipality developed budget related policies and tariffs structure through a process of public participation.

On the expenditure part council had to enforce austerity measures to control and manage municipal spending

## **ORGANISATIONAL DEVELOPMENT OVERVIEW**

The 2014\15 organizational structure was approved by council alongside the adoption of the IDP and Budget in May 2014 at Kgwale School in ward 4. For the period under review all senior management positions were duly filled, the latest being that of Director Technical Services. The Municipality went on to activate the operation of the Harriet's Wish MPCC on a skeletal scale. That is in line with the approved decentralization plan. The period under review saw the municipality kick starting the decentralization of licensing services to Eldorado and Alldays satellite offices.

Performance management system was partially implemented through the conducting of quarterly institutional review session and the assessment of senior managers who signed performance contracts with the Municipal Manager who, in turn, signed the agreement with the Mayor.

The expansion of innovation through usage of IT saw the Municipality using Facebook as an additional tool of communication with its communities who are part of the cyberspace.

#### **AUDITOR GENERAL REPORT 14\15 AND PREVIOUS FINANCIAL YEARS**

The office of the Auditor-General of South Africa annually audits Municipalities and their entities for the period July to June in alignment with their financial year cycle. As usual the focus of the auditing is on the statement of financial position, statement of financial performance, statement of changes in net assets and cash flow statement for the year, audit of performance information and implementation of policies, especially accounting policies.

For the period July-June 2014\15 financial year the Municipality regressed from an audit opinion of an unqualified in the 2013\14 financial year to a qualified audit opinion. The Municipality regressed even on the audit of predetermined objectives. Major areas of the A-G's dissatisfaction included the following;

- 1) Receivables from non-exchange transactions
- 2) Receivables from exchange transactions
- 3) Consumer debtors, and
- 4) Operation lease.

For the record, the 2012\13 report of the Auditor-General saw a slight improvement from a disclaimer opinion in the 2011\12 to a qualified opinion, with three matters of emphasis, viz, contingent liability, unauthorized expenditure and asset management

The municipality got the disclaimer opinion in the 2011/2012 financial year after getting the qualified opinion for two consecutive years 2009/10 and 2010/11. The disclaimer opinion indicates that according to the Auditor-General 'the accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality'.

The majority of issues that led to a disclaimer include the following:

Management of assets and inventory especially property, plant and equipment

Poor internal controls

Unauthorized and irregular expenditure

IT governance

Human Resources deficiencies such as leave management and record keeping

Lack of supporting documents

Distribution losses of electricity

Non-disclosures

Suspense account

The municipality had since developed the Action Plan to address the issues raised in the Auditor General's report.

#### STATUTORY ANNUAL REPORT PROCESS

The municipality has adopted the PMS policy to manage performance of the institution and employees. On quarterly basis the municipality generates reports and the institutional performance review sessions are conducted. The reports also go to council meeting for noting. The MPAC had been established to conduct oversight on quarterly basis and on the annual report and half yearly report. The annual report public meetings were conducted in all the wards and the oversight report was generated. The reports are all submitted to the relevant departments (COGHSTA and TREASURY) section 71, 72 and all other reports such as MTAS/OUTCOME 09. Ward committees and CDWs have been established in all the wards and they are functional. The ward committees meet bimonthly and reports of the CDWs are submitted to the MEC. Issues raised in the ward public meetings are forwarded to the management for response and attention. The portfolio committees and the executive committee meet on monthly basis while council meet on quarterly basis, save for special council meetings the majority of which were convened in May and June during the change of the Political Management Team.

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4th quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM (not applicable to the Blouberg Municipality)	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	

10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	January-February
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January-May

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KGORANE MJ

ACTING MUNICIPAL MANAGER

## CHAPTER 2 – GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### POLITICAL STRUCTURE

##### MAYOR

CLR SERITE SEKGOLOANE (RESIGNED IN MAY 2015 AND WAS REPLACED BY CLR SELAMOLELA S)

Powers and functions of the Mayor :

Promote the image of the municipality

To ensure that the executive committee performs its functions properly

To lead and promotes social and economic development in the municipality

To preside over public meetings and hearings

To convene public meetings and hearings

To promote inter-governmental and inter-institutional relations

To identify those of the municipality 's activities .that need a specific committee of councillors to investigate, discuss, evaluate report and make recommendations to the executive committee after consultation with the municipal manager.

To ensure in consultation with the municipal manager ,that a proper committee service responsible for the agendas and minutes is in place for the executive and other committees meet regularly and that they submit reports to the executive committee timely

To take responsibility for the quality and speed of decision making in the executive committee

To build, maintain and enhance sound relationships between the council councillors and the administration in consultation with the municipal manager

To be available on a regular basis to interview the public and visitors to the municipal offices, and to interact with prominent business people as well as developers,

**SPEAKER**

**THAMAGA MARIA NKHOLOANE**

To perform such ceremonial role as the council may determine by resolution from time to time

To assess the performance of the municipal manager in terms of the relevant performance agreement.

**THE SPEAKER OF A MUNICIPAL COUNCIL MUST:**

Presides at meetings of council

Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal system Act, 2000 ( Act 32 of 2000):

Must ensure that the council meets at least quarterly

Must Maintain order during meetings

Must ensure compliance in the council and council committee with the code of conduct set out in schedule 1 to the local Government: Municipal system Act, 2000 (Act 32 of 2000); and must ensure that council meetings are conducted in accordance with the rules and orders of the council.

**CHIEF WHIP**

**CHOSHI MM (RESIGNED IN JUNE AND WAS REPLACED BY CLR SEDUMA MD)**

**DUTIES OF THE WHIP TO OUR MUNICIPAL COUNCIL:**

Political management of council meetings and committee meetings

Maintains discipline of councillors

Advises the speaker on the amount of time to be allocated to the speaker and the order of such speakers addressing the council

ensures that councillors motions are prepared and timorously tabled in terms of the procedural rules of council

## THE EXECUTIVE COMMITTEE

For the period under review the Executive Committee comprised of the following:

NAME	PORTFOLIO COMMITTEE	POSITION
Clr Sekgoloane	Executive Committee	Chairperson
Clr Ratladi SD	Infrastructure and Engineering	Chairperson
Clr Morapedi MA	Economic Development and planning	Chairperson
Clr Tutja TP	Community Services	Chairperson
Clr Sithukga E	Corporate Services	Chairperson
Clr Moshuhla MW	Special Focus	Chairperson
Clr Masekwameng	Budget and Treasury	Chairperson
Clr Tjumana M	EXCO	Member

## COUNCILLORS

Blouberg Council constitutes 41 Councillors, 21 Ward councillors and 20 Public Representatives. It is comprised of five full time councillors that are the mayor, the chief whip, the speaker, chairperson of Infrastructure, and chairperson budget and treasury. Ward councillors represents communities in wards they are voted in ensuring that service delivery is brought to the people. Public Representatives play political role in wards they are deployed together with respective ward councillors. Ward councillors and Public Representative Councillors both form council committees. They all attend quarterly arranged council meetings and monthly portfolio committee meetings and special meetings if arranged.

## POLITICAL DECISION-TAKING

Political decisions are taken based on administration report generated by management led by the accounting officer. Each of the six directorates are linked to portfolio committees which are chaired by politicians or councillors. For example, the finance department led by CFO is linked to a council committee called by Finance chaired by a politician who is a councillor. All reports of portfolio committees originates from administration and after the portfolio committee has interrogated the report, such reports are recommended to Executive committee which with delegated powers the Executive Committee took decisions and other matters are referred to council as the council is the highest decision making body. The council established the MPAC committee which plays an oversight role on the functions of council as well as compliance to all applicable legislations.

The council appointed the audit committee which assist, advice and alerting the municipality on issues of compliance.

## 2.2 ADMINISTRATIVE GOVERNANCE

### TOP ADMINISTRATIVE STRUCTURE

1. MUNICIPAL MANAGER

THOKA MAKOROANE PATRICK KGOALE

2. DIRECTOR, ECONOMIC DEVELOPMENT AND PLANNING

KGORANE MJ

3. DIRECTOR, CORPORATE SERVICES

MAGABANE TG

4. CHIEF FINANCIAL OFFICER (BUDGET AND TREASURY):

Ms MEIKIE CONNY RAGANYA

5. DIRECTOR, TECHNICAL SERVICES :

MOROKOLO MP

6. DIRECTOR, COMMUNITY SERVICES:

MR MACHABA MJ

For the period under review or 2014/ 2015 financial year all positions of section 56 and 57 managers were filled, the municipal manager, director Strategic Support Services, Chief Financial Officer and director Corporate Services and the director Infrastructure and Engineering Services.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

The municipality participated in various co-operative governance and intergovernmental structures at all levels from the local sphere, district, provincial and national sphere. Participation in such forums and IGR structures assisted service delivery in the sense that integration and alignment of various role players is realised to avoid the silo mentality existing in the public sector. While remarkable progress has been realised in IGR structures challenges still existed in the 2014\15 financial year with regard to the provision of reliable and accurate information from other public sector players and this has negatively affected the municipality's planning especially the accuracy of the information in the IDP.

### 2.3 INTERGOVERNMENTAL RELATIONS

#### NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality participates in national intergovernmental structures such as the following:

- National municipal manager's forum
- South African Local Government Association sessions including working groups

#### PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The municipality participates in the following provincial intergovernmental structures:

- Premier-mayors' forum (3)
- monitoring and evaluation forum (4 x per annum)
- provincial planning forum (4 x meetings)
- provincial municipal manager's forum (4x meetings)

#### RELATIONSHIPS WITH MUNICIPAL ENTITIES

There were no municipal entities during the period under review

#### DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality participated in the following District IGR structures during the period under review:

- District Speakers Forum
- District Mayors' Forum
- District Chief whips Forum
- District Municipal Manager's Forum

-District CFOs Forum

-District Planning Forum

-District Monitoring and Evaluation Forum

The existence of the above IGR structures has assisted in the sharing of challenges, best practices and resource mobilization. Alignment of programmes and standardization of activities were also achieved from the district IGR structures.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipality has organized its administration in such a way that accountability of its staff is realised and that a system of participatory governance is entrenched. The establishment of a unit to deal with community participation was done during the inception of the municipality. The unit is located in the corporate services department. Various tools of communicating with the community were used in the period under review and the paragraphs supra explain in details the functionality of such tools.

The municipality also used its local IGR structures such as sector forums to ensure sector specific programmes are aligned with those of other role players in the sector and the following sector forums held four quarterly meetings during the period under review:

-Energy forum

-Roads and Transport Forum

-Local Economic Development and Tourism Forum

-Housing Forum

-Disaster Management Forum

-Waste Management Forum

## 2.4 PUBLIC MEETINGS

## COMMUNICATION, PARTICIPATION AND FORUMS

The Municipality prides itself on its communication and stakeholders participation structures. The municipality has a communication strategy which indicates who communicates to who, when and how. There is a communications unit established and such is located in the Corporate Services Department. The municipality's Community participation model is one of the best models in the country and through such model council and its committees are able to reach out to the municipal constituencies. EXCO and Council meetings are held in public at venues rotated throughout the municipal area. After every EXCO and Council meeting an outreach programme is held. Views and issues raised by community members are recorded and feedback is provided to members of the community who raised such matters. All twelve EXCO meetings and four council meetings for the period under review were followed by public outreach programme referred to as imbizo.

The municipal website and face book are also useful tools which the municipality employed to communicate with its stakeholders to cover the cyberspace community.

The Municipal Newsletter-Blouberg News-published four quarterly editions to communicate municipal programmes.

Other forms of communication and public participation during the 2014\5 financial years include the usage of bi-monthly ward public meetings for the 21 wards wherein ward councillors provide feedback and progress report to ward members.

### . WARD COMMITTEES

The municipality has a fully functional ward committee system. All the 21 wards have functioning ward committees with a total of 210 participants translating into 10 ward committee members for the 21 wards. Ward committee held their meetings bi-monthly with the support from administration which plays a secretariat role. Resolutions and issues raised at ward committee are escalated to the office of municipal manager and then to all relevant departments.

The 12th ward committee conference was successfully held at Elephant Spring Hotel during the period under review.

### 2.5 IDP PARTICIPATION AND ALIGNMENT

The IDP is reviewed annually and in-house. The 2014\15 revised IDP was approved by council on the 30 May at Kgwale School in ward 4. Like previous IDPs the 2014\15 IDP was rated high in terms of credibility by the provincial Department of Co-Operative Government, Human Settlements and Traditional Affairs..

The IDP is reviewed in line with required standard and template and it is aligned to the budget. The IDP Process plan is developed and approved by council as the road map for the review of the IDP/Budget. The IDP Steering committee is responsible for the review of the IDP AND Budget. The IDP is aligned to the budget. The draft IDP/Budget is tabled before the council for public participation process to unfold and wards are clustered for the

purpose of the community accessibility and inputs. The IDP representatives' forum where all the stake holders are represented is also conducted to interrogate the IDP document.

The other stakeholders that are consulted are the traditional authorities and farmers unions. Inputs to the IDP are also submitted physically to the office of the accounting officer or faxed and emailed through.

All the inputs and comments are consolidated and the report is developed based on the inputs. The process of prioritization takes place taking into account the available resources and capacity of the municipality.

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

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

For the 2014\15 financial year, like the 2013\14, the Blouberg Municipality took leaf from the King III report on good governance by including in its operations the functionality of risk function as well as the development and implementation of corruption and anti-fraud strategies. Risk register was developed and its focus was on strategic risks, operational risks and Human Resources risks.

Through IGR the municipality used the District Hotline, Premier and Presidential hotline to track areas of non-compliance to its corporate governance matters.

## RISK MANAGEMENT

The Municipality regards risk management as one of the pillars required for the sustainability and corporate management. In compliance with the MFMA which S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. Risk assessment sessions were conducted with the assistance of the provincial Treasury and COGHSTA to help the municipal management with the identification and profiling of risks within the municipality.

Top five risks identified are the following:

- loss of revenue
- bad publicity
- fraud and corruption
- litigation and its associated costs
- poor records management and resultant information loss

## FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality has an anti-corruption and risk management strategy in place. A risk management unit is in place and is manned by one female officer. The internal audit unit has been established and is manned by two personnel, the manager, internal audit and the assistant manager, audit.

The internal audit committee is in place and it comprised of four members who have relevant experience and qualifications to discharge their responsibilities. For the period under review the audit committee also performed the role of the performance audit committee. The Audit committee excluded politicians and officials as voting members. The Audit Committee also participated in the performance assessments of top management. The period under review did not have any reported case of fraud and corruption encountered by the municipality and submitted to authorities.

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

During the 2014\5 financial year the Supply Chain Management policy was tabled to council for revision alongside other budget related policies. The revision took into account the BBBEEE codes and changing supply chain regime. For the record, no councillors take part in the supply chain committees. Functionality of SCM committees was also enhanced. No long term contracts were entered into except for the continuation of the 2 year contracts such as security services provision which was a continuation of a contract awarded in the 2012\13 financial year. Efforts were made to curb the procurement of services from suppliers who are in the service of the state and the municipal records do not have any indication of services awarded to suppliers in the service of the state.

By-laws introduced during 2013/14
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Newly Developed	Revised	Public Participation conducted prior to adoption of By-Laws (Yes/no)	Dates of Public Participation	By-Laws gazette (yes/no)	Date of Publication
N/A	N/A	N/A	N/A	N/A	N/A

## 2.10 WEBSITES

Municipal website: content and currency of material		
Documents published on the municipality's /entity's website	Yes/No	Publishing date
Current annual and adjustment budgets and all budget related documents	YES	
All current budget related policies	YES	
The previous annual report (2013/14)	YES	
The annual report (2014/15) published / to be published		
All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards	YES	
All service delivery agreements (2014/15)		
All long term borrowing contracts (2014/15)		
All supply chain management contracts above a prescribed value (give value) for 2013/14		
An information statement containin a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2014/15		
Contracts agreed in 2014/15 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
PPP agreements referred to in section 120 made in 2014/15	N/A	
All quartely reports tabled in the council in terms of section 52 (d) during 2013/14	YES	

## MUNICIPAL WEBSITE CONTENT AND ACCESS

Most of prescribed key website content materials were placed on the municipal website such as IDP, Budget, Annual Report, Performance Agreements and Budget related policies.

## PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

No formal public participation surveys were conducted during the period under review. The municipality relied on public participation sessions referred to above, as well as the usage of the Premier and Presidential Hotlines to gauge the level of satisfaction and \ dissatisfaction with municipal services.

There were no changes to issues raised in the previous years' engagements.

Key general areas of dissatisfaction include:

- state of road conditions
- water and sanitation supply
- unemployment
- health and education services

### COMPONENT A: BASIC SERVICES

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

#### .1. WATER PROVISION

BLOUBERG MUNICIPALITY WILL NOT INCLUDE WATER AND SANITATION IN ITS 2014/5 ANNUAL REPORT AS SUCH POWERS AND FUNCTIONS LIE AT THE CAPRICORN DISTRICT MUNICIPALITY AND ANY ATTEMPTS TO INCLUDE SUCH INFORMATION MAY RESULT IN NON-ALIGNMENT WITH THE INFORMATION PROVIDED BY THE DISTRICT MUNICIPALITY.

### ELECTRICITY

#### INTRODUCTION TO ELECTRICITY

Electricity is one of our greatest achievements as we have electrified all settlements within the Municipality. The Hananoa Village located at the Mountains of the Bahananoa was the last Village to be provided with energy by means of an alternative source, being the Solar panels for the 43 Households in the 2012/13 Financial Year.

New extensions for the already electrified settlements remain with a backlog for electrification. However, our electrification programme has already started with addressing the new extensions and Witten was the first village to be prioritized in the 2011/12 financial year, with 400 Households connected to the electricity supply. Another

400 households were connected in the 2012/13 financial year and 665 Connections connected in 2013/14 Financial Year

As the electrification programme continues, approximately 250 Households were connected by the Municipality for the 2014\15 financial year through the Integrated National Electrification Programme (INEP) funded from the Department of Energy from 2014 to 2015, while Eskom covered approximately 840 households between 2014 and 2015.

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

#### WASTE MANAGEMENT

##### STATUS QUO

The Municipality has developed and adopted an Integrated Waste Management Plan (WMP) in 2008 and reviewed in 2013. The plan serves as a roadmap for the management of solid waste for the entire Municipality with R293 towns and nodal points, plus some rural villages, used as starting points since the capacity available cannot cover the entire municipal wide area. For the 2014\15 financial year the function was rendered in eleven settlements on a weekly basis while the towns of Alldays and Senwabarwana receive the service on a daily basis. Currently there are two landfill sites in Alldays and Senwabarwana. A waste management team is in place and two waste removal trucks, plus a tractor, have been purchased. To augment the waste and environmental section the Municipality enlisted the use of short term EPWP participants and distributed them across areas of high volume waste generation. For the 2014\15 period the number of EPWP participants was increased from **140** to **200** with the budget of R3 million. In Senwabarwana and Alldays two Recycling initiatives were established with PEACE Foundation playing a leading role in assisting with recycling initiatives at an identified location in Senwabarwana.

THE TABLE BELOW REFLECTS WARD WASTE REMOVAL SERVICE ROLL OUT AND BACKLOGS

WARD	AVAILABLE	BACKLOG
1	0	11
2	0	7
3	0	6
4	0	9
5	0	7
6	0	5
7	0	6

8	1	6
9	0	6
10	1	0
11	0	6
12	2. INDERMARK UP TO DIKGOMONG	0
13	2 (BURGERUGHT AND MOTLANA)	5
14	0	7
15	2 (KROMHOEK AND DEVREDE)	0
16	0	5
17	2 (GROOTPAN AND LONGDEN)	6
18	2 (TAAIBOSCH AND ALLDAYS)	0
19	1 (SENWABARWANA)	1
20	0	7
21	0	8
TOTAL	11	112

## 20. CHALLENGES

Capacity constraints: this involves lack of resources (financial and human) to roll out the service to the entire municipal area. Available plant and personnel are not enough to render the service for all areas. For the past two financial years the Municipality could not purchase plant and refuse bins due to budgetary constraints.

The two landfill sites available are not licensed since they don't comply with all legal requirements for a proper landfill site.

Lack of education on the part of members of the community on waste matters does not help the situation. Lot of littering occurs in the town of Senwabarwana around the CBD mainly because much business activities are taking place there.

## 3. INTERVENTIONS

Blouberg Municipality renders the refuse removal service in 11 settlements with the, households serviced standing at 11 549. The backlog is 24 139. Challenges are funding for roll out of the refuse service to all settlements.

The Environmental Management Plan (EMP) is partially implemented; the Solid waste and refuse removal by laws are not fully implemented due to capacity challenges that are currently being ironed out. Intergraded Waste Management Plan is currently under review. The neighbourhood funding from the National Treasury earmarked for urban renewal shall come in handy to address some of the waste management challenges encountered.

The Municipality rolled out the function to eleven settlements with the recruitment of two (200) general workers who were employed from the 2014\15 financial year. The programme was augmented by the integration of EPWP and Community Works Programme. Such general workers were used to clean settlements, roads, cemeteries and any other work identified by members of the community.

### **INTRODUCTION TO HOUSING**

The powers and functions for the provision and construction of housing lies with the provincial government under the Department of Co-operative Governance, Human Settlements and Traditional Affairs. The role of the municipality is to identify housing demands needs through the development of the Housing Chapter and identification of beneficiaries. For the 2014\15 financial year a total of 400 housing units were approved and successfully implemented within the municipality.

No municipal entity renders the service on behalf of the municipality.

### **3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT**

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

Indigents shall mean (in terms of municipal policy) residents of Blouberg Local Municipality, who cannot afford to pay for services they receive from the Municipality, the category of people being unemployed, disabled and pensioners who are unable to, pay the full costs of the average Municipal accounts. Conditions for qualification are that support is provided to households earning a joint income of NOT more than R 2,600 per month. The threshold is reviewed by Council on an annual basis, taking into consideration the economic conditions of its citizens in line with the national policy

#### **COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:**

Indigents shall mean (in terms of municipal policy) residents of Blouberg Local Municipality, who cannot afford to pay for services they receive from the Municipality, the category of people being unemployed, disabled and pensioners who are unable to, pay the full costs of the average Municipal accounts. Conditions for qualification are that support is provided to households earning a joint income of NOT more than R 2,600 per month. The threshold is reviewed by Council on an annual basis, taking into consideration the economic conditions of its citizens in line with the national policy

### **INTRODUCTION TO ROADS**

The municipality is not responsible for public transport but the Department of Roads and Transport and Capricorn District municipality have the powers and functions related to roads and transport. There was no road upgrading project implemented by the Department of Roads and Transport through Roads Agency Limpopo (RAL).

Gravel road infrastructure				
Kilometers				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2011\12	786.98km	0	0	488.44
2012\13	786.98km	0	0	488.44
2013\14	786.98km	0	0	488.44
2014\15	786.98km	0	0	488.44
Source : Department of Public Works, Roads and Infrastructure				

### 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

#### INTRODUCTION TO TRANSPORT

#### PUBLIC TRANSPORT

There is one mode of public transport in the municipal area viz road transport. The dominant public transport mode is the minibus taxi while another form of public transport is the bus transport with Great North and Mmabi bus being the main operators. The challenge with the municipal public transport is that it is only available between 6H00 in the morning and 20H00 leaving most commuters stranded outside these stipulated times. The movements of these modes of public transport is towards all the nodal points of Blouberg, viz, Alldays, Senwabarwana, Tolwe and Eldorado while outside Blouberg the major destinations are Musina, Louis Trichardt, Lephalale, Steilop and Polokwane.

#### STATUS OF TAXI RANK FACILITIES

LOCATION	STATUS	DESTINATIONS
Senwabarwana	The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers'	The rank covers the rest of Blouberg and destinations such as

	facilities	Polokwane, Johannesburg,
Eldorado	The rank is formal with the following facilities: shelter, loading bays, ablution blocks	The rank covers the rest of Blouberg and areas such as Senwabarwana and it connects to Polokwane via Kromhoek taxi rank
Kromhoek	The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers' facilities	The rank covers the rest of Blouberg and destinations such as Polokwane, Johannesburg and Louis Trichardt
Alldays	The rank is formal with the following facilities: shelter, loading bays, ablution blocks	The rank covers the rest of Blouberg and destinations such as Musina and Louis Trichardt
Windhoek	The rank is informal	It covers Senwabarwana, Steillop
Avon	The rank is informal	It covers Senwabarwana, Vivo, Indermark
Buffelshoek	The rank is informal	It covers Senwabarwana
Vivo	The rank is informal	It covers Senwabarwana, Alldays, Mogwadi and Louis Trichardt
Letswatla	The rank is informal	It covers Senwabarwana

#### 3.5.4.2 PUBLIC TRANSPORT CHALLENGES

The challenge with the municipal public transport is that it is only available between 6H00 in the morning and 20H00 leaving most commuters stranded outside these stipulated times. The other main challenge is the bad state of roads that increases the operation and maintenance costs of public transport operators. Lack of formal taxi ranks with all related amenities in some strategic areas such as Avon, Vivo, Buffelshoek, Windhoek and Harriswhich remains a challenge. Disputes over operating routes occasionally occur resulting in conflicts among taxi associations.

#### TRANSPORT PLANNING

Right now transport planning is still a function of the district municipality. More information could be found from the District Annual Report

## **PERFORMANCE OF TRANSPORT OVERALL:**

### **PUBLIC TRANSPORT INTERVENTIONS**

The roads and transport forum has been established and all taxi associations operating within Blouberg are members of the forum. Recent conflicts between Letswatla and Bochum Taxi associations have been resolved through the intervention of the municipality, SAPS and the District Taxi Council. The matter of accessibility of public transport outside the 6H00 and 20H00 time periods has been referred to the operators for rectification. The state of poor road conditions has been highlighted to the MEC for Roads and Transport for intervention. A priority list for formalization of taxi ranks will be developed by the municipality and the CDM in collaboration with public transport operators. Taxi and bus shelters have been constructed along major routes such as D1200 (Senwabarwana-Windhoek road), Wegdraai to Eldorado road, Letswatla to Windhoek road and D1598 (Kibi to Schiermoonikoog road). The Municipality should explore the introduction of Blouberg Bus as part of the Bus Rapid Transport System as is the case in the City of Joburg and Polokwane Municipalities.

#### Local integrated Transport Plan

The plan has been developed and adopted by council on the 31st May 2013. The strategy assists the municipality to provide a proper transport plan for our municipality.

#### Licensing and registering authority

The municipality has a Licensing and Registering authority unit at head office Senwabarwana. The process of opening these services at Alldays and Eldorado Satellite Offices was continued in the period under review and culminated in the functioning of the Alldays learners licensing centre while other full licensing services remained unfulfilled.

#### Law Enforcement unit

For the period under review the municipality had a Law Enforcement Unit at head office, Senwabarwana and Alldays Satellite Office, which shares the service with Eldorado Satellite Office.

### **3.10 PLANNING**

#### **INTRODUCTION TO PLANNING**

The responsibility of the municipal planning function relates to the following functions: settlement establishment and formalization, processing of land development applications, Approval of land use rights applications such as rezoning, consolidation, subdivisions and consent use applications, implementation of building regulations and enforcement of building By-law.

During the 2014\15 financial year the following were achieved: pre- approval of Tolwe lay-out plan and the pre-approval of the surveyor-diagram for the subdivision of the farm Monmouth. A total of 400 low cost houses were constructed and handed over to beneficiaries even though the Limpopo Provincial Government had made an allocation of 500 units to the Blouberg Municipality. Such could not be attained due to supply chain challenges in the Department responsible for housing provision, viz, COGHSTA but only 400 units were approved and implemented.

Main challenges experienced in the financial year 2014\15 are as follows:- None compliance to Land use policies, building regulations and illegal invasion of land in Senwabarwana and Borkum. 3 main Service delivery priorities -: Service delivery and Infrastructure development, LED and spatial Planning. The attraction of investors e.g. Establishment of Blouberg Mall resulted to job creation for local people to total of over 584 employees' part time/full time.

Measures taken to improve the performance: Improved community engagement/public participation

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

#### **INTRODUCTION TO ECONOMIC DEVELOPMENT**

The municipality approved its revised Local Economic Development Strategy for the period under review during the council meeting of the third quarter alongside the approval of the annual report 2011\12. The strategy identifies the key sectors of the Blouberg Economy being retail development, agricultural development, SMME development, manufacturing, tourism development and community based public works. Amongst anchor projects identified in the strategy there is the development of retail centres in nodal points, the exploration of alternative energy sources and agricultural development initiatives.

The period under review 2014\15 witnessed the implementation of the following key service delivery priorities:

Completion of the implementation of Soutpan renewable energy plant at Zuurbult near Vivo

The project involves the harvesting of sunlight to generate green energy. Further, beneficiation of the project to the community will be realised through the development and implementation of the operation's social and labour plan. In the 2013\14 a total of over 617 local participants benefitted from short-term job opportunities from the project while the employment figures scaled down in the 2014\15 financial year due to the commissioning of the project.

Implementation of the Venetia mine underground project with a budget of over R16 billion and the resultant work opportunities for the mine's two labour sending areas, viz, Blouberg Municipality and Musina Municipality. The expansion has also resulted in an increased population for the town of Alldays.

Exploration of mineral resources by Ironveld\ HACRA at Harriet's wish, Cracouw and Aurora with strong positive prospects of mining continued. The exploration has yielded positive results and a mining licence has been granted and construction is expected to commence soon

The creation of over 1387 job opportunities through Community Works Programme, EPWP, and implementation of municipal capital works programme through labour-intensive methods was maintained. Another community job creation initiative was introduced through the Rakibang Development Forum which yielded over 600 job opportunities in the EPWP, Health, Environment and Education sector.

Facilitation of the re-establishment and functionality of the Blouberg Business Forum

Place marketing through the development and distribution of the Blouberg Citizens' Report which covered development and opportunities available in the Municipality over a thirteen year period since the inception of the BLM in its current form

#### **COMPONENT D: COMMUNITY & SOCIAL SERVICES**

The municipality did not play much role on community and social services such as: libraries and archives; museums, arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres due to capacity challenges. This statement only excludes cemeteries wherein the municipality coordinates the function in Alldays, Senwabarwana and, to a smaller extent, R293 towns of Witten, Dilaeneng, Puraspan and Indermark.

##### **3.55 CEMETORIES AND CREMATORIUMS**

The Municipality operated the cemetery function at Alldays and Senwabarwana town while some R293 towns of Witten, Indermark and Avon were provided with a skeletal level of service.

##### **3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

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

During the period under review there were no IDP targets for the provision of Aged Care and Social Programmes. The municipality only played a coordination role with the Department of Health and Social Development, Public Works and Education playing.

However the municipality had four IDP targets for the child care centres at Slaaphoek, Devilliersdale, Mottlana, and Bognafarm and all were successfully completed. Venetia mine constructed two centres at Grootpan and Sias as part of its social and labour plan. However, Sias was not completed at the end of the 2014\15 financial year.

#### **COMPONENT F: HEALTH**

The clinics and ambulance services are rendered by the provincial department of Health and Social Development.

## COMPONENT G: SECURITY AND SAFETY

Law enforcement: there is a law enforcement service within our municipality which has been decentralized to Alldays Satellite Office, covering both Eldorado and Tolwe satellite offices.

Licensing and Registering Authority: our municipality has this function, which was also decentralized to both Eldorado and Alldays Satellite.

Fire and disaster management services are functions of the district municipality; however, our municipality plays a coordinating with regard to disaster management. A disaster coordinator was employed to that effect.

The licensing of animals is a function of the department of Agriculture; however, our municipality has a pounding function, which deals with the control of stray animals out of the public roads and at unauthorized places.

We have a by-law that deals with the control of public nuisances but it is not implemented due to capacity constraints.

THE TABLE BELOW REFLECTS AVAILABILITY AND BACKLOG OF STANDARD SPORTS FACILITIES WITHIN WARDS

WARD	AVAILABLE	BACKLOG
1	0	1
2	0	1
3	0	1
4	0	1
5	0	1
6	0	1
7	0	1
8	0	1
9	0	1
10	0	1
11	0	1
12	0	1
13	0	1
14	1 BEN SERAKI	0

15	0	1
16	1 STANDARD SPORTS FACILITY	0
17	0	1
18	1 ALLDAYS SPORTS COMPLEX	0
19	0(SENWABARWANA RECREATIONAL PARK)	1
20	0	1
21	0	1
TOTAL	3	18

THE TABLE BELOW REFLECTS THE AVAILABILITY AND BACKLOG OF COMMUNITY HALLS WITHIN WARDS

WARD COMMUNITY HALLS

WARD	AVAILABLE	BACKLOG
1	0	1
2	0	1
3	0	1
4	0	1
5	1	0
6	1	0
7	0	1
8	0	1
9	1	0
10	0	1
11	1	0
12	1	0

13	0	1
14	0	1
15	1	0
16	1	0
17	1	0
18	1	0
19	2 (institution-linked)	0
20	0	1
21	0	1
TOTAL	10 WARDS	11

### 5.5.2 CHALLENGES

The challenge is that sports and recreation facilities available do not have enough facilities such as high mast lights for night games; athletic rubber tracks etc. Another challenge with the amenities is on the available halls which are not used as multi-purpose community centres but are only used scarcely as normal halls.

### 5.5.3 INTERVENTIONS

The municipality, together with SAFA and private partners, construct and upgrades sports and recreational facilities annually. SAFA has to construct an artificial soccer facility as part of its 2010 legacy projects. With regard to community halls the plan is to move away from normal standard halls and build multi-purpose centres.

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

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

The municipality has a unit that specifically deals with disaster incidents and the rehabilitation of disaster victims. The unit is working in collaboration with Capricorn District Municipality (CDM). The budget is set aside annually to attend to disaster issues. The District provides its locals with resources and personnel for proper execution of their duties. The municipality has a credible Disaster Management Plan which gave the municipality areas that need an urgent attention. The municipality held Disaster Management Advisory Forum sitting on quarterly basis to inform communities about performance regarding incidents that occurred under the period review.

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

Disaster management is a district function; however, our municipality plays a coordinating role to this effect. A disaster coordinator has been employed at officer level to assist in coordination of disaster issues between the district municipality and the local communities.

## INTRODUCTION TO SPORT AND RECREATION

### COMPONENT H: SPORT AND RECREATION

All settlements have access to cemeteries though such are not formalized. There is one standard sports facility at Eldorado while a semi standard sports facility is at Ben Seraki (Buffelshoek). For the 2014\15 financial year the municipality made a provision in its budget for the upgrade of the Ben Seraki sports complex for the completion of phase 1 and 2. The project was completed after a delay form the previous year which resulted in the relocation of the facility from Buffelshoek to Scheiding.

The Blouberg area has 11 community halls. There is one Thusong service centre at Eldorado and it hosts the municipal offices, Department of Education, Department of Agriculture, Department of Labour, SAPS and Department of Health.

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

The components comprises secretariat, auxiliary Services , Human Resources , ICT Services and Communications , The main objective is to provide support and auxiliary services to all department s and the political components of the municipality . Some of the functions include fleet control, Office accommodation , Cleaning Services Effective security Services reliable and efficient telecommunication services , timely and well-collated qualitative documents

### 3.69 EXECUTIVE AND COUNCIL

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

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

The Components includes: The Mayor, Councillors and Municipal Manager, Introduction to executive council Blouberg Local Municipality was established in terms of demarcation notice as NP351 in the Extraordinary Gazette 100 of October 2000. The Municipality is a category B as determined in terms of section 4 of the Local Government municipal Structures Act No 117 of 1998

It is a Municipality with a collective executive system as contemplated in section 2(a) of northern province Determination of types of municipalities ct (4) of 2000 Blouberg Municipality has however and approved delegation system that seeks to decentralise decision making within the institution and improve the pace at which services are delivered to the community . This is intended to maximise administrative and operational efficiency and provide adequate checks and balances for line with the delegation system, some decisions making powers have been cascaded from council to the executive committee, its portfolio committee and full time councillors. Other powers have been delegated to the Municipal Manager

#### THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The support for councillors' policy is in place and councillors receive support in respect of the various aspects of their daily activities as public representatives, in-house workshops on governance and presentations

### 3.70 FINANCIAL SERVICES

#### INTRODUCTION FINANCIAL SERVICES

The financial services of the municipality are in the Budget and Treasury office which is responsible for the following Units: 1) Revenue services, 2) Expenditure Management, 3) Supply Chain Management, 4) Budget Management, and Assets Management. For the period under review SCM and Assets Management were housed in one unit.

Most revenue on the finance department comes from equitable shares, financial management grants and the other sources of revenue, eg interest earned, Rent received, development fund and other sundry income. A full report on financial performance is contained in chapter 5 of this report which deals with Annual Financial Statements and performance.

### 3.71 HUMAN RESOURCE SERVICES

#### INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources Unit is comprises of Human Resources Management, Skills Development, Occupational Health and safety, Employment Equity, Labour Relations, Compensation For Injuries and Diseases, and Employees wellness. The unit priorities includes timely filling of vacancies to support municipal vision and objectives, improving working conditions and skills development. All the funded positions for 2014\15 were all filled. All Human Resources committee including the Occupational Health and Safety Committee were established comprising of employees from all levels and work stations and were crucial in helping Management identify and address working conditions that posed threat to the health and safety of employees.

#### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

i. Human Resources Development – The Workplace Skills Plan (WSP) and Annual Training Report were developed and submitted in April 2014 for implementation in the 2014\15 financial year as per the Local Government SETA directives. The municipality has developed training programmes for councillors and employees, bursaries for employees, internships and learner ships as informed by the WSP. There were no bursaries for employees during the year under review while two learners, one enrolled for an MBChB (Medicine) while the other did Urban and Rural Planning as per municipal priorities benefitted from the Mayor's Bursary Fund. an additional learner was enrolled for civil engineering.

ii. Labour Relations and Occupational Health and Safety – The Local Labour Forum was revived and helped in sustaining employer-employee peace while the OHS had a committee established which met its full quota of meetings which had a positive impact.

Employees Health and Wellness – Employee Wellness Day was held and employees participated in activities that included among other various forms of testing e.g. HIV, High Blood Pressure, Sugar Diabetes etc and a few presentations were made in respect of employee welfare by different banking institutions, insurance companies etc.

Compensation for Injuries and Diseases – there was no reported injuries on duty during the period under review.

Employment Equity – One aspect that we were found wanting on is the Employment Equity. Though the Employment Equity Committee is in place, it could not influence employment/hiring of people from the designated groups.

Organisational Design – the Organisational Structure was approved by Council.

Compensation and employees benefits – all pension pay outs were done within fourteen days of application receipt.

Recruitment, selection and placement – all funded posts were filled.

Condition of Services – all employees employed during the period in issue signed their contracts of employment.

Leave Management – all leaves were captured

#### COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Human Resource Division performed relatively well particularly on the aspect of recruitment. All the budgeted positions were filled. Employment Equity is the area where the division was found more wanting with middle management the most glaring. Out of twenty five (25) managers, only four (4) are female and none of those was employed during the period under review. Capacity building was also compromised by the non functionality of the Training Committee which managed to hold only one meeting out of a possible four for the financial year. Training programmes were consequently not that well coordinated. The Employment Equity and Occupational Health and Safety Committee did relatively well by complying with the schedule of meetings completing their quota though implementation of resolutions taken in those for remain a challenge. The Workplace Skills Plan and Annual Training Report were timeously compiled and submitted and programmes thereof were accordingly followed

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

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

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

Information and Communication Technology is but one area that is cardinal in ensuring that communication lines from within and outside the municipality are maintained. Its major service delivery priorities include: i. improvement of

citizen participation within the municipality governance; ii. To enable and support technology integration throughout the municipality; iii. To deploy technology for cost effective, responsive service delivery to citizens, business, employees and government. The IT Governance Framework and a number of policies and plans notably Business Continuity, Electronic Records Management Systems and E-Mail, IT Equipments and Systems Maintenance Plans were adopted by Council and the Executive Committee respectively. The Corporate Services Portfolio Committee was favoured with compliance monitor reports to track progress in that regard.

#### PERFORMANCE OF ICT SERVICES OVERALL:

ICT challenges were also picked up by the Auditor-General during the 2014\15 audit report. The ICT did not perform well mainly due to want of budget. The Disaster Recovery and Business Continuity Plans could not put to a test due to constraints relating to time and resources. There was also a lack of sufficient environmental control equipment – no fire suppression, water and smoke detectors. Lack of user account management procedures also contributed to the not so great performance. These safety and environmental controls could not be fitted due to lack of funds. Council however, approved IT Governance Framework, IT Monitoring Framework, Operating System Security (Server) Baseline Policy and Environmental Controls Policy



vision

A participatory municipality that turns prevailing challenges into opportunities for growth and resources development through optimal utilization of available

mission

To ensure delivery of quality services through community participation and economic growth and job creation

# BLOUBERG MUNICIPALITY'S ANNUAL INSTITUTIONAL PERFRMANCE REPORT 2014\15



## *Kodumela*

### Mission

To ensure delivery of quality services through community participation and economic growth and job creation of enabling environment for economic growth and job creation

To ensure delivery of quality services through community participation and economic growth and job creation of enabling environment for economic growth and job creation



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## LIST OF ACRONYMS

AFS	Annual Financial Statements
AG	Auditor-General
AIDS	Acquired Immunodeficiency Syndrome
CBO	Community Based Organization
COGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs
CWP	Community Work Programme
DMP	Disaster Management Plan\ Demand Management Plan
ECDC	Early Childhood Development Centre
EE	Employment Equity
EMP	Environmental Management Plan
EDP	Economic Development and Planning
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
EXT	Extensions
FY	Financial Year
GRAP	Generally Recognized Accounting Practice
HAST TB	HIV AIDS and Sexually Transmitted Diseases and Tuberculosis
HIV	Human Immunodeficiency Virus
IDP	Integrated Development Plan
IGR	Inter Governmental Relations
IOD	Injury on Duty
IT	Information Technology
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
KPA	Key Performance Area
KM	Kilometer
KPI	Key Performance Indicator
LACTC	Local Aids Council Technical Committee
LED	Local Economic Development
LGNC	Local Geographical Names Committee
LUMS	Land Use Management Scheme
LV	Low Voltage
MEC	Member for Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MPAC	Municipal Publics Accounts Committee
MSA	Municipal Systems Act

MV	Medium Voltage
NO	Number
N/A	Not Applicable
OHS	Occupational Health And Safety
PMS	Performance Management System
PPP	Public Private Partnership
REP FORUM	Representatives Forum
SDBIP	Service Delivery and Budget Implementation Plan
SLP	Social and Labour Plan
VIP	Ventilated Improved Pit
WSP	Workplace Skills Development Plan

## MANAGEMENT REPORT ON THE ANNUAL PERFORMANCE FOR THE PERIOD JULY 2014 TO JUNE 2015

### 1. INTRODUCTION

The Blouberg Municipality 2014\15 annual performance report reflects the institution's service delivery and developmental achievements, as well as challenges, in recognition of the Municipality's obligation to be an accountable, transparent and efficient organization, and the municipality's financial position. The compilation of this report is done in compliance to various pieces of legislation. Key amongst such legislations is Local Government: Municipal Systems Act No. 32 of 2000, Local Government: Municipal finance Management Act No 56 of 2003, and National Treasury Circulars (especially circular 11 and 63).

The MSA and MFMA state that every municipality and municipal entity must prepare an annual performance report which must form part of the annual report for each financial year in terms of the Act. This annual performance report is a reflection of the municipality's actual performance in relation to what was planned for in the IDP and SDBIP. It is therefore a post-reflection of planned targets and their actual with a provision for reasons for variance as well as mitigating\corrective measures taken.

This report of the Blouberg Municipality is aligned to the Municipal IDP and Budget for the 2014\15 financial year and that it is aligned to the Service Delivery and Budget Implementation Plan and in-year reports.

### 2. PURPOSE OF THE ANNUAL INSTITUTIONAL PERFORMANCE REPORT

This annual performance report seeks to attain the following purposes:

- The provision of a report on performance in service delivery and budget implementation plan for the 2014\15 financial year
- To promote transparency and accountability for the activities and programmes of the municipality vis-à-vis the six key performance areas
- To provide a record of activities of the municipality for the 2014\15 financial year to which this report relates

### 3. THE ROAD MAP

The attached annual report of the Blouberg Municipality is a product of in-year reports which have been consistently submitted to council and council committees. Upon the signing of the SDBIP 2014\15 in June 2014, the municipality facilitated the signing of performance agreements by the Senior Management team led by the Accounting Officer. On a monthly basis reports on implementation of the SDBIP were sent to the Executive Committee and on a quarterly basis to council. Three, out of four, institutional Performance Review sessions were conducted on the 2014\15 SDBIP with the fourth one overlapping into the 2015\16 financial year-this refers to the one for the consideration of this report. On a quarterly basis the IDP\Budget Steering Committee, comprising of the management of this municipality, is convened to consider the reports of each quarter and finally submit same to the Institutional Performance Review session, comprising of the Executive Committee members, the Speaker, Chief Whip and Chairperson of MPAC. The last steering committee meeting was held on 15<sup>th</sup> July 2015. The last Institutional Performance Review session considered the report from 20-21 July while EXCO and Council considered the report on the 21<sup>st</sup> and 31<sup>st</sup> July 2015 respectively

All reports of the previous institutional performance review session were sent to council for consideration and ultimately approval.

#### 4. SUMMARY OF PERFORMANCE FOR THE 2014\15 FINANCIAL YEAR

The Municipality had six directorates, including the office of the Municipal Manager, during the period under review. Those Directorates were (1) Budget and Treasury; (2) Corporate Services; (3) Community Services, (4) Economic Development and Planning; (5) Technical Services; and (6) Office of the Municipal Manager. All the six directorates cumulatively contributed to the annual performance report of the Municipality for the period under review.

The SDBIP and Annual Performance Report 2014\15 is arranged in terms of the six Key Performance Areas of Local Government, viz, (1) Basic Service Delivery, Municipal Transformation and Institutional Development; (2) Local Economic Development; (3) Good Governance and Public participation; (4) Financial Viability; and (5) Spatial Planning and Rationale.

The implementation of the 2014\15 Integrated Development Plan noted the following key positive milestones:

- Great progress with regard to the implementation of capital projects. For the first time in the history of Blouberg Municipality an achievement of **83%** spending on the implementation of capital projects through the Municipal Infrastructure Grant. This resulted in the transfer of additional funding of **R5 million** by the National Treasury. The implementation of municipal capital works programme resulted in the completion of five preschools, three internal streets at Senwabarwana, Indermark and Dilaeneng, electrification projects at Mongalo, Gideon, Arrie, Sias, Simpson and Grootpan. Of all capital projects implemented in the 2014\15 financial year there was only one major rollover project, Inveraan Multi-Purpose Community Centre, while two projects were practically completed at year end but had to have the contractors attending to minor project deliverables, viz, Senwabarwana internal street and storm water control and the electrification of ward 17 extensions.
- For the period under review the municipality scooped two provincial excellence awards for the development of a Community Safety Strategy and the implementation of the Expanded Public Works Programme on the environment sector.
- The implementation of the Social Labour Plan which culminated in the construction and completion of the Grootpan preschool, the construction of Sias preschool, the Alldays swimming pool renovation and upgrading, construction of bus shelters, Alldays sports complex and fencing of landfill site.

The implementation of the 2014\15 Integrated Development Plan noted the following key drawbacks:

- The non-completion of the Inveraan Multi Purpose Community Centre
- The non-achievement of the roads maintenance plan as a result of ageing plant.
- The maintenance of upgraded internal streets and storm water projects
- Actual financial performance on the revenue side was also hampered by poor collection due to customers' resistance and culture of non-payment.
- Cascading of performance management to all levels of employees
- Other areas of unachieved KPIs are found in the remainder of the Key Performance Areas and they include, amongst others, functionality of committees such as Special Focus, Local Labour Forum, Remunerations Committee, Ethics and Disciplinary Committee, Local Geographical Names Committee, the Operationalization of the Senwabarwana Tourism Information centre.

Corrective actions on the unachieved is reflected in the main report while the 2015\16 SDBIP has taken into cognizance such and has accommodated those programmes in the subsequent financial year.

**5. MATTERS THAT NEED TO BE TAKEN INTO CONSIDERATION TO IMPROVE MUNICIPAL PERFROMANCE, EFFICIENCY AND INNOVATION IN THE 2015\16 SDBIP**

- Complete financial turnaround strategy that will look at enhanced revenue generation while minimizing all aspects of financial leakages
- Streamlining administration by revising the 2014\15 Organogram for efficient and effective usage of all human resources
- Revision and implementation of municipal service standards and communications strategy
- Enforce performance management as well as consequences management

**KGOALE TMP  
MUNICIPAL MANAGER**

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
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**KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

<b>Construction of Senwabarwana Internal Street and storm water road Phase 3</b>	To provide approximately 1.6 kilometers accessible and user friendly of internal street and storm water road to Senwabarwana community by 2014.	1.	% construction of Senwabarwana internal street and storm water phase 3.	Upgrading of approximately 1.6km of internal Streets from gravel to surface with 80mm interlocking Blocks and storm water channeling.	New Indicator	<b><u>Target not achieved</u></b>  90% complete Earthworks, Layer works and kerbing are complete and paving and storm water channels are underway.	Delay in delivery of paving bricks.	The supplier was requested to deliver material in bulk to avoid delays.	Technical Services
<b>Construction of Slaaphoek Creche</b>	To provide the community of <b>Slaaphoek</b> with child care facility	2.	% completion of the structure planned.	<b>Slaaphoek</b> ECDC constructed and availed for occupation	New Indicator	<b><u>Target achieved</u></b>  <b>100% complete</b>	None	None	Technical Services
<b>Construction of Devilliersdale Creche</b>	To provide the community of <b>Devilliersdale</b> child care facility	3.	% completion of the structure planned.	<b>Devilliersdale</b> ECDC constructed and availed for occupation	New Indicator	<b><u>Target achieved</u></b>  <b>100% complete</b>	None	None	Technical Services
<b>Indermark internal streets &amp; storm water</b>	To provide approximately 1.6 kilometers accessible and user friendly of internal street and storm water road to Indermark community by 2014.	4.	% completion of Indermark internal Streets & storm water.	Upgrading of approximately 1.6km of internal Streets from gravel to surface with 80mm interlocking Blocks and storm water channeling.	New Indicator	<b><u>Target achieved</u></b>  <b>100% complete</b>	None	None	Technical Services

Construction of Berseba Creche	To provide the community of <b>Berseba</b> with child care facility	5.	% completion of the structure planned.	<b>Berseba</b> ECDC constructed and availed for occupation	New Indicator	<b>Target achieved</b> <b>100% complete</b>	None	None	Technical Services
Construction of Motlana Creche	To provide the community of <b>Motlana</b> with child care facility	6.	% completion of the structure planned.	<b>Motlana</b> ECDC constructed and availed for occupation	New Indicator	<b>Target achieved</b> <b>100% complete</b>	None	None	Technical Services
Construction of Bognafarm Creche	To provide the community of <b>Bognafarm</b> with child care facility	7.	% completion of the structure planned.	<b>Bognafarm</b> ECDC constructed and availed for occupation	New Indicator	<b>Target achieved</b> <b>100% complete</b>	None	None	Technical Services
Upgrading of Ben Seraki Sports Complex Phase 1	To provide the community of Mafateng and ward 14 with access to sports facility.	8.	% of completed construction work for the sporting facility	Construction of new Fence and installation of access gates, Construction of Guardhouse, Services connections (Water, Electricity).	Roll-over Project	<b>Target achieved</b> <b>100% complete</b>	None	None	Technical Services
Upgrading of Ben Seraki Sports Complex Phase 2	To provide the community of Mafateng and ward 14 with access to sports facility.	9.	% of completed construction work for the sporting facility	Construction of new Fence and installation of access gates, Construction of Guardhouse, Services connections (Water, Electricity).	New Indicator	<b>Target achieved</b> <b>100% complete</b>	None	None	Technical Services

Construction of Dilaeneng Internal Street and storm water road	To provide approximately 0.7 kilometers accessible and user friendly of internal street and storm water road to Dilaeneng community by 2014.	10.	% completion of Dilaeneng Internal Street and storm water road	Upgrading of approximately 0.7km of internal Streets from gravel to surface with 80mm interlocking Blocks and storm water channeling	New Indicator	<b>Target achieved</b>  <b>100% complete</b>	None	None	Technical Services
Inveraan Multi Purpose Community Centre	To provide the community of Inveraan and wards 09, 07, 14 and 03 with Multipurpose Centre to have access to government services within 30 kilometer radius.	11.	% of completion of construction work	Multipurpose Community Centre completed and fully functional	New Indicator	<b>Target not achieved</b>  <b>75% Complete</b> Foundations, VIP toilet, brick work, plastering, Offices and guard house Complete: currently busy with, fence, painting, tilling and electricity.	Poor performance of contractor	The contractor is currently on terms as per the GCC.	Technical Services
Electrification of Ward 20 Ext( Motadi and Gideon)	To provide 40 households of Ward 20 Ext with basic electricity	12.	% completion electrification of ward 20 Ext( Motadi and Gideon)	40 households connected and energized.	New Indicator	<b>Target achieved</b> <b>100% complete</b>	None	None	Technical Services
Electrification of Silvermyn Ext	To provide 22 households of Silvermyn Ext with basic electricity	13.	% completion electrification of Silvermyn Ext	22 households connected and energized.	New Indicator	<b>Target achieved</b>  <b>100% complete</b>	None	None.	Technical Services
Electrification of Diepsloot	To provide 22 households of Diepsloot with basic electricity	14.	% completion electrification of Diepsloot	22 households connected and energized	New Indicator	<b>Target not achieved</b>  <b>100% complete</b>	None	None	Technical Services

Electrification of Mongalo	To provide 30 households of Mongalo with basic electricity	15.	% completion electrification of Mongalo	30 households connected and energized	New Indicator	<u>Target not achieved</u>  <b>100% complete</b>	None	None	Technical Services
Electrification of Ward 17 Ext( Sias, Grootpan, Simpson and Arrie	To provide 136 households of Ward 17 with basic electricity	16.	% completion electrification of Ward 17 Ext( Grootpan, Simpson and Arrie	136 households connected and energized	New Indicator	<u>Target not achieved</u>  85% Pegging for digging of holes, planting, Stringing of MV and LV conductors and installation of pole tops Transformer mounting and complete. Installation of meters is underway.	Contractor terminated his contract due to under coating.	The second bidder is appointed and currently busy with construction.	Technical Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
<b>Support for Special Focus</b>	To promote the needs and interests of special focus groupings.	17.	No of Women Forum resuscitated	1	Women Calendar	<u>Target not achieved</u>	Delay in terms of the appointment of special focus officer.	To fast track appointment of the special focus person in the next financial year.	Municipal Manager's Office
		18.	No of women ' forum meeting held	Four(4) meetings	Women Calendar	<u>Target not achieved</u>	Same as above	Same as above	Municipal Manager's Office
		19.	%implementation of Women Forum resolutions	100% implementation of resolutions	Women Forum resolutions	<u>Target not achieved</u>	Same as above	Same as above	Municipal Manager's Office
		20.	No of Children Forum established	1	Children calendar	<u>Target not achieved</u>	Same as above	Same as above	Municipal Manager's Office
		21.	No of Children Forum held	Four(4) meetings	Children calendar	<u>Target not achieved</u>	Same as above	Same as above	Municipal Manager's Office
		22.	%implementation of Children Forum resolutions	100% implementation of resolutions	Children Forum Resolutions	<u>Target not achieved</u>	Same as above	Same as above	Municipal Manager's Office
		23.	No of Youth Council resuscitated	1	Youth Programme	<u>Target not achieved</u>	Same as above	Same as above	Municipal Manager's Office
		24.	No of Youth Council meetings held	Four (4) Meetings	Youth Programme	<u>Target not achieved</u>	Same as above	Same as above	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
		25.	%implementation of Youth Council resolutions	100% implementation of resolutions	Youth council Resolutions	<u>Target not achieved</u>	Same as above	Same as above	Municipal Manager's Office
	To support the reduction of new HIV/AIDS infection by 2018	26.	No of disability forum resuscitated	1	Disability forum in place	<u>Target achieved</u> Disability forum resuscitated	None	None	Municipal Manager's Office
		27.	No of disability forum held	Four (4) meetings	Disability forum in place	<u>Target Achieved.</u> The disability forum was held on the 15 <sup>th</sup> May 2015	None	None	Municipal Manager's Office
		28.	% implementation of disability forum, resolution	100% implementation of resolutions	disability forum Resolutions	<u>Target Not achieved</u> <u>0%</u>	No disability forum meetings were held as there is no responsible officer for the unit	To fastrack appointment the responsible officer	Municipal Manager's Office
		29.	No of Local HIV/AIDS council meeting held	4 Meetings	HIV/AIDS Programme	<u>Target Achieved.</u> 04 meetings were held quarterly	None	None	Municipal Manager's Office
		30.	% of implementation of HIV/AIDS council resolutions	100% implementation of resolutions	HIV / AIDS Council Resolutions	<u>Target Achieved.</u> 100% resolutions were implemented.	None	None	Municipal Manager's Office
		31.	No of Local Aids Council technical committee meetings organized	4 Meetings	HIV/AIDS Programme	<u>Target Achieved</u> <u>4 meetings held</u> The last LACTC meeting was held on the 18 June 2015.	None	None	Municipal Manager's Office
		32.	No of the	12	Blouberg	<u>Target not</u>	The TOR was	All wards will be	Municipal

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
			WAC established (WARD AIDS COUNCIL)		AIDS C council in place	<u>achieved.</u> 5 wards have been established	finalized in the 3 <sup>rd</sup> quarter and the capacity building workshop for the Key stakeholders were facilitated on the 26 <sup>th</sup> march 2015.	finalized in the 2015/16 FY and the launch will be done in the first quarter.	Manager's Office
		33.	No of HAST(HIV AND AIDS STI AND TB) awareness campaigns and preventions held	4	Calendar events	<u>Target Achieved.</u> Over 4 campaigns held Candle lighting commemoration at kibi catchment area	None	None	Municipal Manager's Office
		34.	No of the community based organization forum held	4	CBO Database	<u>Target achieved.</u> The meeting was held in June 2015.	None	None	Municipal Manager's Office
<b>Sports Council</b>	To coordinate Sporting activities	35.	No of sports council Resuscitated	1	Sports council in place	<u>Target achieved.</u> Interim Sports council resuscitated	None	None	Municipal Manager's Office
		36.	No of sports council meetings held	4 meetings	Sports council in place	<u>Target achieved.</u> Interim Sports Council meetings held during May 2015	None	None	Municipal Manager's Office
		37.	% of implementation of sports council resolutions	100% implementation of resolutions	Sports council in place	<u>Target achieved.</u> 100% of resolutions were implemented	None	None	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
<b>Sports Coordination</b>		38.	No of Federations meetings held( Boxing and Soccer)	8 federations meetings held(Boxing & Soccer)4 Boxing and 4 Soccer	Sports development Plan	<u>Target achieved.</u> 8 Meetings with federations were held	None	None	Municipal Manager's Office
<b>Sports Development for Employees</b>	To promote team building and good health amongst employees through sports	39.	No of activities on sports development reported	35 Activities per annum	Sport development Plan	<u>Target achieved.</u> Employees participated in sports on Wednesdays	None	None	Municipal Manager's Office
<b>Skill development</b>	To address the retention of skilled personnel	40.	To review the retention strategy	01 strategy revised	Organizational structure available	<u>Target achieved.</u> Retention strategy revised	None	None	Corporate Services
	To address skills gaps	41.	No of employees trained	450 employees trained	Work Skills Plan	<u>Target not achieved.</u> 63 employees trained	Budget constraints	Training of the outstanding in the 2015/2016 financial year	Corporate services
		42.	No of WSP developed and submitted to Dept labour by 30/04	1 WSP developed and submitted to Dept of labour by 30 April	WSP approved	<u>Target achieved.</u> 1 WSP developed and submitted to Dept of Labour	None	None	Corporate Services
		43.	No of WSP annual report developed	1 WSP report submitted by 30 may	WSP	<u>Target achieved</u> 01 WSP developed	None	None	Corporate Services
		44.	% implementation of WSP	100% implementation of WSP	WSP	<u>Target not achieved</u> 30% of WSP implementation	Budget constraints	To be prioritized in the next FY	Corporate Services
	To address skills gaps for external stakeholders(including	45.	No External stakeholders capacitated through	300 learners(LED: 200, Plumbing:20,	Workplace Skills Plan	<u>Target achieved</u> 520 learners capacitated	None	None	Corporate Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
	learnerships and internships)		learner ships and internships programmes	Electrical:40, MFMA:20 , Traffic Officers: 20)		(Please indicate the reason for over exceeding the targeted number of learners)			
<b>IT Software and Licensing</b>	To have secure and licensed software	46.	To purchase software licenses	3 software licenses purchased	Licensed Exchange Server and MS Exchanged	<u>Target achieved.</u> 3 software licenses purchased	None	None	Corporate Services
<b>Plant and Equipments</b>	To constantly maintain municipal plant and equipment in order to keep it in good working order	47.	No of plant and equipment kept in good working order	12 plant and equipment kept in good working order	New Indicator	<u>Target not achieved</u> 06 plant and equipments maintained	One CITI GOLF was disposed off as it was written off, two tipper trucks referred to the mechanics, an excavator and grader require new parts.	Two tipper trucks referred to the panel beaters, and the external mechanic sourced to repair the other broken plant.	Corporate Services
<b>Purchase of furniture</b>	To purchase furniture for the new Satellite offices including the new traffic station	48.	% budget spent on purchase of furniture	Satellite fully furnished	Opening of the new satellite office	Target not achieved.	The Laanglagte satellite office was not completed by the end of the financial year.	The furniture for the satellite shall be purchased in the first quarter of the new financial year( 2015/2016)	Corporate Services
<b>Electrical Maintenance</b>	To ensure proper maintenance of the Electrical network and addressing reported breakdowns	49.	% of Procurement of Electricity Equipment for Maintenance and Post Connections	60 X20 Amp meter Boxes and other related materials for post connection and other small materials for electrical routine maintenance	Existing Electrical network	<u>Target achieved</u> 100% maintenance work performed and purchased of meter boxes and related materials for post connection.	None	None	Technical Services
<b>Transformers</b>	Purchasing of Transformers	50.	% Transformers	Transformers Purchased	Transformer Breakdowns	<u>Target achieved at</u>	None	None	Technical Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
			purchased( No of transformers purchased and installed by No of transformers requested )	when required.		<u>100%</u> (8 transformers purchased and installed.)			
<b>Culverts</b>	To Purchase and construct 12 culverts	51.	No of culverts constructed at papegai, Monebodi, Pax Ext, Maphoto, Avon, Makaipaea, Makgari and Milbank	12 Culverts per annum	Maintenance Plan	<u>Target not achieved.</u> 68 Culverts were purchased but only were 8 installed and repair of pipes at Auld Longsine.	Continuous breakdown of plant.	Request assistance from the Department of Public Works	Technical Services
<b>Operation and Maintenance of internal Streets</b>	To ensure proper maintenance of all surfaced and gravel internal streets and access Roads and related storm water control	52.	No of KM of internal street graded	400km internal Street graded	Operation maintenance Plan	<u>Target not achieved.</u> 178km of internal streets graded and maintained.	Continuous breakdown of plant.	Establishment of pilot program and outsource the repair of plant. Request assistance from the Dept of Public Works.	Technical Services
		53.	No of KM of internal street re-graveled	20km internal street re-graveled	Operation maintenance Plan	<u>Target not achieved.</u> 4km of internal streets re-graveled	Continuous breakdown of plant.	Establishment of pilot program and outsource the repair of plant. Request assistance from the Dept of Public Works.	Technical Services
		54.	No of Sports Ground graded	60 Spots Ground Graded	Operation maintenance Plan	<u>TARGET ACHIEVED NOT</u> 45 Sports ground graded	Continuous breakdown of plant.	Establishment of pilot program and outsource the repair of plant. Request assistance from the Dept of Public Works.	Technical Services
<b>Employee Wellness</b>	To promote Employee Wellness and manage Injuries	55.	No of Medical Surveillance and wellness campaigns	2 medical surveillance conducted and 2	Two x medical surveillance and	<u>Target achieved.</u> 02 Medical surveillances	None	None	Corporate Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
	on duty (IOD)			awareness campaigns	campaigns	conducted.			
Office equipment	To procure Office Equipment	56.	% budget spent on maintenance of office equipments	All offices with good working equipment	Equipments and maintenance plan	<b>Target not achieved</b> Only 10% of the budget was spent on maintenance as 20% was spent in the third quarter	The budget was spent in the third quarter.	The budget for maintenance was increased in the 2015/2016 financial year	Corporate Services
IT Backup Systems	Renewal of backup system	57.	% IT Backup system and maintenance	Reliable and available backups	New indicator	<b>Target not achieved</b>	Budget constraints. The municipality under budgeted for the programme.	The budget for the backup was increased by R1.5 Million in 2015/2016 financial year.	Corporate Services
Vehicle Purchase	To purchase vehicles	58.	No. vehicles purchased	1 Mayoral Car, 8 Vans( 4 community services and 4 Technical Services)	Budget vote for purchase of vehicles catered for in the 2014/15	<b>Target achieved</b> 09 vehicles were purchased in the first and second quarter	None	None	Corporate Services
Waste Management	To ensure a safe and clean environment by implementing the IWMP	59.	% implementation of the implementation of an IWMP.	100% implementation of the IWMP	Approved IWMP	<b>Target achieved.</b> Action plan was approved on the 03 <sup>rd</sup> September 2014. Resolution no. OWC 6.3.1. Implementation was done at 100% (	None	None	Community Services
Waste management expansion	To expand waste collection to three villages within the municipality	60.	No of villages provided (extension) with waste	Waste expanded to the 4 villages.	Waste collected at 16 villages.	<b>Target not achieved.</b> Only 2 Awareness's	Delay by the district municipality to purchase the refuse compactor truck.	To be done in the 2015/16 financial year.	Community Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
			management Machaba, Harriswhich, Tolwe and Eldorado village.			were done at Harriswitch and Machaba villages on the 23 <sup>rd</sup> July 2014 and the 03 <sup>rd</sup> June 2015.			
<b>Environmental Management</b>	To ensure a safe and clean environment by implementing the Environmental Management Plan (EMP)	<b>61.</b>	To develop and implement EMP action plan	EMP action plan developed and implemented	Approved EMP	<b><u>Target achieved.</u></b> Action plan was approved on the 03 <sup>rd</sup> September 2014. Resolution no. OWC 6.3.1. implementation was done at 100%	None	None	Community Services
<b>Environmental Education and Awareness</b>	To educate communities on environmental issues	<b>62.</b>	No of Awareness & Educational campaigns conducted.	12 awareness campaigns conducted	Approved Environmental plan	<b><u>TARGET ACHIEVED.</u></b> 12 environmental awareness campaigns were held.	None	None	Community Services
<b>Implementation of the Disaster Management Plan</b>	Action plan developed for the implementation of DMP.	<b>63.</b>	To develop and implement DMP action plan	DMP action plan developed and implemented	Approved DMP	<b><u>TARGET ACHIEVED.</u></b> Action DMP was approved on the 03 <sup>rd</sup> September 2014. Resolution no. OWC 6.3.1. Implementation was done at 100%	None	None	Community Services
<b>Disaster Education</b>	To educate	<b>64.</b>	No of	04 awareness	Approved	<b><u>TARGET</u></b>	None	None	Community

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
<b>and Awareness</b>	communities on disaster issues		Awareness & Educational campaigns conducted.	campaigns conducted	Disaster Management plan	<u>ACHIEVED.</u> 6 awareness campaigns held (Indicate the reason for exceeding the number of annual target).			Services
<b>Licensing and registration of vehicles Management</b>	Development of An action plan to improve the registration and licensing services	65.	To develop action plan for the management of the licensing and registration of vehicles.	action plan developed and implemented	2013/14 traffic and licensing management operational plan	<u>TARGET ACHIEVED.</u> Action plan was approved on the 03 <sup>rd</sup> September 2014. Resolution no. OWC 6.3.1. implementation done.	None	None	Community Services
<b>Traffic Management</b>	To improve and ensure the safety of road users	66.	% implementation of the traffic management operational plan	100% implementation.	2013/14 traffic management operational plan	<u>TARGET ACHIEVED.</u> 100% implementation of Traffic Management plan.	None	None	Community Services
		67.	To purchase traffic management system	Traffic management system purchased and functional	2013-14 Traffic management operational plan	<u>TARGET NOT ACHIEVED.</u> the system was not purchased.	Delay for the procurement of the system	Prioritized into the 2015/16 financial year.	Community Services
		68.	% implementation of the Community safety plan	100% implementation of the community safety plan	Approved community safety plan	<u>TARGET ACHIEVED.</u> 100% implementation of the Community Safety Plan	None	None	Community Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
		69.	No of joint operations conducted.	12 joint operations	2013/14 Traffic Management Operational Plan	<b>TARGET ACHIEVED.</b> 13 joint operations were held. Indicate the reason for exceeding the target	None	None	Community Services
By-law enforcement	To enforce Municipal By-laws to ensure community safety	70.	% implementation of municipal By-laws	100% enforcement of By-laws	Existing By-laws	<b>TARGET NOT ACHIEVED.</b> Indicate the % of implementation of Municipal By-Law enforcement	None	None	Community Services
Pound management	Review of the Pound Operation Plan	71.	% implementation of pound operational plan	100%	Old pound operation plan	<b>TARGET ACHIEVED.</b> 100% implementation of pound operational plan	None	None	Community Services
Transport planning	To improve public transport management	72.	% implementation of the Local ITP( Integrated Transport Plan)	100% implementation of the ITP	Integrated Transport plan in place	<b>TARGET ACHIEVED.</b> 100% OF implementation of the ITP	None	None	Community Services
Purchase of Computers	To purchase Computers	73.	% budget spent on purchasing of computers	Buy 36 Desktops, 20 Laptops & 8 Printers	5 Laptops 6 Desktops 4 Printers 2 Scanners	<b>Target not achieved</b>  30 Laptops, 06 desktops	Budgetary constraints	Prioritized for 2015/2016	Corporate Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
						procured (Indicate the percent of budget spent on purchasing of desktops, laptops and printers)			
<b>Occupational Health and safety</b>	To ensure that the safety of the employees is guaranteed.	<b>74.</b>	% implementation of the OHS Plan	100%	OHS Plan in place	<b>Target achieved</b> 100% implementation of approved plan	None	None	Corporate Services
<b>Employment Equity</b>	To ensure that recruitment is done in line with the Employment Equity Plan	<b>75.</b>	% implementation of the Employment Equity Plan	Two white employees and one African female at senior management. 7 African females	One female senior manager and one professional white. one African female	<b>Target Not achieved.</b> (Indicate the percentage of implementation of the Employment Equity Plan)	Adverts could not attract the minority groups	Revision of EE plan in the next financial year	Corporate Services
<b>Labour relations</b>	To maintain good working relationship between Employees and Employer	<b>76.</b>	% Labour relation cases attended.	100% cases attended within 14 working days	100% of cases resolved internally	<b>Target achieved</b> 100% Labour relation cases attended	None	None	Corporate Services
<b>Evacuation plan</b>	To ensure safety of employees during disaster/danger	<b>77.</b>	No of drills conducted	4 drills conducted	Approved evacuation plan	<b>TARGET ACHIEVED.</b> 4 drills were held..	None	None	Community Services
<b>Decentralization of municipal services</b>	To ensure that municipal services are decentralized to satellite offices.	<b>78.</b>	%functionality of municipal satellite offices	Five(5)municipal satellite offices (Alldays; Eldorado; Tolwe;	There are currently 4 functional satellite offices with the 5th	<b>TARGET ACHIEVED.</b> 100% functionality of 5 satellite offices.	None	None	Community Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
				Raweshi and Senwabarwan a) performing delegated powers and functions at 100%	earmarked for operational and established the sixth one.				
<b>Performance Management System Implementation</b>	To ensure that the work of all the employees is managed and monitored.	<b>79.</b>	No of quarterly Assessment conducted	4 Assessment sessions coordinated and conducted	PMS Policy	<b>Target achieved</b> 02 quarterly formal assessments including 2 steering committees were conducted	None	None	Economic Development and Planning
		<b>80.</b>	No of Performance Steering Committee Meetings coordinated	4 quarterly meetings.	IDP process plan	<b>Target achieved.</b> 4 IDP Steering committee sessions conducted	None	None	Economic Development and Planning
		<b>81.</b>	No of institutional performance reviews session conducted	4 (1 per quarter)	IDP process plan	<b>Target not achieved.</b> 3 steering committee assessments sessions conducted	Labour strike by employees negatively affected the implementation of the process plan	Third quarter assessment will be incorporated in the fourth quarter	Municipal Manager's Office
		<b>82.</b>	% of Unit Managers with signed performance plans (# of unit managers with plans/total # of managers)	100%	PMS policy available	<b>Target achieved.</b> 100% Signed performance plans in place	None	None	Municipal Manager's Office
		<b>83.</b>	% of	100%	PMS policy	<b>Target</b>	None	None	Municipal

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
			employees with signed performance plans (# of employees with plans/total # of employees)		available	<u>Achieved.</u> 100% Signed performance plans in place			Manager's Office
		84.	No of senior management with signed performance agreements	6	PMS policy available	<u>Target Achieved.</u> All 6 senior Managers, including MM, signed performance agreements	None	None	Municipal Manager's Office
<b>Institutional Management meetings</b>	To hold management meetings for proper planning and monitoring.	85.	No of management meetings held	24 (1 bi-weekly)	Year Plan developed	<u>Target Not Achieved.</u> Only 21 institutional management meetings were held from July 2014 till June 2015.	The 3 remaining meetings could not be achieved due to institutional instability.	To have all meetings held in the next financial year	Municipal Manager's Office
		86.	% of Management resolutions implemented.	100% implementation of resolution	Year Plan	<u>Target Achieved.</u> 100% implementation of resolutions	None	None	Municipal Manager's Office
<b>Local Intergovernmental Relations</b>	To ensure integration and cohesion of programs for sector departments and Municipality.	87.	No of local IGR forum established	1 forum	Schedule of Meetings	<u>Target Achieved.</u> The local IGR forum has been established on the 21 <sup>st</sup> January 2015.	None	None	Municipal Manager's Office
		88.	No of the local IGR	4 Meetings per Annum	Schedule of the meeting	<u>Target Not Achieved.</u>	The target could not be achieved given	None	Municipal Manager's

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>									
			Forum /meeting held			Only three IGR meetings were held on January, April and June 2015 respectively The local IGR forum has been established by January 2015	the late establishment of IGR forum due to inadequate quorum.		Office
		89.	% of implementation of IGR resolutions	100% implementation of IGR forum resolutions	Schedule of the meeting	<u>Target Achieved</u> 100% Implementation of IGR forum resolutions	None	None	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>									
Poverty Alleviation	To give financial support to poverty alleviation projects	90.	To support and sustain 4 poverty alleviation projects	4 projects supported	Poverty alleviation projects in place	<b>Target not achieved.</b> All needs assessments and business plans for the identified four projects completed (Indicate the names the support provided to	Requisition and specifications submitted to Finance Department but no action on procurement of such goods and services	To fast-track procurement processes	Economic Development and Planning
Municipal EPWP and Municipal Capital Works Programme	To create jobs through municipal capital works programme.	91.	No of Jobs Created and sustained through municipal EPWP by June 2015	170 jobs created and sustained through EPWP by	140 EPWP job opportunities created in the 2013\14 FY	<b>Target achieved</b> 170 jobs created through Municipal capital works programme	None	None	Economic Development and Planning
		92.	No of Jobs Created and sustained through Implementation of Municipal	244 jobs created and sustained through Municipal Capital works programme	175 MIG jobs created in the 2013/14 FY	<b>Target achieved</b> (625 jobs created	None	None	Economic Development and Planning

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>									
			Capital works programme by June 2015						
Alldays RRR	To create Jobs and To reduce the volume of waste Generation, To establish recycling cooperatives	93.	No of cooperatives established	1 Cooperative established with 10 members	Integrated Waste Management Plan	<u>Target achieved.</u> Rebareng Recycling cooperative established.	None	None	Community services
LED Strategy implementation	to implement LED strategy action plan	94.	% implementation of LED strategy action plan	100% implementation of the action plan	approved LED strategy in place	<u>Target achieved.</u> 100% implementation of action plan	None	None	Economic Development and Planning
Coordination of job creation through CWP (community work programme)	To coordinate jobs that is created through CPW	95.	No of Reports on the coordination of CWP	4 reports	Programme in place with 1237 (both participants and support staff)	<u>Target achieved.</u> 4 reports on the implementation of CWP submitted	None	None	Economic Development and Planning
SMME Development	To capacitate and train SMME's	96.	No of capacity building workshops and trainings conducted	200 individual SMME's	42 SMME's trained	<u>Target achieved.</u>	None	None	Economic Development and Planning
Social and Labour Plan coordination	To coordinate SLP with mining houses	97.	No of Reports on the SLP	04 Reports per annum	Quarterly meeting	<u>Target achieved.</u> 4 reports on	None	None	Economic Development and Planning

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>									
			coordinated		s with mining houses	the implementation of SLP submitted			
<b>By-law on informal traders revision</b>	To review the informal traders By-Law	<b>98.</b>	To review and implement and informal traders by-law	01 Adopted and implementable by-law	2013/2014 by-law	<u>Target achieved.</u> By-law approved by council on the 29 May 2015	None	None	Economic Development and Planning
<b>Hawkers stalls and hawkers management</b>	To manage and regulate hawkers and hawkers stalls	<b>99.</b>	% application for renewal of permits and demarcation of portions	hawkers and hawkers stalls in place	hawker s and hawker s stalls in place	<u>Target not achieved</u> 30% of hawkers and hawkers stalls not in place	Poor law enforcement	Establish a Rapid Response Team	Economic Development and Planning
<b>unemployed persons database</b>	To update database of unemployed person	<b>100.</b>	To development and update data-base of unemployed persons	01 data-base developed	Blouberg Unemployed Database in place	<u>Target achieved</u> 01 Database of unemployed persons developed and updated	None	None	Economic Development and Planning
<b>Tourism development</b>	to promote tourism and tourism attractions within the municipality To promote local	<b>101.</b>	To operationalize Senwabarwana Tourism Information Centre	1 functional Tourism Information Centre	Tourism information Centre in place	<u>Target not achieved</u> Artifacts and exhibition materials were provided to the centre by Wits University Senwabarwana Tourism centre not	Requisition and specifications for materials submitted to Finance Department but no action on procurement of such goods and services	Project included in the 2015\16 SDBIP	Economic Development and Planning

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>									
						functional			
Functionality of the Blouberg Business Forum	To promote local business development and entrepreneurship	102.	No of business forums organized	4 meetings	Blouberg Business Forum in place	<b>Target achieved</b> 4_Business forum meetings held	None	None	Economic Development and Planning

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>									
Support of Financial Viability and Management structures/forums	To ensure functionality of Financial Viability and Management (Financial Viability and Management)	103.	No of Budget Steering Committee resuscitated	Budget steering committee established and functional.	Budget Steering Committee established and inducted	<b>Target achieved</b>	None	None	Chief Financial Officer
		104.	No of meetings of the Budget Steering Committee	4 meetings held for the year	Process plan	<b>Target not achieved</b> – Only 2 Budget Steering Committee Meetings held for the year instead of 4.	3 <sup>rd</sup> & 04 <sup>th</sup> quarter meetings failed due to other council matters.	To be held July 2015.	Chief Financial Officer
Financial Planning	To develop forward financial plans required for financial sustainability	105.	To develop the 3/5 year financial plan within required timeframe	Adoption of the 3/5 Budget within the prescribed legal requirements	3/5 Year Financial Plan developed and approved	<b>Target achieved.</b> 3/5 year Final Financial plan adopted and implemented	None	None	Chief Financial Officer
	To conduct awareness campaigns in	106.	No of awareness campaigns	4	Indigent policy	<b>Target achieved-</b> 4 awareness	None	None	Chief Financial Officer

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>									
	updating indigent register		conducted to update the indigent register			campaigns conducted to update indigent register.			
<b>Revenue Enhancement strategy.</b>	Increase revenue collection strategy of the municipality.	107.	To review the Revenue Enhancement Strategy	Revenue enhancement strategy developed.	Reviewed Revenue Enhancement Strategy approved	<del>Target achieved-</del> Revised Revenue Enhancement Strategy approved by council	None	None	Chief Financial Officer
		108.	% implementation of the Revenue Enhancement Strategy	100%	100%	<del>Target achieved-</del> 100% implementation of Revenue enhancement strategy.	None	None	Chief Financial Officer
<b>Revenue Management</b>	To build a strong revenue base and collect revenue due to the Municipality that ensures financial sustainability of the Municipality to ensure it fulfills its developmental roles	109.	% of projected revenue collected	100% projected revenue collected.	100% collection of revenue due to the Municipality collected.	<del>Target not achieved.</del> 58% of revenue collected 25 million collected against projected revenue of 43 million	Non payment by residents, farmers and departments	Speed up the extension of farmers' agreement and implement the credit control policy.	Chief Financial Officer
		110.	% of debt collected	100% collection of outstanding debts	60% collection from Debtors	<del>Target not achieved-</del> 0% received from debt collector and an amount of R 225,912.89 from farmers	•Total outstanding debt is R 41M. •R 9m for 2013 and 2014 billing of farmers	•NAPE MAGOLEGO Attorneys were appointed on the 5th May 2015. Debtors'	Chief Financial Officer

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>									
						for the period February to May 2015.	accounts which they are still in disputes with the Municipality because of tariff (0.05). •R 3.6m is for 2014 and 2015 financial which they have agreed to pay.	information was submitted to open files. *The Municipality entered into agreement with farmers union to assist with debt collection.	
	To update the valuation roll by compiling a supplementary valuation roll	111.	To complete the supplementary valuation roll by June end	Certified supplementary roll	Valuation roll in place plus two supplementary roll compiled for the previous financial years	<u>Target achieved.</u> Certified supplementary roll compiled and submitted to the Municipality	None	None	Economic Development and Planning
	To revise the rates policy	112.	To revise the rates policy by 31 May 2015	Approved revised rates policy	Rates policy annually revised and approved alongside budget related policies	<u>Target achieved</u> Revised rates policy revised and approved on the 29 May 2015	None	None	Economic Development and Planning

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>									
Expenditure Management	To ensure expenditure is kept within budget limit and cash flow projections	113.	% capital budget spent on capital projects	Projected capital expenditure budget spends	100% Capital expenditure spends	<u>Target not achieved</u> - 83% of the projected capital expenditure spends for the year. R35m spends against the projection of R38m..	17% of non expenditure on the additional R5m transferred	Indicate the corrective measure	Budget and Treasury
		114.	% of operating budget spent	90% of operating expenditure budget spend.	Demand Management Plan	<u>Target achieved</u> - 92% of operating expenditure. Indicate the reason for exceeding planned percentage	None	None	Budget and Treasury
Assets and Inventory Management	To maintain integrity of the Assets Register by ensuring that all assets are recorded in the Register, physically located and functional. Ensure compliance to asset and inventory management policy (i.e. GRAP17 & GRAP 12)	115.	No of assets verifications conducted	No of assets verified and recorded to fixed register.	2 assets verifications conducted	<u>Target achieved</u> - 4 verification of assets done as at end of June 2015. Indicate the reason for conducting 4 verifications instead of 2	None	None	Budget and Treasury
		116.	No of stock taking performed per	4	4	<u>Target achieved</u> - 4 stock taking	None	None	Budget and Treasury

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>									
			annum			done for the year.			
		117.	% compliance to Asset Standard (GRAP 17)	Approved Asset Management Policy in place and implemented	100% of all municipal assets reviewed and recorded in Fixed Assets	<u>Target achieved</u> - 100% of all assets reviewed and recorded in fixed assets.	None	None	Budget and Treasury
		118.	% implementation of Assets Maintenance Plan	Development of asset plans for the year.	Assets Maintenance Plan Developed and Implemented	<u>Target achieved</u> - 100% Asset management plan developed and implemented.	None	None	Budget and Treasury
Budget Preparation	To ensure timeous preparation of the annual and adjustments budgets	119.	% of Compliance with timelines for preparation and approval of the Annual Budget (2013/14) in terms of S 16 of the MFA	Availability of Adopted annual budget and adjusted annual budget	IDP/Budget Process Plan	<u>Target achieved</u> - 100% compliance with timelines for preparation and approval of IDP/Budget 2013/14 in terms of S 16 of the MFA.	None	None	Budget and Treasury
		120.	100% progress with the timeous tabling and adoption of annual budget to	Availability of Adopted annual budget and adjusted annual budget	IDP/Budget Process Plan	<u>Target achieved</u> - 2015/16 Annual Draft and Final budget compiled and	None	None	Budget and Treasury

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>									
			Council			approved by council.			
		121.	To prepare and submit annual financial statements and performance report to the Auditor General by 31 <sup>st</sup> August.	Availability of AFS process Plan	2013/14 Financial records	<u>Target achieved</u> - AFS Process Plan available.	None	None	Budget and Treasury
SCM – Demand Management	To procure municipal goods and services in a manner that is fair, equitable, transparent, competitive and cost-effective, in compliance with relevant regulations, policies and standards.	122.	No of municipal procurement plan developed and implemented.	1 plan developed and implemented	Submitted Procurement Plan	<u>Target achieved</u> - 1 Procurement plan developed and implemented.	None	None	Budget and Treasury
		123.	To award tenders within timeframe	All advertised tender awarded	Awarded Projects	<u>Target achieved</u> . All advertised tenders awarded	None	None	Corporate Services
Free basic Service Services	To ensure that qualifying people access free basic services	124.	Indigent register updated and implemented	Updated indigent register	Indigent Policy	<u>Target achieved</u> - Indigent register updated and implemented.	None	None	Budget and Treasury
	To ensure that the Municipality is having a credible database of its customers	125.	To develop a credible customer database	1 Credible Database	New Indicator	<u>Target achieved</u> - 1 credible Database updated.	None	None	Budget and Treasury

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
<b>Auditing</b>	To provide independent objective assurance and consulting activities of the internal control systems, risk management and governance processes.	126.	No of risk based internal audit plan developed and approved	1 Approved of risk based audit plan	Approved Risk based audit plan	<u>Target achieved.</u> 1 Risk audit plan approved	None	None	Municipal Manager 's office
	To provide independent objective assurance and consulting activities of the internal control systems, risk management and governance processes.	127.	% implementation of risk based internal audit plan	100% implementation of approved risk based audit plan	Risk based audit plan	<u>Target achieved.</u> 100% implementation	None	None	Municipal Manager's Office
		128.	No of audit committee meeting	4 audit committee meetings	Audit committee	<u>Target achieved.</u> 4 Meetings held	None	None	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
			held	held	meeting are held as per MFMA	quarterly			
	To address all queries raised by the internal audit	129.	% of audit queries raised by internal audit unit	100%	Internal audit unit in place and annual audit plan annually developed	<b>Target not achieved</b> 39% of issues raised by internal audit were attended to	Raised queries were not attended to	Regular follow ups with management on raised issues	Municipal Manager's Office
	To address all queries raised by the external audit	130.	% of audit queries raised by external audit unit	100%	Audit Action Plan	<b>Target not achieved</b> Only 68% of issues raised by AG were resolved	Indicate the reason for not implementing the remaining 32% of issues raised by AG	The remaining issues will be addressed during the preparations of AFS's	Municipal Manager's Office
<b>Audit &amp; Risk Committee allowance</b>	To ensure that Audit & Risk Committee Members are paid	131.	% of payment of Audit & Risk Committee allowances	100% payment of Audit & Risk Committee allowance	Schedule of meetings	<b>Target achieved</b> - 100% Audit and Risk payments committee allowances paid on time.	None	None	Budget and Treasury
<b>Community Participation</b>	To improve and encourage participation of stakeholders and communities in the municipal affairs.	132.	To Coordinate meetings of stakeholders and communities as per approved schedule of meetings.	84 meetings per year for all 21 wards( 4 meetings per year per each ward)	Schedule of meetings	<b>Target not achieved</b> 78 Ward public meetings held	Ward 19 could not host its Ward Public meeting in the 03 <sup>rd</sup> Quarter due to non availability of Ward councilor and	The remaining wards to sit in the 01 <sup>st</sup> Quarter of the new FY	Corporate Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
							wards: 03,08,11,12 & 19 could not sit for ward public meetings in quarter 04 were affected by municipal employees strike		
IDP review	To review the 2013/14 IDP/Budget that is aligned to the budget	133.	To develop 1 Credible IDP/Budget Document	1	Approved Schedule of meetings.	<b>Target achieved.</b> 1 IDP/Budget adopted on the 29 May 2015	None	None	Municipal Manager's Office
Newsletter	To produce quarterly municipal newsletter	134.	To Produce and print newsletters for the community	4 Editions	2013/14 IDP Document	<b>Target achieved:</b> 4 newsletters printed and distributed	None	None	Corporate Services
Publicity and Branding	To create a positive publicity for Blouberg Municipality	135.	To Produce Flyers, Issue out media releases and provide branding wherever the municipality is.	12	2013/14 IDP Document	<b>Target achieved</b> 12 Flyers produced, media releases issued and provision of branding wherever the municipality was	None	None	Corporate Services
Advertisements	To publicize municipal events	136.	No of Print adverts publicized	20 adverts	20 adverts	<b>Target achieved:</b> 20 adverts printed for the period under review	None	None	Corporate Services
Out of Pockets	To Comply with	137.	To provide	210	COGS	<b>Target</b>	None	None	Corporate

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
Expenses	guidelines on allocation of our pocket expenses for ward committees.		out of pocket expenses to all 210 ward committees on monthly basis.		HTA Guidelines and Council Resolution on provision of out of pocket expenses.	<b>Achieved.</b> All 210 ward committees received their stipends.			Services
MPAC Programme	To build accountable and transparent governance structures responsive to the need of the community	138.	No of oversight meetings coordinated	4	Approved Schedule of meetings.	<b>Target achieved</b> 4 oversight meetings held and coordinated	None	None	Corporate Services
Mayors Bursary Fund	To provide financial assistance to needy community members	139.	To provide bursary fund to needy community members	Provision of bursaries to the awarded needy members of the communities	Mayor's Bursary Policy	<b>Target achieved.</b> Financial assistance provided to the needy community members	None	None	Municipal Manager's Office
	To monitor and evaluate progress of existing beneficiaries of mayor' bursary fund	140.	No of quarterly reports of bursary beneficiaries to council	4 Reports per annum	4 bursary beneficiaries	<b>Target achieved.</b> 4 quarterly reports for 4 beneficiaries available	None	None	Municipal Manager's Office
Anti Fraud And Corruption	To ensure reduction of fraud and corruption within the municipality.	141.	No of risk register developed.	1 Risk register	Risk Management and Fraud implement	<b>Target achieved.</b> 1 Risk register was developed and reviewed on a quarterly basis	None	None	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
					entation Plan				
		142.	No of fraud and corruption awareness Campaigns Coordinated and Supported	2	Risk register	<b>Target achieved.</b> 2 fraud and corruption awareness campaigns were conducted in quarter two and four	None	None	
<b>Arts &amp; Culture</b>	To give Support on Heritage celebrations of all traditional houses	143.	No of heritage and cluster cultural competition coordinated and supported	Five(05) heritage events coordinated( One (01) per traditional House	Year plan	Target not achieved only 4 heritage events were coordinated and supported	Makgato Traditional Authority did not managed to celebrate their heritage event	To coordinate the evens in 2015/16 financial year	Municipal Manager's Office
<b>Council Support</b>	To provide strategic and administrative support to the Mayor, Speaker, and Chief Whip, Councilors and Traditional Leaders	144.	No of Council meetings coordinated and supported.	100% support to the Mayor, Speaker and Chief Whip and traditional leaders	Council Calendar	<b>Target achieved.</b> 100% Strategic and administrative support provided to Mayor, Speaker, Chief whip & Traditional Leaders	None	None	Corporate Services
		145.	No of Mayor/Magoshi meetings coordinated and supported	4	Council Calendar	<b>Target achieved.</b> 04 Meetings coordinated	None	None	Corporate Services
		146.	No of portfolio committee meetings	12	Council Calendar	<b>Target Achieved.</b> All 12 Portfolio Committee	None	None	Corporate Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
			coordinated and supported			meetings were held during the period in issue			
		147.	No of Executive Committee meetings Coordinated and Supported	12	Council Calendar	<u>Target Achieved.</u> 12 Executive Committee meetings were held during the period in issue	None	None	Corporate Services
<b>Public Participation</b>	To engage in programmes that foster participation, interaction and partnership	148.	No of ward public participation programmes held	4	Council calendar	<u>Target not achieved.</u> Ward public meetings were coordinated 04 times but Wards 3, 8, 11, 12 and 19 could not sit for their quarterly public meetings.	Ward 19 could not host its Ward Public meeting in the 03 <sup>rd</sup> Quarter due to non availability of Ward councilor and wards: 03,08,11,12 & 19 could not sit for ward public meetings in quarter 04 were affected by municipal employees strike	Meetings to be held in the next quarter	Corporate Services
		149.	No of MPAC public hearings Coordinated and Supported	3	MPAC Programme	<u>Target Achieved.</u> 3 MPAC Public Hearings were coordinated and supported.	None	None	Municipal Manager's Office
		150.	No of Ward Committee Meetings	6	Municipal Calendar	<u>Target Achieved.</u> All 21 ward	None	None	Corporate Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
			Coordinated and Supported		ar	committee meetings were coordinated and supported bi monthly			
		151.	No of IDP/Budget public Participation Meetings Coordinated and Supported	8 for Rep forum, Magoshi, farmers' unions and clusters	IDP process plan	<u>Target achieved.</u> 8 Rep forum Mayor/Magoshi Farmers' unions Public and cluster participation meetings held during April/May months	None	None	Municipal Manager's Office
		152.	No of Mayoral Public Participation Meetings Coordinated and Supported/r road shows	16	Council Calendar	<u>Target achieved.</u> 16 Mayoral Public participation meetings coordinated and supported	None	None	Municipal Manager's Office
		153.	No of waste forum held	4	Integrated Waste Management Plan	<u>TARGET ACHIEVED.</u> 4 Integrated Waste Management forums were held quarterly	None	None	Director: Community Services
		154.	% implementation of resolutions for waste forum	100%	Availability of the forum and the 2013-14 reports	<u>TARGET ACHIEVED</u> 100% implementation of resolutions of the forum.	None	None	Community services.
		155.	No of roads	4	Local	<u>TARGET</u>	None	None	Community

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
			and transport forums held		Integrated Transport Management Plan	<u>ACHIEVED</u> 4 Transport forums were held.			services.
		156.	% implementation of resolutions for transport forum	100% forum resolutions	Availability of the forum and the 2013-14 reports	<u>TARGET ACHIEVED</u> 100% implementation of resolutions	None	None	Community services.
		157.	No of disaster forum held	4	Disaster Management Plan	<u>TARGET ACHIEVED</u> 4 Disaster Management forum meetings were held.	None	None	Community services.
		158.	%implementation of resolutions for the disaster forum	100% forum resolutions implemented	Availability of the forum and the 2013-14 reports	<u>TARGET ACHIEVED.</u> 100% resolutions implemented	None	None	Community services.
		159.	No of community safety forum held	4	Approved community safety plan	<u>TARGET ACHIEVED.</u> 4 Community Safety forum meetings were held.	None	None	Community services.

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
		160.	% implementation of resolutions for the community safety forum	100% forum resolutions prepared.	Approved community safety plan	<b>TARGET ACHIEVED</b> All resolutions of the forum were implemented.	None	None	Community services.
		161.	No of Housing Forums held	4	Council calendar	<b>Target achieved.</b> 4 Housing Forums meetings held	None	None	Economic Development and Planning
		162.	% implementation of resolutions for housing forum	100% forum resolutions prepared.	Council calendar	<b>Target achieved.</b> 100% resolutions of the Housing Forum implemented	None	None	Economic Development and Planning
		163.	No of LED forums held	4	Council calendar	<b>Target achieved.</b> 4 meetings of the LED forum held	None	None	Economic Development and Planning
		164.	% implementation of resolutions for LED forum	100% forum resolutions prepared.	Council calendar	<b>Target achieved.</b> 100% resolutions of the LED Forum implemented	None	None	Economic Development and Planning
		165.	No of Tourism Development Forums held	4	Council calendar	<b>Target achieved.</b> 4 meetings of the Tourism forum held	None	None	Economic Development and Planning
		166.	% implementation of resolutions for tourism	100% forum resolutions prepared.	Council calendar	<b>Target achieved.</b> 100% resolutions of the Tourism	None	None	Economic Development and Planning

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
			Development forum			Forum implemented			
		167.	No of energy forums held	4	Council calendar	<u>Target achieved.</u> 4 Energy forum meetings held	None	None	Technical Services
		168.	% implementation of resolutions for Energy forum	100% forum resolutions prepared.	Council calendar	<u>Target achieved.</u> 100% resolutions of Energy forum implemented	None	None	Technical Services
<b>Internal Audit</b>	To provide independent objective assurance and consulting activities of the internal control systems, risk management and governance processes.	169.	No of Risk based internal audit plan developed and approved.	1	1 Risk based Internal Audit plan	<u>Target achieved.</u> 1 Risk based plan in place	None	None	Municipal Manager's Office
		170.	No of quarterly reports produced	4	Audit Plan	<u>Target achieved.</u> 4 Quarterly reports produced as per the audit plan	None	None	Municipal Manager's Office
<b>Audit Committee</b>	To strengthen accountability through proactive oversight.	171.	No of Audit meetings coordinated	5	Year Plan	<u>Target achieved</u> 06 Audit committee meetings were held on the 25/08/2014, 16/09/2014, 07/11/2014, 25/11/2014, 20/01/2015 and 15/05/2015.	None	None	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
						(Please indicate the reason for having 6 Audit committee meetings instead of 05 as per Annual target)			
External Audit	To ensure that issues raised by AG are adequately addressed.	172.	% of queries addressed on the action plan	100% of issued resolved	Action Plan	<u>Target not achieved</u> 68% of issues raised by AG were resolved	The remaining 32% of issues raised will be addressed during the preparations of AFS's	The remaining 32% of issues raised will be addressed during the preparations of AFS's	Municipal Manager's Office
		173.	No of audit steering committee meeting	24	Year Plan	<u>Target not achieved.</u> 16 Audit steering committee meetings were held	08 Audit steering committee meetings not held due to employees strike	None	Municipal Manager's Office
Clean Audit	To ensure that the municipality attains clean audit by 2014.	174.	To address all issues raised by Auditor General	100%	2012/2013 Annual report	<u>Target not achieved</u> Only 68% of issues raised by AG were resolved	The remaining 32% of issues raised will be addressed during the preparations of AFS's	The remaining 32% of issues raised will be addressed during the preparations of AFS's	Municipal Manager's Office
Risk Management	To protect the municipality from potential risk.	175.	No of risk registers developed for risk management	1	Risk Implementation Plan	<u>Target achieved</u> Risk register developed and approved and was reviewed on a quarterly basis	None	None	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
	To provide independent objective assurance and consulting activities of the internal control system, risk management and governance processes	176.	No of risk awareness campaigns coordinated and supported	2	Risk Implementation Plan	<u>Target achieved.</u> 02 risks awareness campaigns were conducted in quarter 1 and 3	None	None	Municipal Manager's Office
		177.	No of risk committee meetings coordinated	4	Risk Implementation Plan	<u>Target achieved.</u> 4 risk management committee meetings coordinated held during the FY	None	None	Municipal Manager's Office
Security Management	To protect the municipal properties and employees against potential threats.	178.	% reduction of incidents reported	100%	Security contracts in place	<u>Target achieved</u> 100% incidents attended	None	None	Municipal Manager's Office
Communication management	To provide communication support services, public liaison, marketing management.	179.	No of communication and corporate branding strategy reviewed	1	Communication and Branding strategies	<u>Target achieved.</u> 1 Communication and branding strategy reviewed and implemented	None	None	Corporate Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
		180.	% of corporate profiling on radios and magazines	100%	Communication Policy	<u>Target not achieved:</u> Only 70% done on radio profiling	Profiling could not be done due to budgetary constraints	To be prioritized in the new financial year	Corporate Services
		181.	No of paid interviews conducted and organized on radio.	2	Communication strategies/media relations policy	<u>Target not achieved.</u> Only free interviews were done.	Only free interviews were done hence No budget was allocated for the paid interviews	Paid interview be prioritized in the new financial year	Corporate Services
		182.	% of publicity materials procured	100%	Communication and Branding Strategy	<u>Target Achieved:</u> 100% Procurement material (banners, posters, podium, flyers, sign boards have been procured and delivered for the period under review)	None	None	Corporate Services
		183.	No of interviews broadcasted and printed	20	Communication and Branding Strategy/ Media Relations Policy	<u>Target Achieved:</u> 20 adverts printed for the period under review	None	None	Corporate Services
		184.	No of media statements issued	16 media statements/alerts issued to various	Communication and Branding	<u>Target achieved:</u> 16 media statements have	None	None	Corporate Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
				media houses	g Strategy/ Media Relations Policy	been issued for the period number			
		185.	No of media articles written	16	Communication and Branding Strategy/ Media Relations Policy	<u>Target Achieved:</u> 16 media articles written and issued to various media houses.	None	None	Corporate Services
		186.	% advertising of requested municipal activities on print and electronic media	100%	Communication and Branding Strategy/Advertising Policy	<u>Target achieved:</u> 100% the requested municipal activities have been advertised on print media.	None	None	Corporate Services
		187.	No of newsletters printed	28 000 newsletter printed and distributed to the communities per annum	Communication and Branding Strategy/ publications	<u>Target Achieved:</u> 28 000 Newsletters delivered and distributed for the period under review	None	None	Corporate Services
		188.	No of IDP, Budget speech produced	1	IDP/Budget Process Plan	<u>Target achieved.</u> IDP\Budget speech tabled	None	None	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
			and printed.			on the 29 May 2015			
		189.	No of diaries and calendars provided.	550	Communication and Branding Strategy	<b>Target Achieved:</b> 550 diaries delivered and distributed for the period under review	N/A	N/A	Corporate Services
		190.	% of brochures, videos and other publications produced and printed	100%	Communication and Branding Strategy	<b>Target achieved:</b> 100% Brochures, publications produced and printed.	Awaiting delivery of brochures for the quarter under review	N/A	Corporate Services
		191.	% of municipal programmes communicated and publicized	100%	Communication and Branding Strategy	<b>Target Achieved:</b> 100% council activities for the quarter under review have been communicated and publicized.	None	None	Corporate Services
		192.	No of stakeholders meeting coordinated	12	Communication and Branding Strategy and Policy	Target Achieved. 3 stakeholder meetings were coordinated	None	None	Corporate Services
		193.	No of information sharing sessions coordinated	20	Communication Strategy and Policy	<b>TARGET achieved Information sharing sessions coordinated</b>	None	None	Corporate Services

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
SDBIP	To ensure that the SDBIP is developed in line with the relevant legislations	194.	No of SDBIP developed	1 SDBIP developed and submitted to the mayor for approval within 14 days of the approval of the annual budget	2013/14 SDBIP	<u>Target achieved.</u> 2014\15 SDBIP approved on 27 June 2014	None	None	Municipal Manager's Office
Annual performance report	To ensure that the annual performance report is developed, adopted and submitted as per legislation	195.	No of Annual Performance Report developed	1 Approved Annual Performance Report 2013\14	Annual report consistently approved for the previous financial years in line with legislation	<u>Target achieved.</u> Annual performance report 2013\14 produced, adopted and distributed	None	None	Municipal Manager's Office
Annual report	To ensure that the annual report is developed, adopted and submitted as per legislation.	196.	No of Annual Report developed	1 annual report developed and submitted to all relevant stakeholders	Annual report consistently approved for the previous financial years in line with legislation	<u>Target achieved.</u> 2013/14 Annual report produced, adopted and distributed	None	None	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
					on				
<b>IDP Process Plan</b>	To ensure that the process of reviewing IDP/Budget is done in line with the legislation	<b>197.</b>	No of the IDP process Plan developed	1 Process Plan available and submitted to council for approval	MSA	<u>Target achieved</u> 1 IDP Process plan available and submitted to council for approval	None	None	Municipal Manager's Office
<b>Revision of the IDP</b>	To ensure revision of the IDP 2014\15 in line with applicable legislation	<b>198.</b>	No of revised IDP developed	1 Approved revised IDP	MSA compliance	<u>Target achieved.</u> 1 Revised IDP\Budget 2015\16 adopted on the 29 May 2015	None	None	Municipal Manager's Office
<b>Annual financial report</b>	To ensure that annual report submitted with annual financial statement.	<b>199.</b>	No of annual financial report developed	The development of 1 annual financial report	13/14 Annual report	<u>Target achieved-</u> 1 Annual financial report developed and approved by council.	None	None	Budget and Treasury
<b>Review of finance policies and strategies</b>	To ensure alignment of policies to relevant legislations	<b>200.</b>	No of policies reviewed for the year	13 policies reviewed for the year	12 budget related policies and 1 strategy reviewed and approved.	<u>Target achieved-</u> 13 Budget related policies reviewed and approved by council on the 29 <sup>th</sup> of may 2015	None	None	Budget and Treasury
<b>Audit Queries</b>	To ensure that the Municipality achieves clean audit on the financial	<b>201.</b>	% implementation of AG Action Plan on	100% implementation of AG action plan	Issues raised by the AG on the	<u>Target not achieved.</u> Only 68% of issues raised by AG were	The remaining issues will be addressed during the	The remaining issues will be addressed	Municipal Manager's Office

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
	statements by 2014/15 FY		2013/14 Audit Report		2014/15 Financial Statements resolved at 75%	resolved	preparations of AFS's	during the preparations of AFS's	
		202.	% implementation of Internal action plan	100% implementation of Internal action plan	100% implementation of Internal action plan	<u>Target not achieved</u> Only 39% of issues raised were attended to	Only 39% of issues raised were attended to	Regular follow ups with management on raised issues	Municipal Managers Office
<b>MFMA Implementation/treasury implementation</b>	To enhance accountability and compliance to statutory and other compulsory reporting requirements	203.	No. of Sec. 71 Reports submitted to Provincial and National Treasury	Continuous compliance	100% compliance with sec 71 reports( 144 reports completed and submitted to both treasuries)	<u>Target achieved-</u> all Sec: 71 reports compiled and sent to both provincial and National treasuries on time.	None	None	Budget and Treasury
		204.	No of financial management reports to Council	Management reports prepared and reported continuously	4 financial reports prepared and submitted to the Mayor quarterly	<u>Target achieved-</u> 4 finance reports prepared and submitted to the mayor quarterly	None	None	Budget and Treasury

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>									
		205.	No of Monthly reports reconciliation developed and approved	All reconciliations developed and filled	All reconciliation be completed and monitored (128)	<u>Target achieved</u> - all monthly reconciliation reports and filled.	None	None	Budget and Treasury
		206.	Half-Year Financial performance assessment report compiled and submitted to the Mayor, Provincial and National Treasury	Analysis of half-year financial performance of the municipality.	Half year financial performance assessment report compiled and submitted to the Mayor; Provincial and National Treasury by 25 January 2012	<u>Target achieved</u> - Half year report prepared and presented to council	None	None	Budget and Treasury

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 6: SPATIAL PLANNING AND RATIONALE</b>									
Senwabarwana Master plans development	to develop master plans for Senwabarwana town so that the town is properly planned	207.	No of master plans developed and approved by council.	1 Senwabarwana master plans developed and approved	Project in the IDP Service provider appointed and work has commenced	<u>Target achieved.</u> 1 Senwabarwana Master plan developed approved by council on 29 May 2015	None	None	Economic Development and Planning
Functionality of the Local Geographical Names Committee	To conclude the process of naming of streets and other public features in Senwabarwana and Alldays	208.	Approved names for streets and public features in Senwabarwana and Alldays	Approved street names for Alldays and Senwabarwana and installed infrastructure for such names, especially street names	LGNC in place Policy on naming and renaming in place Names committee and policy was unpacked to Senwabarwana and	<u>Target not achieved.</u> New LGNC established Community meetings were held with both residents of Alldays and Senwabarwana	Establishment of a new committee after delinking the programme from the Land Use Committee	Project included in the 2015\16 SDBIP	Economic Development and Planning

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 6: SPATIALE PLANNING AND RATIONALE</b>									
					All days residents in April and May 2014				
<b>Climate Change</b>	Reduction of greenhouse gases/carbon emissions into the atmosphere	<b>209.</b>	No of trees planting projects implemented.	2 tree planting projects implemented	SDF and EMP	<b>Target achieved. (surpassed)</b> 3 tree planting projects were held at Radikamase pre-school, Driekoppies on the 1st September, 16 <sup>th</sup> Oct at Maloloane primary, 17 Oct Maimela Primary, 23 Oct Selelo primary.	None	None	Community Services
<b>Urban Renewal</b>	To ensure that the town of Alldays is kept safe and well accessible	<b>210.</b>	% of strategy implemented	100% implementation of the strategy	Urban renewal strategy available	<b>Target achieved.</b> 100% implementation of the strategy	None	None	Economic Development and Planning
<b>Land acquisition</b>	to acquire Puraspan, Laanglagte & Amulree	<b>211.</b>	No of the Settlements acquired	3 settlements (Puraspan, Laanglagte & Amulree) acquired	Existence of settlements	<b>Target not achieved.</b> _A request was made to the department of Rural Development and Land Reform to effect transfer of the settlements, save for Puraspan Assessments	Assessments were not done adequately	Dept of Rural Development & Land Reform to intervene	Economic Development and Planning

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 6: SPATIAL PLANNING AND RATIONALE</b>									
						were not done on the 03 settlements			
	To finalize the acquisition of a portion of Harriswhich farm	212.	Farm portion transferred to municipality with full title deed	1 farm portion acquired	Deed of sale signed with seller	<b>Target achieved</b> A portion of the farm Harriswhich has been transferred to Blouberg Municipality through a transfer deed from the registrar of deeds	None	None	Economic Development and Planning
	To acquire a portion of the farm Monmouth for construction of a landfill site in Alldays	213.	Farm portion transferred to municipality with full title deed	1 farm portion	Deed of sale signed with seller	<b>Target not achieved</b> S-G diagram for the farm portion has been drawn. Purchase amount has been deposited into the seller's conveyancers' trust account	Delays by the seller's land surveyor and conveyancers	Target included in the 2015\16 SDBIP	Economic Development and Planning
Township Establishment	To ensure that there is properly planned township	214.	No of the township establishment projects completed	1 township established and completed at Tolwe	Availability of approved layout	<b>Target not achieved.</b> Pre-approved general plan has been developed and submitted to the Surveyor-General	Resurveying to accommodate new water and sanitation projects	Target included in the 2015\16 SDBIP	Economic Development and Planning
	To ensure that engineering services are made available within the new development.	215.	Ensuring that Engineering Services are provided	100% installation of engineering services within the	Established township	<b>Target not achieved.</b> Terms of reference for the enlisting of developers	Project did not meet the actual requirements of the National Treasury on PPP	Initiatives started for registration of project in	Economic Development and Planning

Project	Objectives	KPI No	KPI/Measurable Objective	Annual Target	Baseline	Actual Performance	Reason for Variance	Corrective measures	Responsibility
<b>KPA 6: SPATIAL PLANNING AND RATIONALE</b>									
			within the new development of Senwabarwana and Alldays	new development		developed. Project advertised and prospective developers submitted expressions of interest		line with PPP guidelines	
Human Settlement	To ensure that beneficiaries are accorded safe and habitable houses.	216.	No of beneficiaries identified.	500 beneficiaries	Housing Disaster database	<u>Target not achieved.</u> A total of 400 beneficiaries approved and provided with low cost houses	Reduction in the number of housing units allocated by COGHSTA	Unallocated units submitted to the MEC for the 2015\16 allocation	Economic Development and Planning
	To coordinate the programme and identify beneficiaries.	217.	+No of beneficiaries identified.	500 beneficiaries	Housing Disaster database	<u>Target achieved.</u> 500 Beneficiaries were verified	None	None	Economic Development and Planning
Land use Management	To ensure that land use management scheme is implemented fully.	218.	% of LUMS implemented	100% compliance of all approved and developed applications	land use Management Scheme is in place	<u>Target achieved.</u> 100% compliance of approved and developed LUMS All land development applications received were processed.	None	None	Economic Development and Planning

## CHAPTER 4

### ORGANIZATIONAL DEVELOPMENT AND PERFORMANCE (HUMAN RESOURCES)

#### INTRODUCTION

The municipal Organizational structure was aligned to IDP and budget. The structure was also adopted by the council. All skills gaps that were crucial in work performance were identified and training interventions were made to address skills gap. The institution comply with the national legislations

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees						
Description	13/14			14/15		
	No. of employees	No. of vacancies	% of vacancies			
Water						
Waste Water (sanitation)						
Electricity				8	0	
Waste Management						
Housing				3	1	25%
Waste Water (Storm water Drainage)						
Roads				19		
Transport						

Planning			3	3		50%
Local Economic Development			3	1		25%
Planning (Strategic & Regulatory)			7			
Community & social services			22			
Environmental protection			5			
Health						
Security & safety			20	2		10%
Sport & recreation						
Corporate Policy offices & other			104	13		12.5%
Totals	194		205	20		

Vacancy Rate: 14/15

Designation	*Total approved posts No.	*Variances (Total time that vacancies exist using fulltime equivalents) No.	*Variances (as a proportion of total posts in each category) %
Municipal Manager	1		
CFO	1		
Other S57 Managers (excluding Finance Posts)	4		
Other S57 Managers (Finance posts)	4	1	
Municipal Police	15		
Fire Fighters			
Management:	25	2	
Senior Management: Levels 13-15 (Finance Posts)	33		
Highly skilled supervision: Levels 9-12 (excluding Finance posts)			
Highly skilled supervision: Levels 9-12 (Finance	5		

posts)			
Total	87		

Turn-over Rate			
Details	Total Appointments as of beginning of financial year No.	Terminations during the financial year No.	Turn-over Rate*
2011/12	163	12	7%
2012/13	194	4	2%
2013/14	196	10	19.6%
2014/15	205	15	7.3%

COMMENT ON VACANCIES AND TURNOVER:

Unavailability of Succession Plan/Policy makes it impossible to ideally source personnel from the institution to readily fill the vacated posts. The Plan will come in handy in preparing potential incumbents of the challenges that lie ahead. Most of the vacancies were filled except for Senior Management ones which were a bit cumbersome as the process of filling such is not entirely institutional.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality has taken into cognizance the history of apartheid laws and practices with the resultant disparities and inequalities, in the spirit of Employment Equity Act is geared towards achieving employment equity across all occupational levels and categories and therefore in order to redress the imbalance of the past and move towards a humane and representative Labour market underpinned by Equity, Equity redress and Affirmative Action. The Municipality has Employment Equity Plan and active/ functional Employment Equity Committee. 2012/2013 Employment Equity report was timeously submitted to the Department of Labour. HR Policies are in place.

#### 4.2 POLICIES

HR Policies & Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	0%	0	Using employment equity policy
2	Attraction & Retention	100	100%	30/06/2015
3	Code of conduct for employees	100%	100%	Using the Disciplinary code collective agreement.
4	Delegations, Authorization & responsibility	100	100	Done by council for the entire council term.
5	Disciplinary Code & Procedures	0	0	Using the disciplinary code collective

				agreement
6	Essential Services	0	0	04/06/2008
7	Employee Assistance/ wellness	100	100	30/06/2015
8	Employment Equity	100	100	31/01/2016
9	Exit Management	100%	100%	30/06/2015
10	Grievance Procedures	100%	100%	30/06/015
11	HIV/AIDS	100%	100%	30/06/2015
12	Human Resource & Development	100%	100%	30/06/2015
13	Information Technology	100%	100%	30/06/2015
14	Job Evaluation	100%	100%	31/03/2015
15	Leave	0	0	31/05/2007
16	Occupational Health & Safety	100%	100%	30/06/2015
17	Official Housing	0	0	N/A
18	Official Journeys	100	100	Using treasury guidelines
19	Official Transport to attend funerals	100	100	30/06/2015
20	Official working hours and overtime	100	100	Using main collective agreement
21	Organisational rights	0	0	Using main collective agreement

22	Payroll Deductions	0	0	31/03/2015
23	Performance Management & Development	100	100%	30/06/2015
24	Recruitment, selection & Appointments	100	0	04/06/2008
25	Remuneration Scales & Allowances	100	0	04/06/2014
26	Resettlement	100	0	n/a
27	Sexual Harassment	100	0	30/06/2015
28	Skills development	100	100%	30/06/2015
29	Smoking	100	0	04/10/2004
30	Special skills	100	0	n/a
31	Work Organization	100	100	31/07/2015
32	Uniforms & protect clothing	0		
33	Other			

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Over the years the Municipality has managed to develop all priority human resource policies, procedures and systems in line with the MSA 2000 (S67) to ensure fair, efficient, effective and transparent personnel administration. During the year in issue emphasis was placed on improving implementation of the policies and amendment of those policies that were becoming outdated. The Corporate Services Portfolio Committee had developed a monitoring tool and monthly received and considered policy implementation progress report. Policies were developed and adopted by the council. There is a need to develop a detailed implementation plan that will outline the processes to be followed in implementing the plan. Bursaries will be issued to eligible employees for career development purposes. The

municipality will continue to make funds available on each financial year to ensure that capacity building is funded and both organization and employees benefit from the project

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and cost of injuries on duty					
Type of injury	Injury leave taken Days	Employees using injury leave	Proportion employees using sick leave %	Average injury leave per employee Days	Total estimated cost R'000
Required basic medical attention only	3	0			
Temporary total disablement	0	0			
Permanent disablement	0	0			
Fatal					
<b>Total</b>	<b>3</b>				

Number of days and cost of sick leave (excluding injuries on duty)

Designations	Total sick leave  Days	Proportion of sick leave without medical certification	Employees using sick leave  No.	Total employees in post*  No.	*Average sick leave per employees  Days	Estimated cost  R' 000
(level 1-2)	9	4	0	66	1.29	58647.94
Skilled (level 3-5)	116	10	4	52	10.75	92565.23
(levels 6-8)	134	17	10	23	7.57	56093.02
(level 9-10)	126	10	10	30	10.90	44521.51
(levels 11)	242	22	28	28	8	85715.32
MM & S57	0	1	1	6	8	27377.75
<b>Total</b>	<b>627</b>	<b>36</b>	<b>74</b>	<b>205</b>		<b>364920.8</b>

\*Number of employees in post at the beginning of the year

\*Average calculated by taking sick leave in column 2 divided by total employees in column 5

COMMENT ON INJURY AND SICK LEAVE:

Minor injuries were encountered which only need basic medical attention during the year under review. Risk assessment was conducted by Occupational Health and Safety Committee. Recommendations to minimize risks were made and implemented to minimize risks.

Number and period of suspensions				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized
Traffic Officer	Gross-misconduct and Insubordination	19/12/2011	Dismissed and Reinstated	November 2014
Chief Traffic Officer	Insubordination and devaluation of duty	19/10/2011	Reinstated	November 2014
Manager (Tolwe)	Gross-misconduct	11/06/2013	Case settled amicably	March 2015
Legal Officer	Gross-misconduct	18/06/2013	Case settled	August 2015

Disciplinary action taken on cases of financial misconduct			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalized
0	0	0	0

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were no cases related to financial misconduct during the year in issue.

4.4 PERFORMANCE REWARDS

Performance Rewards by Gender (THERE WERE NO PERFORMANCE REWARDS FOR THE PERIOD UNDER REVIEW)					
Designation	Beneficiary Profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2013/14 R' 000	Proportion of beneficiaries within group %
Lower skilled (levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (levels 3-5)	Female	0	0	0	0

	Male	0	0	0	0
Highly skilled production (levels 6-8)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled supervision (levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior Management (levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
MM and S57	Female	0	0	0	0
	Male	0	0	0	0
<b>Total</b>					

Has the statutory municipal calculator been used as part of the been used as part of the evaluation process?

Note: MSA 2000 S51 (d) requires that ... `performance plans, on which rewards are based should be aligned with the IDP...` (IDP objectives and targets are set out in chapter 3) and that service delivery and budget implementation plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets `(x)` in the `number of beneficiaries` column as well as in the numbers at the right hand side of the column (as illustrated above).

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Work Skills Plan and Annual Training Report were developed and submitted to LGSETA within time frame. The municipality complies with the plan. Mandatory and discretionary grants were claimed and received to assist training interventions

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix															
Management	Gender	Employees in post as at 30 June 2015	Number of skilled employees required and actual as at 30 June 2015												
			No.	Learnerships			Skills programme & other short courses			Other forms of training			Total		
				Actual 30 June 2014	Actual 30 June 2015	Target	Actual 30 June 2014	Actual 30 June 2015	Target	Actual 30 June 2011	Actual 30 June 2012	Target	Actual 30 June 2011	Actual 30 June 2012	Target
MM & S57	Female	01	0	0		02	01	03					03	03	
	Male	03	0	0		01	02	03					03	03	
Councilor	Female	25				01	03	04		19	19	01	22	23	

s, senior officials & managers	Male	47		01	05	01	07	08		21	21	01	27	29
Technicians & associate professionals	Female	2				06		06				06		06
	Male	9				16	03	19				16	03	19
Professionals	Female	7					01	01	01	01	02	02	02	04
	Male	24		02	02		04	04		01			07	07
Sub Total	Female	36												
	Male	78												
<b>Total</b>		<b>144</b>		<b>04</b>	<b>04</b>	<b>27</b>	<b>21</b>	<b>48</b>	<b>01</b>	<b>42</b>	<b>42</b>	<b>26</b>	<b>67</b>	<b>94</b>

Financial competency development: progress report

Description	A Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: competency assessment completed for a and B (regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with regulation 16 (Regulation 14(4)(f))	Consolidated: Total Number of officials that meet prescribed competency levels (Regulation 14(4)(a))
Financial officials	03	00	03	03	03	02
Accounting officer	01	00	01	0	01	00
Chief Financial Officer	01	00	01	0	01	00
Senior Managers	04	00	03	04	04	00
Any other financial officials	04	00	04	0	04	00
Supply Chain Management officials	02	00	02	0	01	01
Heads of SCM units	01	00	01	0	01	01
SCM senior managers	00	00	00	0	00	00
Total	16	00	16	07	15	04

Skills Development Expenditure										
Management Level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2012/13							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	02	0.00	0.00	16000	8000			16000	8000
	Male	04								
Legislators, senior officials and managers	Female	25								
	Male	42	8000	8000	78000	76500	32000	31700	118000	116200
Professionals	Female	07			5500	5244			5500	5244
	Male	24	0.00	0.00			2400	2278.86	2400	2278.86

Technicians and associate professionals	Female	02								
	Male	09								
Clerks	Female	17			208000	207580	15000	13000	223000	220580
	Male	12			47880	47880			47880	47880
Service and sales workers	Female	05								
	Male	06			5500	5244			5500	5244
Plant and machine operators and assemblers	Female	01								
	Male	20			5500	5244			5500	5244
Elementary occupation	Female	19			11000	10488			11000	10488
	Male	21	112000	56000	16000	15732			128000	71732
Sub Total	Female	78								
	Male	137								

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

Not all Managers and Finance officials were trained on financial competency regulations due to insufficient budget

COMPONENT D:  
MANAGING THE  
WORKFORCE  
EXPENDITURE

4.6. EMPLOYEE  
EXPENDITURE

Number of employees whose salaries were increased due to their positions being upgraded

Beneficiari	Gend	Tot
-------------	------	-----

es	er	al
Lower skilled (level 1-2)	Female	
	Male	1
Skilled (level 3-5)	Female	
	Male	
Highly skilled production (levels 6-8)	Female	
	Male	
Highly skilled supervision (level 9-12)	Female	
	Male	
(levels 13-15)	Female	1
	Male	
MM & S57	Female	
	Male	

Total		
-------	--	--

Employees whose salary levels exceed the grade determined by Job Evaluation (NONE)				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0

Employees appointed to posts not approved (NONE)				
	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
0	0	0	0	0

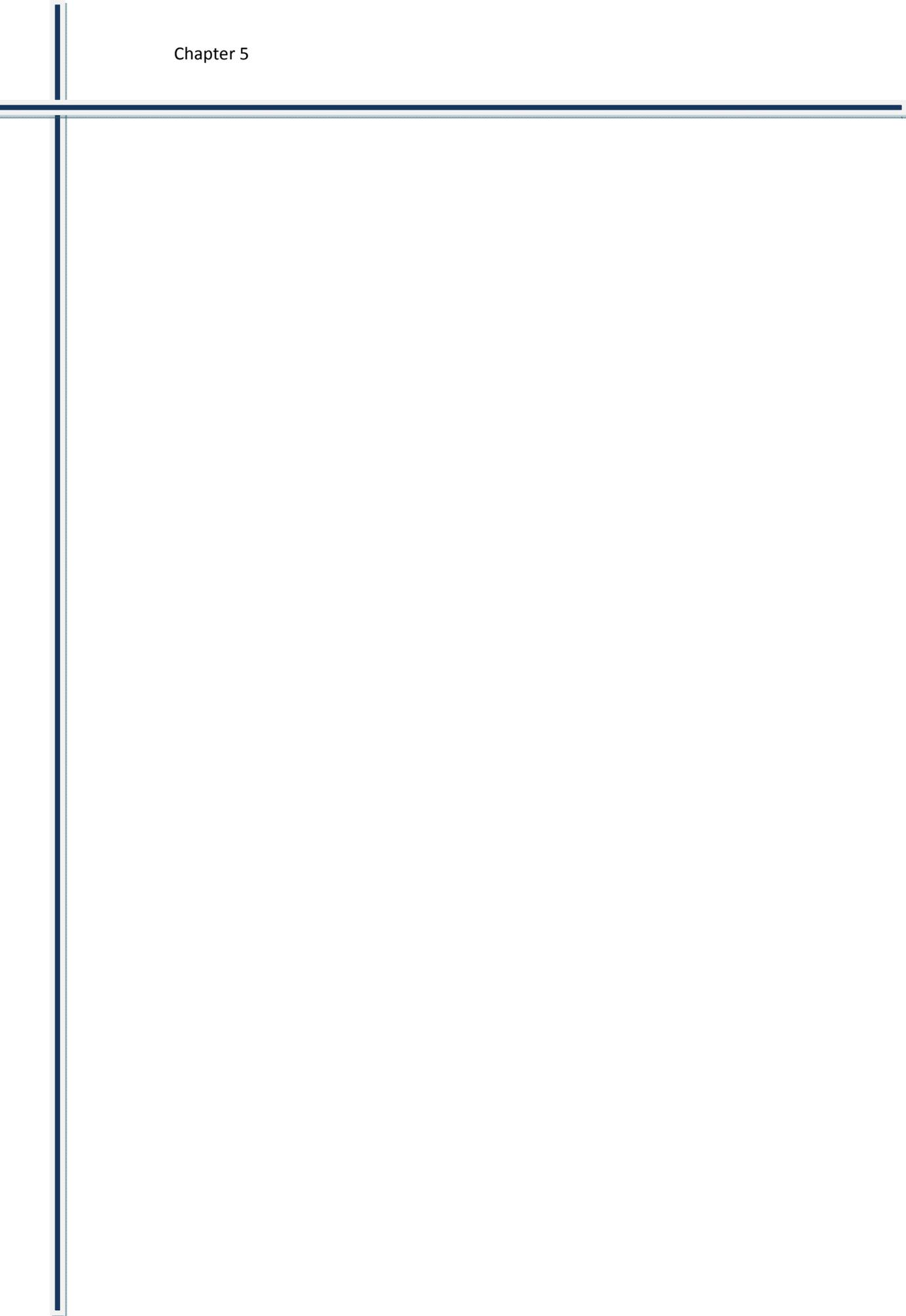
COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There were no upgraded posts during the period under review.

DISCLOSURES OF FINANCIAL INTERESTS

ALL SENIOR MANAGERS AND COUNCILLORS COMPLETED AND SUBMITTED THEIR DISCLOSURE OF FINANCIAL INTERESTS AND SUBMITTED SAME TO THE OFFICE OF THE MUNICIPAL MANAGER

## Chapter 5

A decorative border consisting of a vertical line on the left and a horizontal line on the top, both rendered in a dark blue color with a thin white outline.



**BLOUBERG LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## General Information

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### Legal form of entity

Local Municipality  
Category B

### Nature of business and principal activities

#### Executive committee

Mayor

Sekgoloane SE

Selamolela S

Speaker

Thamaga MN

Chief Whip

Choshi MM

Members of Executive Committee

Ratladi SD

Masekwameng MR

Moshuhla MW (Deceased)

Sithukga SE

Tutja TP

Tjumana MM

Morapedi MA

Councillors

Rapheaga KT

Lehong MV

Rangata MJ

Mosebedi ME

Morukhu MB

Seduma MD

Raseruthe MA

Makobela SR

Boloka MP

Nabane NB

Sekwatlakwatla SP

Kgwatalala MM

Manetja MR (Deceased)

Moetji NT

Ntlatla MW (MPAC Chairperson)

Mathekgane CR

Mojodo MD

Kobe DM

Molokomme NO

Ntlema MA

Mashalane MS

Shongoane SL

Kotsinkwa PJ

Mathidza SE

Keetse MC

Maboya MS

Tlouamma NM

Chauke KR

Phosa MH

Modishetji MP

Mokgehle PS

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## General Information

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<b>Grading of local authority</b>	Grade 3 Local Municipality in terms of Remuneration of Public Office Bearers Act (Act 20 of 1988)
<b>Accounting Officer</b> Chief Finance Officer (CFO)	Kgoale TMP Raganya MC
<b>Registered office</b>	2nd Building Dendron Road Senwabarwana 0790
<b>Business address</b>	2nd Building Dendron Road Senwabarwana 0790
<b>Postal address</b>	P.O.Box 1593 Senwabarwana 0790 0790
<b>Bankers</b>	ABSA
<b>Auditors</b>	Auditor- General of South Africa
<b>Attorneys</b>	Kuaho Attorneys, Vilakazi and Popela Maake Attorneys
<b>Preparer</b>	The annual financial statements were internally compiled by: Raganya MC CFO
<b>Telephone number</b>	(015) 505 7100
<b>Fax number</b>	(015) 505 0296
<b>E-mail address</b>	info@blouberg.gov.za

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Index

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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### Abbreviations

GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
SALGA	South African Local Government Association
FMG	Finance Management Grant
MSIG	Municipal System Improvement Grant

# **Blouberg Local Municipality**

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## **Accounting Officer's Responsibilities and Approval**

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The accounting officer is required by the Local legislation over companies, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The annual financial statements set out on pages 5 to 57, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2015 and were signed on its behalf by:

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**Kgoale TMP**  
**Municipal Manager**

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Statement of Financial Position as at 30 June 2015

Figures in and	Note(s)	2015	2014 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	3	1 121 216	782 313
Cash and cash equivalents	4	18 523 131	14 797 284
Receivables from exchange transactions	5	7 643 660	7 684 712
Consumer debtors	6	4 661 565	3 166 314
Receivables from non-exchange transactions	7	31 754 936	21 498 217
VAT receivable	8	4 937 199	2 284 186
		<b>68 641 707</b>	<b>50 213 026</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	815 861 708	822 233 321
Investments	10	3 091 620	3 088 937
		<b>818 953 328</b>	<b>825 322 258</b>
<b>Total Assets</b>		<b>887 595 035</b>	<b>875 535 284</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	11	25 400 092	21 370 036
Consumer deposits		1	1
Other financial liabilities	12	4 289 700	3 700 125
Unspent conditional grants and receipts	13	8 976 433	11 455 835
Provisions	14	5 346 365	4 897 340
		<b>44 012 591</b>	<b>41 423 337</b>
<b>Non-Current Liabilities</b>			
Provisions	14	13 246 612	12 481 177
<b>Total Liabilities</b>		<b>57 259 203</b>	<b>53 904 514</b>
<b>Net Assets</b>		<b>830 335 833</b>	<b>821 630 770</b>
Accumulated surplus		830 335 833	821 630 770

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Statement of Financial Performance

Figures in and	Note(s)	2015	2014 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	15	17 100 326	12 610 360
Rental of facilities and equipment	16	820 363	769 483
Interest received on outstanding debtors		388 434	184 311
Licences and permits		2 593 067	2 491 142
Other income	18	1 442 623	3 549 974
Interest received - investment	17	1 039 732	1 115 796
<b>Total revenue from exchange transactions</b>		<b>23 384 545</b>	<b>20 721 066</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	19	14 984 619	14 152 478
<b>Transfer revenue</b>			
Government grants & subsidies	20	170 247 002	140 719 303
Fines		2 161 330	1 456 830
<b>Total revenue from non-exchange transactions</b>		<b>187 392 951</b>	<b>156 328 611</b>
<b>Total revenue</b>	21	<b>210 777 496</b>	<b>177 049 677</b>
<b>Expenditure</b>			
Employee related costs	22	(69 841 764)	(66 223 164)
Remuneration of councillors	23	(12 138 877)	(11 633 387)
Depreciation and amortisation	25	(51 686 470)	(49 026 498)
Impairment loss	29	-	(460 010)
Debt impairment	24	(3 856 489)	(3 997 444)
Repairs and maintenance		(1 895 151)	(1 008 394)
Bulk purchases	26	(19 313 157)	(17 908 351)
Contracted services	27	(3 160 405)	(2 456 865)
Loss on disposal of assets		(261 924)	-
General Expenses	28	(39 918 199)	(40 000 287)
<b>Total expenditure</b>		<b>(202 072 436)</b>	<b>(192 714 400)</b>
<b>Surplus (deficit) for the year</b>		<b>8 705 060</b>	<b>(15 664 723)</b>

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Statement of Changes in Net Assets

Figures in and	Accumulated surplus	Total net assets
Opening balance as previously reported	817 162 781	817 162 781
Adjustments		
Correction of errors	20 132 711	20 132 711
<b>Balance at 01 July 2013 as restated*</b>	<b>837 295 492</b>	<b>837 295 492</b>
Deficit for the year	(15 664 723)	(15 664 723)
Total changes	(15 664 723)	(15 664 723)
<b>Restated* Balance at 01 July 2014</b>	<b>821 630 769</b>	<b>821 630 769</b>
Surplus for the year	8 705 060	8 705 060
Total changes	8 705 060	8 705 060
<b>Balance at 30 June 2015</b>	<b>830 335 829</b>	<b>830 335 829</b>

Note(s)

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Cash Flow Statement

Figures in and	Note(s)	2015	2014 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Taxation		6 984 619	5 406 690
Sale of goods and services		18 245 461	11 866 548
Grants		167 767 600	142 434 000
Interest income		1 039 732	1 115 796
Other receipts		1 227 983	12 678 355
		195 265 395	173 501 389
<b>Payments</b>			
Employee costs		(82 137 641)	(76 253 549)
Suppliers		(64 152 496)	(50 837 630)
		(146 290 137)	(127 091 180)
<b>Net cash flows from operating activities</b>	30	<b>48 975 258</b>	<b>46 410 210</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(45 249 411)	(33 971 423)
Proceeds from sale of financial assets		-	8 896
<b>Net cash flows from investing activities</b>		<b>(45 249 411)</b>	<b>(33 962 527)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3 725 847</b>	<b>12 447 683</b>
Cash and cash equivalents at the beginning of the year		14 797 284	2 349 601
<b>Cash and cash equivalents at the end of the year</b>	4	<b>18 523 131</b>	<b>14 797 284</b>

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in and						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	16 982 243	(800 000)	<b>16 182 243</b>	17 100 326	<b>918 083</b>	Due to increased number of customers and billing on CDM boreholes.
Rental of facilities and equipment	1 066 674	-	<b>1 066 674</b>	820 363	<b>(246 311)</b>	Due to a lease agreement that was not renewed(IEC) and non-payment by Hawkers.
Interest received (trading)	432 400	64 000	<b>496 400</b>	-	<b>(496 400)</b>	Due to the council policy that defaulters should not be charged interest after being handed over and that outstanding debts were handed over during the last month of the financial year.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in and						
Licences and permits	3 620 000	-	<b>3 620 000</b>	2 593 067	<b>(1 026 933)</b>	Due to limited transaction at satallite office which were not operational fully. Opening of the new station at neighboring municipality
Other income - (rollup)	2 348 593	2 665 995	<b>5 014 588</b>	1 831 057	<b>(3 183 531)</b>	Due to the planned township establiment, that did not materialised because of delay in stallation of services.
Interest received - investment	930 000	-	<b>930 000</b>	1 039 732	<b>109 732</b>	This is due to the availability of enough cash in the bank for the purpose of investing
<b>Total revenue from exchange transactions</b>	<b>25 379 910</b>	<b>1 929 995</b>	<b>27 309 905</b>	<b>23 384 545</b>	<b>(3 925 360)</b>	

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in and						
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	14 120 000	-	<b>14 120 000</b>	14 984 619	<b>864 619</b>	Due to supplementary valuations.
Government grants & subsidies	162 866 000	16 356 780	<b>179 222 780</b>	170 247 002	<b>(8 975 778)</b>	.
<b>Transfer revenue</b>						
Fines	4 000 000	(1 500 000)	<b>2 500 000</b>	2 161 330	<b>(338 670)</b>	
<b>Total revenue from non-exchange transactions</b>	<b>180 986 000</b>	<b>14 856 780</b>	<b>195 842 780</b>	<b>187 392 951</b>	<b>(8 449 829)</b>	
<b>Total revenue</b>	<b>206 365 910</b>	<b>16 786 775</b>	<b>223 152 685</b>	<b>210 777 496</b>	<b>(12 375 189)</b>	
<b>Expenditure</b>						
Personnel	(78 682 975)	1 722 560	<b>(76 960 415)</b>	(69 841 764)	<b>7 118 651</b>	
Remuneration of councillors	(12 303 654)	-	<b>(12 303 654)</b>	(12 138 877)	<b>164 777</b>	
Depreciation and amortisation	(1 008 696)	(5 331 284)	<b>(6 339 980)</b>	(51 686 470)	<b>(45 346 490)</b>	Depreciation of non-cash items.
Impairment loss/ Reversal of impairments	-	-	-	-	-	
Debt impairment	(12 511 259)	9 011 259	<b>(3 500 000)</b>	(3 856 489)	<b>(356 489)</b>	Due to the agreement signed with signed farmers that they pay their outstanding debts.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in and						
Repairs and maintenance	(2 173 426)	160 000	<b>(2 013 426)</b>	(1 895 151)	<b>118 275</b>	Due to the fact that repairs is carried out as and when it is necessary.
Bulk purchases	(14 458 000)	(2 225 000)	<b>(16 683 000)</b>	(19 313 157)	<b>(2 630 157)</b>	Due to NERSA tariff increase and illegal connections
Contracted Services	(3 000 000)	(400 000)	<b>(3 400 000)</b>	(3 160 405)	<b>239 595</b>	
General Expenses	(35 331 068)	(5 665 335)	<b>(40 996 403)</b>	(39 918 199)	<b>1 078 204</b>	
<b>Total expenditure</b>	<b>(159 469 078)</b>	<b>(2 727 800)</b>	<b>(162 196 878)</b>	<b>(201 810 512)</b>	<b>(39 613 634)</b>	
<b>Operating surplus</b>	<b>46 896 832</b>	<b>14 058 975</b>	<b>51 233 084</b>	<b>8 966 984</b>	<b>(51 988 823)</b>	
Loss on disposal of assets and liabilities	-	-	-	(261 924)	<b>(261 924)</b>	
<b>Surplus before taxation</b>	<b>46 896 832</b>	<b>14 058 975</b>	<b>51 233 084</b>	<b>8 705 060</b>	<b>(52 250 747)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>46 896 832</b>	<b>14 058 975</b>	<b>51 233 084</b>	<b>8 705 060</b>	<b>(52 250 747)</b>	

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Local legislation over companies.

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

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Going concern assumption

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

#### 1.3 Comparative figures

Budget information in accordance with GRAP 1 and 24, has been provided in the statement of comparison of budget and actual and forms part of the annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. The municipality's material variance is considered when there is a 6% deviation from the budget. The explanation for material variance between budget and actual are provided in the annexure of comparison of budget and actual.

#### 1.4 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.4 Property, plant and equipment (continued)

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

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

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

Item	Average useful life
Infrastructure	
• Roads and Paving	5 - 60
• Concrete	5 - 80
• Electricity	5 - 50
• Water	5 - 50
• Sewerage	10 - 50
Community	
• Buildings	5 - 50
• Recreational Facilities	5 - 50
• Security	5 - 50
• Halls	5 - 50
• Libraries	5 - 50
• Parks and Gardens	5 - 50
• Other Assets	5 - 50
<input type="checkbox"/> Heritage Assets	<input type="checkbox"/>
• Buildings	5 - 50
• Paintings and artifacts	5 - 50
Other property, plant and equipment	
• Buildings	5 - 50
• Specialist vehicles	5 - 15
• Other Vehicles	5 - 15
• Office Equipment	5 - 10
• Furniture and Fittings	5 - 7
• Watercraft	
• Bins and Containers	10 - 20
• Specialised past and equipment	5 - 10
• Other items of plant and equipment	5 - 15
• Quarries	5 - 15
• Emergency equipment	5 - 10
• Computer equipment	

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

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

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.5 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

### 1.6 Inventories

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

### 1.7 Financial instruments

#### Initial recognition

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

The entity recognises financial assets using trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as a financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

#### Subsequent measurement of financial assets and financial liabilities

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

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

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

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.7 Financial instruments (continued)

#### INVESTMENTS AT AMORTISED COSTS

Investments, are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

#### INVESTMENTS AT FAIR VALUE

Investments, which represent investments in residual interest for which fair value can be measured reliably, are subsequently measured at fair value.

Gains and losses in the fair value of such investments are recognised in the Statement of Financial Performance.

#### INVESTMENTS AT COST

Investments at cost, which represent investments in residual interest for which there is no quoted market price and for which fair value cannot be measured reliably, are subsequently measured at cost.

#### INVESTMENT GUARANTEE

The municipality's investment is fixed deposit held at ABSA as Eskom Guarantee.

The municipality does not have access, they only receive interest on that investment.

#### Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

#### Derecognition

##### Financial assets

The entity derecognises financial assets using trade date accounting.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.7 Financial instruments (continued)

The entity derecognises a financial asset only when:

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

### Financial liabilities

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

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

### 1.8 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.9 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.10 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.11 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.11 Provisions and contingencies (continued)

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

### 1.12 Budget information

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements has been prepared. The comparison of budget and actual amount will be presented on the same accounting basis, same classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process. The municipality's material variance is considered when there is a 6% deviation from the budget. The explanation for material variance between budget and actual are provided in the annexure of comparison of budget and actual.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2014/07/01 to 2015/06/30 and was approved by council on the 31 May 2014 through a council resolution as required by MFMA. An Adjustment budget has been approved by council during February 2015.

### 1.13 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

### 1.14 Capital Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- where the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

# Blouberg Local Municipality

(Registration number LIM351)

Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.15 Value Added Tax

VAT is payable on the cash basis. Payment is received from debtors VAT is paid over

### 1.16 Leases

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

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

#### Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Income for leases is disclosed under revenue in statement of financial performance.

#### Operating leases - lessee

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

### 1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.17 Revenue from exchange transactions (continued)

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

### Interest

Interest is recognised, in surplus or deficit, using the effective interest rate method on a time proportion basis.

### 1.18 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.18 Revenue from non-exchange transactions (continued)

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

### 1.19 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

### 1.20 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.21 Employee benefits

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.21 Employee benefits (continued)

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted.

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

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### 1.21 Employee benefits (continued)

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

#### Long term employee benefits

Long-term employee benefits are employee benefits that are due to be settled after twelve months after the end of period in which the employees render service.

Long-term employee benefits include items such as:

- Long service awards
- Long-term leave

### 1.22 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

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

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and

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### 1.22 Impairment of cash-generating assets (continued)

- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

### Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

### Recognition and measurement (individual asset)

An asset's recoverable amount (or recoverable service amount) is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use. This recoverable amount (or recoverable service amount) is determined for individual assets, unless those individual assets are part of a larger cash generating unit, in which case the recoverable amount (or recoverable service amount) is determined for the whole cash generating unit.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

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### 1.22 Impairment of cash-generating assets (continued)

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

### Reversal of impairment loss

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

### 1.23 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount.

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

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## Accounting Policies

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### 1.23 Impairment of non-cash-generating assets (continued)

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.24 Significant judgements and sources of estimation uncertainty

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

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

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

#### Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

#### Impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

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### 1.24 Significant judgements and sources of estimation uncertainty (continued)

#### Provisions

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

#### Allowance for doubtful debts

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

#### Leave provision

Annual leave accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year-end, based on the value of statutory and non-statutory leave.

#### Contingent liabilities

Contingencies disclosed in the current year required estimates and judgements. These estimates and judgements were done by the lawyers.

### 1.25 Accumulated Surplus/(Loss)

The net assets of the municipality evidence the residual interest in the assets of an municipality after deducting all of its liabilities.

### 1.26 Events after reporting period

Events after the reporting period are those events, favourable or unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The municipality must ensure that all adjusting and non-adjusting events after the reporting period are identified.

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
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#### **GRAP 25: Employee benefits**

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires an municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when an municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by an municipality in exchange for service rendered by employees;
- Defined contribution plans as post-employment benefit plans under which an municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods;
- Defined benefit plans as post-employment benefit plans other than defined contribution plans;
- Multi-employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:
  - pool the assets contributed by various entities that are not under common control; and
  - use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the municipality that employs the employees concerned;
- Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that is not due to be settled within twelve months after the end of the period in which the employees render the related service;
- Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;
- Post-employment benefit plans as formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees;
- Short-term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;
- State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;
- Termination benefits as employee benefits payable as a result of either:
  - an entity's decision to terminate an employee's employment before the normal retirement date; or
  - an employee's decision to accept voluntary redundancy in exchange for those benefits;
- Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

- Short-term employee benefits;
  - All short-term employee benefits;
  - Short-term compensated absences;
  - Bonus, incentive and performance related payments;
- Post-employment benefits: Defined contribution plans;
- Other long-term employee benefits;
- Termination benefits.

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### 2. New standards and interpretations (continued)

The standard states Post-employment benefits: Distinction between defined contribution plans and defined benefit plans:

- Multi-employer plans;
- Defined benefit plans where the participating entities are under common control;
- State plans;
- Composite social security programmes;
- Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

- Recognition and measurement;
- Presentation;
- Disclosure;
- Accounting for the constructive obligation;
- Statement of financial position;
- Asset recognition ceiling;
- Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;
- Statement of financial performance.

The standard prescribes recognition and measurement for:

- Present value of defined benefit obligations and current service cost:
  - Actuarial valuation method;
  - Attributing benefits to periods of service;
  - Actuarial assumptions;
  - Actuarial assumptions: Discount rate;
  - Actuarial assumptions: Salaries, benefits and medical costs;
  - Actuarial gains and losses;
  - Past service cost.
- Plan assets:
  - Fair value of plan assets;
  - Reimbursements;
  - Return on plan assets.

The standard also deals with Entity combinations and Curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

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### 2. New standards and interpretations (continued)

#### 2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2015 or later periods:

The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. It requires an acquirer and a transferor that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying the acquirer and transferor, Determining the transfer date, Assets acquired or transferred and liabilities assumed or relinquished, Accounting by the acquirer and transferor, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality expects to adopt the standard for the first time in the 2015 annual financial statements.

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying a transfer of functions between entities not under common control, The acquisition method, Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred, Measurement period, Determining what is part of a transfer of functions, Subsequent measurement and accounting, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

#### GRAP 107: Mergers

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying a transfer of functions between entities not under common control, The acquisition method, Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred, Measurement period, Determining what is part of a transfer of functions, Subsequent measurement and accounting, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations..

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

#### GRAP 20: Related parties

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### 2. New standards and interpretations (continued)

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity;
  - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  - the entity is controlled or jointly controlled by a person identified in (a); and
  - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2014.

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### 2. New standards and interpretations (continued)

The municipality expects to adopt the standard for the first time in the 2015 annual financial statements.

#### IGRAP 11: Consolidation – Special purpose entities

An entity may be created to accomplish a narrow and well-defined objective (e.g. to effect a lease, research and development activities or a securitisation of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their management over the operations of the SPE. Frequently, these provisions specify that the policy guiding the ongoing activities of the SPE cannot be modified, other than perhaps by its creator or sponsor (ie they operate on so-called 'autopilot'). The sponsor (or entity on whose behalf the SPE was created) frequently transfers assets to the SPE, obtains the right to use assets held by the SPE or performs services for the SPE, while other parties ('capital providers') may provide the funding to the SPE. An entity that engages in transactions with an SPE (frequently the creator or sponsor) may in substance control the SPE. A beneficial interest in an SPE may, for example, take the form of a debt instrument, an equity instrument, a participation right, a residual interest or a lease. Some beneficial interests may simply provide the holder with a fixed or stated rate of return, while others give the holder rights or access to other future economic benefits or service potential of the SPE's activities. In most cases, the creator or sponsor (or the entity on whose behalf the SPE was created) retains a significant beneficial interest in the SPE's activities, even though it may own little or none of the SPE's net assets.

The Standard of GRAP on Consolidated and Separate Financial Statements requires the consolidation of entities that are controlled by the reporting entity. However, the Standard of GRAP does not provide explicit guidance on the consolidation of SPEs. The issue is under what circumstances an entity should consolidate an SPE. This interpretation of the Standards of GRAP does not apply to post-employment benefit plans or other long-term employee benefit plans to which the Standard of GRAP on Employee Benefits applies.

A transfer of assets from an entity to an SPE may qualify as a sale by that entity. Even if the transfer does qualify as a sale, the provisions of the Standard of GRAP on Consolidated and Separate Financial Statements and this Interpretation of the Standards of GRAP may mean that the entity should consolidate the SPE. This Interpretation of the Standards of GRAP does not address the circumstances in which sale treatment should apply for the entity or the elimination of the consequences of such a sale upon consolidation.

The effective date of this interpretation is dependent on/in conjunction with the effective date of GRAP105, 106 and 107.

The municipality expects to adopt the interpretation for the first time in the 2015 annual financial statements.

#### IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures

Paragraph .54 in the Standard of GRAP on Interests in Joint Ventures refers to both contributions and sales between a venturer and a joint venture as follows: 'When a venturer contributes or sells assets to a joint venture, recognition of any portion of a gain or loss from the transaction shall reflect the substance of the transaction'. In addition, paragraph 31 in the Standard of GRAP on Interests in Joint Ventures says that 'a jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest'. There is no explicit guidance on the recognition of gains and losses resulting from contributions of non-monetary assets to jointly controlled entities ('JCEs').

Contributions to a JCE are transfers of assets by venturers in exchange for an interest in the net asset in the JCE. Such contributions may take various forms. Contributions may be made simultaneously by the venturers either upon establishing the JCE or subsequently. The consideration received by the venturer(s) in exchange for assets contributed to the JCE may also include cash or other consideration that does not depend on future cash flows of the JCE ('additional consideration').

The issues are:

- when the appropriate portion of gains or losses resulting from a contribution of a non-monetary asset to a JCE in exchange for an interest in the net assets in the JCE should be recognised by the venturer in surplus or deficit;
- how additional consideration should be accounted for by the venturer; and
- how any unrealised gain or loss should be presented in the consolidated

This Interpretation of the Standards of GRAP deals with the venturer's accounting for non-monetary contributions to a JCE in exchange for an interest in the net assets in the JCE that is accounted for using either the equity method or proportionate consolidation.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and

2015

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### 2. New standards and interpretations (continued)

The effective date of this interpretation is dependent on/in conjunction with the effective date of GRAP105, 106 and 107.

The municipality expects to adopt the interpretation for the first time in the 2015 annual financial statements.

#### GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements

The definition of 'minority interest' has been amended to 'non-controlling interest', and paragraph .60 was added by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

Paragraph .59 was amended by Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107] from the date at which it first applied the Standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .03, .39, .47 to .50 and added paragraphs .51 to .58 and .61 to .62. An entity shall apply these amendments when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

An entity shall apply this amendment for annual financial statements covering periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107].

The municipality expects to adopt the amendment for the first time in the 2015 annual financial statements.

#### GRAP 7 (as revised 2010): Investments in Associates

Paragraphs .03 and .42 were amended by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .22, .28 and .38 and added paragraph .24. An entity shall apply these amendments and addition when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

An entity shall apply this amendment for annual financial statements covering periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107].

The municipality expects to adopt the amendment for the first time in the 2015 annual financial statements.

#### IGRAP1 (as revised 2012): Applying the probability test on initial recognition of revenue

Paragraphs .03, .04, .05, .06, .08 and .10, were amended and paragraph .02 was added in the Interpretation of the Standards of GRAP.

This Interpretation of the Standards of GRAP now addresses the manner in which an entity applies the probability test on initial recognition of both:

- (a) exchange revenue in accordance with the Standard of GRAP on Revenue from Exchange Transactions and
- (b) non-exchange revenue in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

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## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

This Interpretation of the Standards of GRAP supersedes the Interpretation of the Standards of GRAP: Applying the Probability Test on Initial Recognition of Exchange Revenue issued in 2009.

The effective date of the amendment is for years beginning on or after 01 April 2013.

#### GRAP32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister set the effective date for the standard.

#### GRAP108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister set the effective date for the standard.

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister set the effective date for the standard.

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## Notes to the Annual Financial Statements

Figures in and	2015	2014				
<b>3. Inventories</b>						
Consumable stores	1 121 216	782 313				
<b>Inventory pledged as security</b>						
No inventory of the municipality was lodged or pledged as security:						
<b>4. Cash and cash equivalents</b>						
Cash and cash equivalents consist of the following:						
Cash on hand	74	415				
Bank balances	18 523 057	14 796 869				
	<b>18 523 131</b>	<b>14 797 284</b>				
<b>The municipality had the following bank accounts</b>						
Account number / description	Bank statement balances			Cash book balances		
	30 June 2015	30 June 2014	30 June 2013	30 June 2015	30 June 2014	30 June 2013
ABSA BANK Current Account	18 480 159	14 750 685	2 681 417	18 477 783	14 750 685	2 302 117
ABSA BANK Current Account	45 274	46 184	47 484	45 274	46 184	47 484
<b>Total</b>	<b>18 525 433</b>	<b>14 796 869</b>	<b>2 728 901</b>	<b>18 523 057</b>	<b>14 796 869</b>	<b>2 349 601</b>
<b>5. Receivables from exchange transactions</b>						
Other receivables - prepaid electricity				215 790		26 610
Other receivables - CDM				6 169 190		5 242 762
Other receivables - rental				29 603		33 597
Other receivables - Land				1 229 077		2 381 743
				<b>7 643 660</b>		<b>7 684 712</b>
<b>6. Consumer debtors</b>						
<b>Gross balances</b>						
Electricity				3 989 498		3 291 055
Refuse				1 137 225		1 083 495
Sundry				3 279 966		1 477 909
				<b>8 406 689</b>		<b>5 852 459</b>
<b>Less: Allowance for impairment</b>						
Electricity				(2 194 759)		(1 352 041)
Refuse				(705 640)		(502 834)
Sundry				(844 725)		(831 270)
				<b>(3 745 124)</b>		<b>(2 686 145)</b>
<b>Net balance</b>						
Electricity				1 794 738		1 939 014
Refuse				431 586		580 661
Sundry				2 435 241		646 639
				<b>4 661 565</b>		<b>3 166 314</b>
<b>Electricity</b>						
Current (0 -30 days)				271 347		103 603

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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>6. Consumer debtors (continued)</b>		
31 - 60 days	335 367	102 189
61 - 90 days	210 369	52 165
91 - 120 days	137 445	56 253
121 - 365 days	95 662	81 897
> 365 days	2 939 307	2 894 949
	<b>3 989 497</b>	<b>3 291 056</b>
<b>Refuse</b>		
Current (0 -30 days)	26 287	21 348
31 - 60 days	26 008	20 561
61 - 90 days	25 272	18 917
91 - 120 days	3 527	17 923
121 - 365 days	22 731	16 871
> 365 days	1 033 390	987 873
	<b>1 137 215</b>	<b>1 083 493</b>
<b>Other (specify)</b>		
Current (0 -30 days)	100 881	16 780
31 - 60 days	108 731	16 037
61 - 90 days	88 433	16 037
91 - 120 days	55 276	16 037
121 - 365 days	353 902	6 984
> 365 days	2 572 743	1 406 033
	<b>3 279 966</b>	<b>1 477 908</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	3 745 124	2 686 145
<b>7. Receivables from non-exchange transactions</b>		
Traffic Fines	516 268	931 798
Rates debtors	26 218 541	17 390 547
Other receivable- Senior Managers	62 212	62 212
CDM - Free and basic water	2 956 985	2 956 985
Other	2 000 930	156 675
	<b>31 754 936</b>	<b>21 498 217</b>
<b>Rates</b>		
Current (0 -30 days)	200 727	130 702
31 - 60 days	137 393	50 853
61 - 90 days	136 447	45 454
91 - 120 days	72 373	43 667
121 - 365 days	51 872	896 121
> 365 days	39 606 171	29 626 831
	<b>40 204 983</b>	<b>30 793 628</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(15 516 701)	(11 519 616)
Contributions to allowance	1 530 260	(1 562 598)
Debt impairment written off against allowance	-	(2 434 487)
	<b>(13 986 441)</b>	<b>(15 516 701)</b>

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>8. VAT receivable</b>		
VAT	5 273 566	2 284 186
Less : provision for bad debt	(336 367)	-
	<b>4 937 199</b>	<b>2 284 186</b>

### 9. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Restated Cost / Valuation	Accumulated depreciation and accumulated impairment	Restated Carrying value
Land	10 491 290	-	10 491 290	10 491 290	-	10 491 290
Buildings	45 098 661	(15 003 328)	30 095 333	44 763 739	(12 696 441)	32 067 298
Infrastructure	1 121 444 181	(457 960 049)	663 484 132	1 109 859 874	(414 483 386)	695 376 488
Community	110 263 670	(19 716 093)	90 547 577	65 630 936	(16 111 190)	49 519 746
Other property, plant and equipment	19 259 349	(9 286 347)	9 973 002	15 358 759	(6 729 175)	8 629 584
Work in Progress	11 270 374	-	11 270 374	26 148 064	-	26 148 064
<b>Total</b>	<b>1 317 827 525</b>	<b>(501 965 817)</b>	<b>815 861 708</b>	<b>1 272 252 662</b>	<b>(450 020 192)</b>	<b>822 232 470</b>

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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and

### 9. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Other Additions	Transfers	Depreciation	Total
Land	10 491 290	-	-	-	-	-	10 491 290
Buildings	32 067 298	-	-	334 922	-	(2 306 887)	30 095 333
Infrastructure	695 376 488	9 161 510	-	-	2 422 798	(43 476 664)	663 484 132
Community	49 519 746	7 370 054	-	-	37 262 675	(3 604 898)	90 547 577
Other property, plant and equipment	8 629 584	3 910 064	(9 473)	-	-	(2 557 173)	9 973 002
Work in Progress	26 148 064	24 807 784	-	-	(39 685 474)	-	11 270 374
	<b>822 232 470</b>	<b>45 249 412</b>	<b>(9 473)</b>	<b>334 922</b>	<b>(1)</b>	<b>(51 945 622)</b>	<b>815 861 708</b>

#### Reconciliation of property, plant and equipment - 2014

	Restated Opening balance	Additions	Other Additions	Transfers	Depreciation	Impairment loss	Restated Total
Land	10 221 290	270 000	-	-	-	-	10 491 290
Buildings	28 052 540	-	5 582 026	-	(1 567 268)	-	32 067 298
Infrastructure	723 838 749	14 067 418	-	601 420	(42 671 089)	(460 010)	695 376 488
Community	43 773 332	1 691 658	-	6 563 803	(2 509 047)	-	49 519 746
Other property, plant and equipment	9 399 460	1 509 214	-	-	(2 279 090)	-	8 629 584
Work in Progress	16 880 154	16 433 133	-	(7 165 223)	-	-	26 148 064
	<b>832 165 525</b>	<b>33 971 423</b>	<b>5 582 026</b>	<b>-</b>	<b>(49 026 494)</b>	<b>(460 010)</b>	<b>822 232 470</b>

#### Pledged as security

No assets of municipality was lodge or pledged as security:

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Refer to Appendix B for more detail on property, plant and equipment.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and 2015 2014

### 10. Investments

Name of company	Carrying amount 2015	Carrying amount 2014
Absa	3 091 620	3 088 937

The above amount is held by Absa for Eskom as a gaurentee.

### 11. Payables from exchange transactions

Trade payables	12 095 048	12 363 330
Payments received in advanced - contract in process	1 752 949	1 256 753
Retentions	10 139 303	6 478 963
13th cheque provision	1 412 792	1 270 991
	<b>25 400 092</b>	<b>21 370 037</b>

Electricity and water	1	1
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The municipality is currently not charging consumer deposits on new sites.

### 12. Other financial liabilities

#### At amortised cost

(Under) and Over banking	(68 169)	4 840
Interbank Transfer suspense	5 099	5 099
Receipt Reversal Suspense Account	(36 508)	3 342
AllDays Services : Unallocate	157 526	157 526
Salary Suspense Account	(6 274)	2 571 944
CDM : Creditors/Debtors WSP	342 173	342 173
Bank Unallocated Deposits	3 895 853	615 201

<b>Total other financial liabilities</b>	<b>4 289 700</b>	<b>3 700 125</b>
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#### Current liabilities

At amortised cost	4 289 700	3 700 125
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### 13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Municipal Infrastructure Grant (MIG)	8 841 166	9 779 376
Other Government grants and subsidies (CDM)	135 267	1 676 459
	<b>8 976 433</b>	<b>11 455 835</b>

### 14. Provisions

#### Reconciliation of provisions - 2015

	Opening Balance	Additions	Total
<b>Current Liabilities</b>			-
Provision for leave	4 897 340	449 025	5 346 365
			-

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>14. Provisions (continued)</b>		
<b>Non-Current Liabilities</b>		
Provision for performance bonus	709 280	49 941
Provision for long-service awards	2 497 000	159 000
Provision for restoration cost	9 274 897	556 494
	<b>12 481 177</b>	<b>765 435</b>
		<b>13 246 612</b>

### Reconciliation of provisions - 2014

	Opening Balance	Restated Additions	Restated Total
<b>Current Liabilities</b>			
Provision for leave	4 086 000	811 340	4 897 340
<b>Non-Current Liabilities</b>			
Provision for performance bonus	-	709 280	709 280
Provision for long-service awards	1 910 000	587 000	2 497 000
Provision for restoration costs	-	9 274 897	9 274 897
	<b>1 910 000</b>	<b>10 571 177</b>	<b>12 481 177</b>

### Employee benefit cost provision

The employees of Blouberg qualifies for the following long-service award additional leave for various periods of uninterrupted service

- 10 years uninterrupted service: 10 working days' leave
- 15 years uninterrupted service: 20 working days' leave
- 20 years uninterrupted service: 30 working days' leave
- 25 years uninterrupted service: 30 working days' leave
- 30 years uninterrupted service: 30 working days' leave
- 35 years uninterrupted service: 30 working days' leave
- 40 years uninterrupted service: 30 working days' leave
- 45 years uninterrupted service: 30 working days' leave

### Provision for performance bonus

Performance bonus is a benefit paid to the executive management after performance assessment are being done and expectations or targets are met.

### Provision for long-service awards

The Long Service Bonus plans are defined benefit plans. As at year end, 186 employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability at 30 June 2015 is estimated at R 2 656 000. The Current-service Cost for the year ending 30 June 2015 is estimated at R 332 000. It is estimated to be R 319 000 for the ensuing year.

Key actuarial assumptions used:

#### Rate of interest

Discount rate	8.49%	8.65%
General Salary Inflation (long-term)	7.15%	7.85%
Nett Effective Discount Rate applied to Long Service Bonusses	1.25%	0.74%

The amounts recognised in the Statement of Financial Position are as follows:

<b>Present Value of fund obligation</b>		
Balance	2 656 000	2 497 000
<b>Net liability / (asset)</b>	<b>2 656 000</b>	<b>2 497 000</b>

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>14. Provisions (continued)</b>		
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	2 497 000	1 910 000
Total expenses	384 000	384 000
Current service and Interest cost	332 000	332 000
Interest cost	209 000	209 000
Benefits Paid	(157 000)	(157 000)
Actuarial (gains)/losses	(225 000)	203 000
Present value of fund obligation at the end of the year	2 656 000	2 497 000
<b>Balance 30 June</b>	<b>2 656 000</b>	<b>2 497 000</b>

### Provision for restoration cost

The municipality has acquired Alldays landfill site and is also using Senwabarwana dumping site. The municipality does not own the Senwabarwana dumping site. The municipality is expected to rehabilitate both the Alldays landfill site and Senwabarwana dumping site at the end of their useful lives to avoid environmental pollution. The Alldays landfill site and Senwabarwana dumping site have a useful life for 8 years. The expected outflow is R5,916,947.46 (2014: R5,582,026) and R3,914,443 (2014: R3,962,871).

### 15. Service charges

Sale of electricity	16 767 207	12 370 642
Refuse removal	333 119	239 718
	<b>17 100 326</b>	<b>12 610 360</b>

### 16. Rental of facilities and equipment

#### Facilities and equipment

Rental of facilities and equipment	820 363	769 483
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### 17. Interest received - investment

Bank	311 440	169 305
Investments	728 292	946 491
	<b>1 039 732</b>	<b>1 115 796</b>

### 18. Other income

Building plans	60 843	90 931
Tender documents	174 242	174 074
Sale of sites	-	1 460 887
LGSETA Refund capacity building	101 312	101 136
Connection fees	66 782	126 042
Cattle pound	39 749	15 044
Commission	539 051	1 332 477
Other sundry income	460 644	249 383
	<b>1 442 623</b>	<b>3 549 974</b>

### 19. Property rates

#### Rates received

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## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>19. Property rates (continued)</b>		
Residential	451 563	56 553
Commercial	426 559	50 380
State	11 628 711	5 051 190
Small holdings and farms	2 453 558	8 959 686
Heavy industries	24 228	34 669
	<b>14 984 619</b>	<b>14 152 478</b>

### Valuations

Residential	176 147 513	132 618 000
Commercial	2 558 872 600	2 566 749 600
State	587 928 900	436 065 013
Municipal	23 802 572	13 619 000
Other	6 530 000	6 530 000
	<b>3 353 281 585</b>	<b>3 155 581 613</b>

Valuations on land and buildings are performed every four years. The last general valuation came into effect on 1 July 2012.

A general rate of 0.0016 (2014: 0.005) cents in the rand is applied to property valuations to determine assessment rates. Rebates of 70% to farms, 20% on residential and 30% on business and state property owners.

Rates are levied on an annual basis. Interest at 5% per annum (2014: 5%), is levied on rates outstanding.

### 20. Government grants and subsidies

#### Operating grants

Equitable share	117 073 658	100 568 000
Financial Management Grant (FMG)	1 800 000	1 650 000
Municipal Systems Improvement Grant (MSIG)	934 000	890 000
Expanded Public Works Programme (EPWP)	1 651 000	1 000 000
Expanded Public works program: CDM	684 086	-
	<b>122 142 744</b>	<b>104 108 000</b>

#### Capital grants

Municipal Infrastructure Grant (MIG)	43 486 552	28 424 269
Municipal Electrification (DME)	3 000 000	7 000 000
Other Government grants and subsidies (CDM)	1 617 706	1 187 034
	<b>48 104 258</b>	<b>36 611 303</b>
	<b>170 247 002</b>	<b>140 719 303</b>

#### Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy of R - (2014: R -), which is funded from the grant.

#### Financial Management Grant (FMG)

Current-year receipts	1 800 000	1 650 000
Conditions met - transferred to revenue	(1 800 000)	(1 650 000)
	-	-

Conditions of this grant is to support municipality on financial capacity and further appoint financial interns to capacitate budget and treasury office of the municipality.

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>20. Government grants and subsidies (continued)</b>		
<b>Municipal Systems Improvement Grant (MSIG)</b>		
Current-year receipts	934 000	890 000
Conditions met - transferred to revenue	(934 000)	(890 000)
	-	-
Conditions is to capacitate municipality on issues of governance ).		
<b>Municipal Infrastructure Grant (MIG)</b>		
Balance unspent at beginning of year	9 779 376	7 877 644
Current-year receipts	43 408 000	30 326 000
Conditions met - transferred to revenue	(43 486 552)	(28 424 268)
Grant withheld	(859 658)	-
	<b>8 841 166</b>	<b>9 779 376</b>
National Treasury withheld R 859 658 due to underspending in the current financial period. (Unspend grant MIG)		
The grant is used to provide infrastructure service delivery to communities.		
<b>Expanded Public Works Programme (EPWP)</b>		
Current-year receipts	1 651 000	1 000 000
Conditions met - transferred to revenue	(1 651 000)	(1 000 000)
	-	-
To appoint community members in addressing unemployment within the municipality		
<b>Intergrated National Electrification Programme (INEP)</b>		
Current-year receipts	3 000 000	7 000 000
Conditions met - transferred to revenue	(3 000 000)	(7 000 000)
	-	-
Conditions of the grant is to electrify communities in line with service delivery mandates.		
<b>CDM Grant</b>		
Balance unspent at beginning of year	1 676 459	1 863 493
Current-year receipts	760 600	1 000 000
Conditions met - transferred to revenue	(2 301 792)	(1 187 034)
	<b>135 267</b>	<b>1 676 459</b>
Support grant from the district on functions allocated to them but residing in our municipal jurisdiction		
<b>21. Revenue</b>		
Service charges	17 100 326	12 610 360
Rental of facilities and equipment	820 363	769 483
Interest on Outstanding Debtors	388 434	184 311
Licences and permits	2 593 067	2 491 142
Other income	1 442 624	3 549 974
Interest received - investment	1 039 732	1 115 796
Property rates	14 984 619	14 152 478

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>21. Revenue (continued)</b>		
Government grants & subsidies	170 247 002	140 719 303
Fines	2 161 330	1 456 830
	<b>210 777 497</b>	<b>177 049 677</b>

### The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	17 100 326	12 610 360
Rental of facilities and equipment	820 363	769 483
Interest received on outstanding Debtors	388 434	184 311
Licences and permits	2 593 067	2 491 142
Other income	1 442 624	3 549 974
Interest received - investment	1 039 732	1 115 796
	<b>23 384 546</b>	<b>20 721 066</b>

### The amount included in revenue arising from non-exchange transactions is as follows:

<b>Taxation revenue</b>		
Property rates	14 984 619	14 152 478
<b>Transfer revenue</b>		
Government grants & subsidies	170 247 002	140 719 303
Fines	2 161 330	1 456 830
	<b>187 392 951</b>	<b>156 328 611</b>

## 22. Employee related costs

Basic	40 667 199	39 152 036
Bonus	3 710 012	3 313 470
Medical aid - company contributions	2 313 947	1 832 400
UIF	312 667	302 217
SDL	384 780	344 347
Pension Fund contributions	8 945 616	8 052 592
Travel, motor car, accommodation, subsistence and other allowances	11 121 058	9 762 076
Overtime payments	1 034 357	949 500
Acting allowances	39 488	222 777
Housing benefits and allowances	272 607	111 632
Other employee related costs	1 040 033	2 180 117
	<b>69 841 764</b>	<b>66 223 164</b>

### Remuneration of municipal manager

Annual Remuneration	662 688	631 837
Travel, motor, accommodation, subsistence and other allowances	236 469	234 481
Performance and other bonuses	60 557	47 857
Contributions to UIF, Medical and Pension Funds	146 178	130 809
	<b>1 105 892</b>	<b>1 044 984</b>

### Remuneration of chief finance officer

Annual Remuneration	540 000	526 800
Travel, motor, accommodation, subsistence and other allowances	195 171	233 492
Performance and other bonuses	54 813	13 333
Contributions to UIF, Medical and Pension Funds	120 138	129 481
	<b>910 122</b>	<b>903 106</b>

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## Notes to the Annual Financial Statements

Figures in and

2015

2014

### 22. Employee related costs (continued)

#### Remuneration of executive directors

2015	Technical Services	Local Economic Development	Corporate Services	Community Services
Annual Remuneration	450 000	542 843	542 843	542 843
Performance and other bonuses	-	54 813	9 813	54 813
Travel, motor car, accommodation, subsistence and other allowances	179 870	194 414	293 099	248 099
Contributions to UIF, Medical and Pension Funds	82 555	119 727	98 298	98 298
	<b>712 425</b>	<b>911 797</b>	<b>944 053</b>	<b>944 053</b>

2014	Technical Services	Local Economic Development	Corporate Services	Community Services
Annual Remuneration	302 629	503 757	122 207	236 952
Acting allowances	-	-	72 486	72 041
Performance and other bonuses	-	40 736	-	64 597
Travel, motor car, accommodation, subsistence and other allowances	130 415	195 744	64 758	90 128
Contributions to UIF, Medical and Pension Funds	51 888	105 034	22 611	2 414
S&T	71 005	65 463	11 236	97 525
	<b>555 937</b>	<b>910 734</b>	<b>293 298</b>	<b>563 657</b>

### 23. Remuneration of councillors

Councillors			11 336 993	10 661 709
Councillors' pension contribution			801 884	971 678
			<b>12 138 877</b>	<b>11 633 387</b>

#### In-kind benefits

The Mayor, Speaker, Chief Whip and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor has the use of separate Council owned vehicles for official duties.

The Mayor has two full-time drivers.

### 24. Debt impairment

Contributions to debt impairment provision			3 856 489	3 997 444
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### 25. Depreciation and amortisation

Property, plant and equipment			51 686 470	49 026 498
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### 26. Bulk purchases

Electricity			19 313 157	17 908 351
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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>27. Contracted services</b>		
Security Services	3 160 405	2 456 865
<b>28. General expenses</b>		
Administration and management fees	450 544	424 602
Advertising	257 728	285 970
Auditors remuneration	2 075 735	2 208 438
Bank charges	271 172	246 286
Provision for restoration costs of landfill site	221 572	3 692 871
Consulting and professional fees	1 888 347	5 438 490
Consumables	461 692	267 617
Insurance	438 834	471 297
Conferences and seminars	1 430 926	1 304 578
IT expenses	2 171 722	515 047
Lease rentals on operating lease	1 196 310	488 639
Fuel and oil	2 934 457	2 908 069
Postage and courier	13 372	7 264
Printing and stationery	814 440	666 136
Protective clothing	272 144	49 381
Staff welfare	45 928	37 400
Subscriptions and membership fees	661 200	467 199
Telephone and fax	1 241 343	1 468 224
Training	1 169 259	662 748
Travel - local	6 943 101	6 732 431
Water	11 399	39 479
Audit committee fees	177 883	171 792
Other expenses	1 960 089	3 558 413
Ward Committee expenses	3 049 869	2 492 417
Free basic services electricity	888 041	599 713
Sport ward committee	793 012	750 432
Sport Development	530 008	382 824
Bursaries	250 883	442 493
Public participation	739 479	584 844
Licence fees - vehicles	54 412	53 930
Valuation costs	631 579	787 537
Grants and subsidies paid	5 871 719	1 793 726
	<b>39 918 199</b>	<b>40 000 287</b>
<b>29. Impairment Loss</b>		
<b>Impairments</b>		
Property, plant and equipment	-	460 010
There is a small section of the assets that were assessed as impaired. These are for other assets which are no longer usable and the value in use is zero. These assets are broken, chairs, air conditioner and cupboard.		
<b>30. Cash generated from operations</b>		
Surplus (deficit)	8 705 060	(15 664 723)
<b>Adjustments for:</b>		
Depreciation and amortisation	51 686 470	49 026 498
Loss on sale of assets and liabilities	261 924	-
Restoration costs	-	3 692 871
Impairment deficit	-	460 010
Debt impairment	-	3 997 444
<b>Changes in working capital:</b>		

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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>30. Cash generated from operations (continued)</b>		
Inventories	(338 903)	634 255
Receivables from exchange transactions	41 052	(1 418 173)
(Increase)/ decrease in trade receivables	(1 495 251)	(459 798)
(Increase)/ decrease in other receivables	(10 256 719)	(3 688 075)
Payables from exchange transactions	4 030 056	7 764 659
(Increase)/ decrease in vat receivable	(2 653 013)	(65 359)
Unspent conditional grants and receipts	(2 479 402)	1 714 698
Other current financial liabilities	589 576	415 903
Other liability	884 408	-
	<b>48 975 258</b>	<b>46 410 210</b>

### 31. Prior period errors

The comparative amount has been restated as follows:

#### 31.1 RAL Roads expense

During September 2014, the member of the Limpopo Provincial Administration Executive Committee responsible for roads matters in the province declared in terms of government gazette 2417, certain portions of roads previously under the ownership of Limpopo Roads Agency as municipal roads retrospectively from 31 March 2012. The gazette was issued after the annual financial statements were submitted for audit.

The effect of the change is as follows:

Depreciation	-	-	1 055 201,00
<b>Net effect on surplus/deficit for the year.</b>	-	-	<b>1 055 201,00</b>
Property, plant and equipment - cost	-	-	22 286 580,00
Accumulated Depreciation	-	-	(1 319 002,00)
Accumulated Surplus	-	-	(20 967 578,00)
<b>Net effect on statement of financial position</b>	-	-	-
<b>Net effect on statement of Net assets</b>	-	-	<b>(20 967 578,00)</b>

#### 31.2. MTN Telephone expense

The municipality received invoices in respect of cellphone usage for municipal employees and councillors and it was not accounted for in the previous financial year resulting in payables from exchange transactions and general expenses being understated. Comparative figures has been restated and the effect of the change is as follows:

General expense - Telephone	-	-	607 970,00
<b>Net effect on surplus/deficit for the year.</b>	-	-	<b>607 970,00</b>
Payables from exchange transactions	-	-	(1 442 837,00)
Accumulated Surplus	-	-	834 867,00
<b>Net effect on statement of financial position</b>	-	-	<b>(607 970,00)</b>
<b>Net effect on statement of Net assets</b>	-	-	<b>834 867,00</b>

#### 31.3 Senwabarwana Landfill Site

	-	-	-
	-	-	-

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>31. Prior period errors (continued)</b>		
The municipality is using the Senwabarwana dumping site and the provision for rehabilitation for dumping site was not provided for resulting in the provisions and General expenses being understated. The effect of the change is as follows:	-	-
Restoration Costs	-	3 692 871,00
<b>Net effect on surplus/deficit for the year.</b>	-	<b>3 692 871,00</b>
Restoration Cost provision	-	(3 692 871,00)
<b>Net effect on statement of financial position</b>	-	<b>(3 692 871,00)</b>
<b>Net effect on statement of Net assets</b>	-	<b>(3 692 871,00)</b>
<b>31.4 Alldays Landfill Site</b>		
The municipality acquired the All Days landfill site towards the end of 2014. The provision was not accounted for in the prior year resulting in provisions and assets being understated. The effect of the change is as follows:	-	-
Restoration Cost provision	-	(5 582 025,00)
Property Plant and Equipment	-	5 582 025,00
<b>Net effect on statement of financial position</b>	-	-
<b>Net effect on statement of Net assets</b>	-	-
<b>32. Unauthorised expenditure</b>		
Opening Balance	41 504 083	37 836 961
Unauthorised expenditure current	39 613 634	3 667 122
	<b>81 117 717</b>	<b>41 504 083</b>
The unauthorised expenditure incurred is due to overspending on budget emanating from bulk purchase of electricity and depreciation on revaluation of assets which is a non cash item.		
<b>33. Fruitless and wasteful expenditure</b>		
Fruitless and wasteful expenditure	328 757	213 313
Add:Fruitless and wasteful current year	42 877	115 444
	<b>371 634</b>	<b>328 757</b>
Fruitless and wasteful expenditure arose as a result of interest expenses incurred due to late payments of suppliers invoice .		
<b>34. Irregular expenditure</b>		
Opening balance	21 109 639	20 334 278
Add: Irregular Expenditure - current year	26 326 253	775 361
	<b>47 435 892</b>	<b>21 109 639</b>
The irregular expenditure is due to non compliance with supply chain processes. the municipality will investigate irregular expenditure.		
<b>35. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government</b>		
Opening balance	-	177 307

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## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>35. Additional disclosure in terms of Municipal Finance Management Act (continued)</b>		
Current year subscription / fee	654 070	447 478
Amount paid - current year	(654 070)	(447 478)
Amount paid - previous years	-	(177 307)
	-	-

### Audit fees

Opening balance	-	27 915
Current year subscription / fee	2 075 735	2 208 438
Amount paid - current year	(2 075 735)	(2 208 438)
Amount paid - previous years	-	(27 915)
	-	-

### PAYE and UIF

Opening balance	879 212	797 150
Current year subscription / fee	12 474 240	11 107 900
Amount paid - current year	(12 474 240)	(10 228 688)
Amount paid - previous years	(879 212)	(797 150)
	-	<b>879 212</b>

The 2014 balance represents PAYE and UIF deducted from the June 2014 payroll. These amounts were paid during July 2014

### Pension and Medical Aid Deductions

Opening balance	1 405 632	1 221 675
Current year subscription / fee	11 474 677	9 884 992
Amount paid - current year	(11 474 677)	(8 479 360)
Amount paid - previous years	(1 405 632)	(1 221 675)
	-	<b>1 405 632</b>

The 2014 balance represents pension and medical aid contributions deducted from employees in the June 2014 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during July 2014.

### VAT

VAT receivable	5 273 566	2 284 186
Provision for bad debt	336 367	-
	<b>4 937 199</b>	<b>2 284 186</b>

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2015:

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2015	Highest outstanding amount	Aging (in days)
S E Sekgotoane	4 418	120+
S Selamolela	1 399	120+

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## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>35. Additional disclosure in terms of Municipal Finance Management Act (continued)</b>		
	<b>5 817</b>	<b>240</b>
30 June 2014	Highest outstanding amount	Aging (in days)
SE Sekgoloane	845	90
<b>Supply chain management Deviations</b>		
In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council. The expenses incurred as listed hereunder have been condoned.		
<b>Incident</b>		
Sole Provider	2 425 123	872 216
Emergency	1 035 394	1 250 058
	<b>3 460 517</b>	<b>1 250 058</b>
<b>36. Commitments</b>		
<b>Authorised Capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Property, plant and equipment	2 367 146	10 998 941
<b>Capital commitments approved not yet contracted for</b>		
• Property, plant and equipment	2 954 000	-
<b>Authorised Operating Expenditure</b>		
<b>Operating Commitments approved and contracted for</b>		
<b>Operating Commitments</b>		
• Security Services	4 055 316	5 814 883
• Total	<b>4 055 316</b>	<b>5 814 883</b>
This committed expenditure relates to infrastructure and operating expenditure will be financed from:		
• Government grant and subsidies		
• Own resources		
<b>37. Operating Lease</b>		
At the reporting date the entity had outstanding commitments under operating leases payable as follows.		
<b>Minimum lease payments due</b>		
- within one year	878 569	-
- in second to fifth year inclusive	2 337 461	-
- later than five years	-	-
	<b>3 216 030</b>	<b>-</b>
<b>38. Distribution losses</b>		
Electricity	3 124 799	5 761 119
Additions as per final audit report	-	4 325 229
Amount Previously reported	-	1 435 890
	<b>3 124 799</b>	<b>5 761 119</b>

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## Notes to the Annual Financial Statements

Figures in and 2015 2014

### 38. Distribution losses (continued)

The municipality purchased 19,639,279.08 units from Eskom and the sold and used 16,701,968.38 units hence there is a difference of 2 937 310.71 units between the purchases and sales. This amounts to a distribution loss of R 3 124 798.63. However municipality has noted the abnormal loss in revenue received against bulk purchases and the variance is R 4 092 448.48 due to expensive rural nights save tariff that the municipality is purchasing electricity from Eskom. The distribution loss for the current year was 15%.

### 39. Contingent Liability

The municipality is currently defending the following cases :

1. Thema Trust Case 870/2015 - Matter was before court on the 25th of August 2015 and it was postponed to the 1st December 2015 for argument	R 350 000	
2 Jackson Hopane Case 1110/2015 - Matter is set down for hearing at the Polokwane High Court on the 3rd November 2015	R 350 000	
3 Ngoako Simon Ramahlala Case 710/2013 - Matter currently on the roll on the 1st September 2015	R 350 000	
4. Desmond Etienne Doman Case LCC23/2013 - Matter still at pleading stage and matter will be set down for hearing	R 350 000	
5. Kgamaki Jonas Mangweta Case LP/PLK/RC499/15 - Matter is for defamation of character and we believe the plaintiff does not have a claim	R 450 000	R 170 000
6. Mr. Tebogo Simon Maramela - Court processes have been exhausted in the matter where upon same is ripe for trial	R 50 000	
6. Municipal Manager 's Suspension - The municipality suspended the Municipal Manager and he challenged the matter in the labour court.		R 436 663
7. Speaker's defamation - The Speaker of the municipality was involved in a defamation of character with a member of the community.		R 100 000

The Municipality is currently using an Unlicensed dumping site in Senwabarwana.

**Total** **R 1 900 000** **R 706 663**

### 40. Related parties

#### Related party transactions

##### Interest paid to (received from) related parties

Commission received from related parties	539 051	1 136 125
Debtors	6 155 363	3 149 165
Grants received from CDM	760 600	1 000 000

The municipality is involved in an agency relationship with Capricorn District Municipality for the provision of water services.

##### Compensation to accounting officer and other key management

Remuneration	20 149 183	17 769 778
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#### Key management information

# Blouberg Local Municipality

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Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>40. Related parties (continued)</b>		
<b>Remuneration of the Municipal Manager (KGOALE T.M.P)</b>		
Annual Remuneration	662 688	631 537
Performance and other bonuses	60 557	47 857
Travel, motor car, accommodation, subsistence and other allowances	236 469	234 481
S & T	96 427	96 427
Contributions to UIF, Medical and Pension Funds	146 178	130 809
	<b>1 202 319</b>	<b>1 141 111</b>

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## Notes to the Annual Financial Statements

Figures in and	2015	2014
<b>40. Related parties (continued)</b>		
<b>Remuneration of the Chief Finance Officer (RAGANYA M.C)</b>		
Annual remuneration	541 600	526 800
Performance and other bonuses	54 813	13 333
Travel, motor car, accommodation, subsistence and other allowances	195 171	233 492
S & T	129 481	129 481
Contributions to UIF, Medical and Pension Funds	120 138	109 731
	<b>1 041 203</b>	<b>1 012 837</b>

### 2015

#### Remuneration of individual Executive Directors

	Local Economic Development	Technical Services	Corporate Services	Community Services
Annual remuneration	542 843	450 000	542 843	542 843
Performance and other bonuses	54 812	-	9 813	54 813
Travel, motor car, accommodation, subsistence and other allowances	194 414	179 870	293 099	248 099
Contributions to UIF, Medical and Pension Funds	119 727	82 555	98 298	98 298
S & T	65 463	71 005	11 236	97 525
	<b>977 259</b>	<b>783 430</b>	<b>955 289</b>	<b>1 041 578</b>

### 2014

	Local Economic Development KGORANE MJ	Technical Services TLHABANI HB	Corporate Services MASIPA MH (March to June)	Corporate Services MOTHIBI MF (July to February)	Community Services MACHABA MJ (Feb to June)
Annual Remuneration	503 757	302 629	-	122 207	236 952
Acting Allowance	-	-	72 486	-	72 041
Performance and other bonuses	40 736	-	-	-	64 597
Travel, motor car, accommodation, subsistence and other allowances	195 744	130 415	-	64 758	90 126
Contributions to UIF, Medical and Pension Funds	105 034	51 777	-	22 611	2 414
S & T	65 463	71 095	-	11 236	97 525
	<b>910 734</b>	<b>555 916</b>	<b>72 486</b>	<b>220 812</b>	<b>563 655</b>

#### Remuneration of Councillors

Mayor( SE SEKGOLANE) remuneration,pension, cellphone allowance and housing allowance		678 094	702 848
Speaker (MN THAMAGA) remuneration,pension, cellphone allowance and housing allowance		577 755	608 753
Chief Whip (MM TSHOSHI) remuneration,pension, cellphone allowance and housing allowance & disbursements		575 697	557 117
Councillors' pension and medical aid contributions		801 884	877 616
Councillors' allowances and remuneration		9 412 131	8 580 148
Disbursements of councillors		2 102 544	1 965 724
		<b>14 148 105</b>	<b>13 292 206</b>

#### Related party per Councillor

	Basic Salary	Allowances	S & T	Total 2015	Total 2014
Ratladi S.D	332 474	230 866	109 843	673 183	642 059
Sekgolane S.E	422 341	285 066	1 189	708 596	702 848
Thamaga M. N	354 626	244 625	2 895	602 146	608 753
Thoshi M.M	332 474	230 866	35 234	598 574	557 117
Masekwameng M.R	332 474	230 866	68 202	631 542	596 947
Mashuhla M.W	41 940	34 077	7 696	83 713	423 676

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## Notes to the Annual Financial Statements

Figures in and				2015	2014
<b>40. Related parties (continued)</b>					
Selamolela S	115 207	91 905	7 197	214 309	-
Sithukga S.E	183 040	138 007	97 117	418 164	379 859
Tutja T.P	183 040	138 007	122 780	443 827	426 679
Tjumana M.M	183 040	138 007	72 285	393 332	334 383
Morapedi M.A	183 040	138 007	95 137	416 184	389 201
Ntlatla M.W	170 669	130 419	54 515	355 603	320 042
Rapheaga K.T	132 989	107 027	16 790	256 806	244 072
Lehong M.V	132 989	107 027	32 523	272 539	270 004
Rangata M.J	132 989	107 027	88 327	328 343	297 922
Mosebedi M.E	132 989	107 027	67 422	307 438	292 604
Morukhu M.B	132 989	107 027	79 281	319 297	289 801
Seduma M.D	132 989	107 027	32 866	272 882	263 762
Raseruthe M.A	132 989	107 027	61 663	301 679	279 420
Makobela S.R	132 989	107 027	35 716	275 732	279 862
Boloka M.P	132 989	107 027	50 143	290 159	262 116
Nabane N.B	132 989	107 027	23 829	263 845	245 654
Sekwatlakwatla S.P	132 989	107 027	50 518	290 534	277 728
Kgwatalala M.M	132 989	107 027	19 924	259 940	251 967
Manetja M.R	122 211	107 027	9 248	238 486	239 647
Moetji N.T	132 989	97 803	62 193	292 985	285 971
Mathekgane C.R	132 989	107 027	81 075	321 091	284 394
Mojodo M.D	132 989	107 027	76 619	316 635	301 631
Kobe D.M	132 989	107 027	77 089	317 105	275 932
Molokomme N.O	132 989	107 027	3 123	243 139	222 167
Ntlema M.A	132 989	107 027	-	240 016	222 167
Mashalane M.S	132 989	107 027	128 839	368 855	308 070
Shongoane S.L	132 989	107 027	28 717	268 733	249 805
Kotsinkwa P.J	132 989	107 027	-	240 016	222 167
Mathidza S.E	132 989	107 027	16 638	256 654	235 027
Keetse M.C	132 989	107 027	75 096	315 112	268 645
Maboya M.S	132 989	107 027	8 837	248 853	222 167
Tlouamma N.M	132 989	107 027	47 312	287 328	273 408
Chauke K.R	132 989	107 027	106 853	346 869	277 575
Phosa M.H	132 989	107 027	34 890	274 906	240 576
Modishetjie M.P	132 989	107 027	63 357	303 373	276 181
Mokgehle P.S	132 989	107 027	49 566	289 582	250 177
	<b>6 813 257</b>	<b>5 232 304</b>	<b>2 102 544</b>	<b>14 148 105</b>	<b>13 292 183</b>

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### 41. Risk management

#### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by budget and treasury department under policies approved by the Council. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units.[]

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Trade and other Payables	25 400 092	-	-	-
• Other financial liabilities	4 289 700	-	-	-

At 30 June 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Trade and other Payables	21 370 036	-	-	-
• Other financial liabilities	3 700 125	-	-	-

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2015	2014
Trade and Other receivables	44 060 161	32 349 243
Vat Receivable	4 937 199	2 284 186

#### Market risk

##### Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

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### 42. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 43. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

An amount of R 3 460 517 (2014: 1 250 058.00) were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

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### 44. After balance sheet events

The Municipal manager and Chief Financial officer was suspended on 25 September 2015.

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**Analysis of property, plant and equipment as at 30 June 2015**  
**Cost/Revaluation** **Accumulated depreciation**

	<b>Opening Balance Rand</b>	<b>Additions Rand</b>	<b>Disposals Rand</b>	<b>Transfers Rand</b>	<b>Revaluations Rand</b>	<b>Other changes, movements Rand</b>	<b>Closing Balance Rand</b>	<b>Opening Balance Rand</b>	<b>Disposals Rand</b>	<b>Transfers Rand</b>	<b>Depreciation Rand</b>	<b>Impairment loss Rand</b>	<b>Closing Balance Rand</b>	<b>Carrying value Rand</b>
<b>Land and buildings</b>														
Land (Separate for AFS purposes)	10 221 290	270 000	-	-	-	-	<b>10 491 290</b>	-	-	-	-	-	-	10 491 290
Buildings (Separate for AFS purposes)	44 763 739	334 922	-	-	-	-	<b>45 098 661</b>	(12 696 441)	-	-	(2 306 887)	-	<b>(15 003 328)</b>	30 095 333
	<b>54 985 029</b>	<b>604 922</b>	-	-	-	-	<b>55 589 951</b>	<b>(12 696 441)</b>	-	-	<b>(2 306 887)</b>	-	<b>(15 003 328)</b>	<b>40 586 623</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	392 465 669	7 937 114	-	-	-	-	<b>400 402 783</b>	(201 032 475)	-	-	(26 944 075)	-	<b>(227 976 550)</b>	172 426 233
Electricity Main	720 282 481	7 971 003	(754 111)	-	-	-	<b>727 499 373</b>	(213 745 012)	294 101	-	(16 532 591)	-	<b>(229 983 502)</b>	497 515 871
	<b>1 112 748 150</b>	<b>15 908 117</b>	<b>(754 111)</b>	-	-	-	<b>1 127 902 156</b>	<b>(414 777 487)</b>	<b>294 101</b>	-	<b>(43 476 666)</b>	-	<b>(457 960 052)</b>	<b>669 942 104</b>
<b>Community Assets</b>														
Community facilities	89 644 836	25 431 231	-	-	-	-	<b>115 076 067</b>	(16 111 190)	-	-	(3 604 900)	-	<b>(19 716 090)</b>	95 359 977
	<b>89 644 836</b>	<b>25 431 231</b>	-	-	-	-	<b>115 076 067</b>	<b>(16 111 190)</b>	-	-	<b>(3 604 900)</b>	-	<b>(19 716 090)</b>	<b>95 359 977</b>

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**Analysis of property, plant and equipment as at 30 June 2015**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Heritage assets</b>														
<b>Specialised vehicles</b>														
<b>Other assets</b>														
Emergency/rescue equipment	38 060	-	-	-	-	-	<b>38 060</b>	(23 727)	(7 612)	-	-	-	<b>(31 339)</b>	6 721
Fire Fighting equipment	38 497	-	-	-	-	-	<b>38 497</b>	(24 806)	(7 516)	-	-	-	<b>(32 322)</b>	6 175
Cabinets & Cupboards	934 923	8 596	-	-	-	-	<b>943 519</b>	(462 309)	(132 617)	-	-	-	<b>(594 926)</b>	348 593
Chairs and couches	1 176 233	121 018	-	-	-	-	<b>1 297 251</b>	(650 498)	(169 988)	-	-	-	<b>(820 486)</b>	476 765
Furniture & Fittings	146 450	34 666	-	-	-	-	<b>181 116</b>	(89 648)	(29 449)	-	-	-	<b>(119 097)</b>	62 019
shelving and book cases	378 042	19 400	-	-	-	-	<b>397 442</b>	(215 954)	(56 135)	-	-	-	<b>(272 089)</b>	125 353
tables & desks	952 601	54 325	-	-	-	-	<b>1 006 926</b>	(480 705)	(140 269)	-	-	-	<b>(620 974)</b>	385 952
Passenger Vehicles	2 073 334	2 155 863	-	-	-	-	<b>4 229 197</b>	(453 254)	(516 043)	-	-	-	<b>(969 297)</b>	3 259 900
specialised Vehicle	873 278	-	-	-	-	-	<b>873 278</b>	(227 724)	(124 754)	-	-	-	<b>(352 478)</b>	520 800
Trucks,buses and Ldvs	974 299	-	-	-	-	-	<b>974 299</b>	(339 018)	(96 355)	-	-	-	<b>(435 373)</b>	538 926
Tractors	428 400	-	-	-	-	-	<b>428 400</b>	(131 168)	(45 797)	-	-	-	<b>(176 965)</b>	251 435
Trailers and accessories	1 394 815	850 979	-	-	-	-	<b>2 245 794</b>	(548 108)	(271 903)	-	-	-	<b>(820 011)</b>	1 425 783
Air Conditioners	460 189	26 115	-	-	-	-	<b>486 304</b>	(346 946)	(62 231)	-	-	-	<b>(409 177)</b>	77 127
Audiovisual equipment	103 496	-	-	-	-	-	<b>103 496</b>	(61 979)	(19 319)	-	-	-	<b>(81 298)</b>	22 198
Office Equipment Other	431 622	15 699	-	-	-	-	<b>447 321</b>	(157 343)	(94 170)	-	-	-	<b>(251 513)</b>	195 808
computer hardware	2 528 024	612 453	(9 473)	-	-	-	<b>3 131 004</b>	(1 579 791)	(469 059)	136	-	-	<b>(2 048 714)</b>	1 082 290
Domestic Equipment	98 188	-	-	-	-	-	<b>98 188</b>	(50 210)	(18 853)	-	-	-	<b>(69 063)</b>	29 125
Other machines	114 382	10 950	-	-	-	-	<b>125 332</b>	(74 718)	(21 931)	-	-	-	<b>(96 649)</b>	28 683
Compressors	76 500	-	-	-	-	-	<b>76 500</b>	(49 725)	(15 300)	-	-	-	<b>(65 025)</b>	11 475
Eath Moving equipment	1 656 110	-	-	-	-	-	<b>1 656 110</b>	(525 516)	(165 611)	-	-	-	<b>(691 127)</b>	964 983
Lawnmowers/gardening equipments	55 646	-	-	-	-	-	<b>55 646</b>	(14 118)	(11 129)	-	-	-	<b>(25 247)</b>	30 399
Plant and Equipment Other	68 681	-	-	-	-	-	<b>68 681</b>	(41 275)	(9 341)	-	-	-	<b>(50 616)</b>	18 065
Workshop Equipment & Tools	356 991	-	-	-	-	-	<b>356 991</b>	(181 306)	(71 241)	-	-	-	<b>(252 547)</b>	104 444
	<b>15 358 761</b>	<b>3 910 064</b>	<b>(9 473)</b>	-	-	-	<b>19 259 352</b>	<b>(6 729 846)</b>	<b>(2 556 623)</b>	<b>136</b>	-	-	<b>(9 286 333)</b>	<b>9 973 019</b>

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**Analysis of property, plant and equipment as at 30 June 2015**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Total property plant and equipment</b>														
Land and buildings	54 985 029	604 922	-	-	-	-	55 589 951	(12 696 441)	-	-	(2 306 887)	-	(15 003 328)	40 586 623
Infrastructure	1 112 748 150	15 908 117	(754 111)	-	-	-	1 127 902 156	(414 777 487)	294 101	-	(43 476 666)	-	(457 960 052)	669 942 104
Community Assets	89 644 836	25 431 231	-	-	-	-	115 076 067	(16 111 190)	-	-	(3 604 900)	-	(19 716 090)	95 359 977
Other assets	15 358 761	3 910 064	(9 473)	-	-	-	19 259 352	(6 729 846)	(2 556 623)	136	-	-	(9 286 333)	9 973 019
	<b>1 272 736 776</b>	<b>45 854 334</b>	<b>(763 584)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 317 827 526</b>	<b>(450 314 964)</b>	<b>(2 262 522)</b>	<b>136</b>	<b>(49 388 453)</b>	<b>-</b>	<b>(501 965 803)</b>	<b>815 861 723</b>
<b>Agricultural/Biological assets</b>														
<b>Intangible assets</b>														
<b>Investment properties</b>														
<b>Total</b>														
Land and buildings	54 985 029	604 922	-	-	-	-	55 589 951	(12 696 441)	-	-	(2 306 887)	-	(15 003 328)	40 586 623
Infrastructure	1 112 748 150	15 908 117	(754 111)	-	-	-	1 127 902 156	(414 777 487)	294 101	-	(43 476 666)	-	(457 960 052)	669 942 104
Community Assets	89 644 836	25 431 231	-	-	-	-	115 076 067	(16 111 190)	-	-	(3 604 900)	-	(19 716 090)	95 359 977
Other assets	15 358 761	3 910 064	(9 473)	-	-	-	19 259 352	(6 729 846)	(2 556 623)	136	-	-	(9 286 333)	9 973 019
	<b>1 272 736 776</b>	<b>45 854 334</b>	<b>(763 584)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 317 827 526</b>	<b>(450 314 964)</b>	<b>(2 262 522)</b>	<b>136</b>	<b>(49 388 453)</b>	<b>-</b>	<b>(501 965 803)</b>	<b>815 861 723</b>

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**Analysis of property, plant and equipment as at 30 June 2014**  
**Cost/Revaluation** **Accumulated depreciation**

	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Revaluations</b>	<b>Under construction</b>	<b>Closing Balance</b>	<b>Opening Balance</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Depreciation</b>	<b>Impairment loss</b>	<b>Closing Balance</b>	<b>Carrying value</b>
	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>
<b>Land and buildings</b>														
Land (Separate for AFS purposes)	10 221 290	-	-	-	-	-	<b>10 221 290</b>	-	-	-	-	-	-	10 221 290
Buildings (Separate for AFS purposes)	39 181 713	-	-	-	-	-	<b>39 181 713</b>	(9 561 904)	-	-	(1 567 269)	-	<b>(11 129 173)</b>	28 052 540
	<b>49 403 003</b>	-	-	-	-	-	<b>49 403 003</b>	<b>(9 561 904)</b>	-	-	<b>(1 567 269)</b>	-	<b>(11 129 173)</b>	<b>38 273 830</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	353 577 271	601 420	-	-	-	-	<b>354 178 691</b>	(131 659 227)	-	-	(24 982 156)	-	<b>(156 641 383)</b>	197 537 308
Electricity Mains	714 858 379	4 822 681	-	-	-	-	<b>719 681 060</b>	(197 379 833)	-	-	(16 365 179)	-	<b>(213 745 012)</b>	505 936 048
	<b>1 068 435 650</b>	<b>5 424 101</b>	-	-	-	-	<b>1 073 859 751</b>	<b>(329 039 060)</b>	-	-	<b>(41 347 335)</b>	-	<b>(370 386 395)</b>	<b>703 473 356</b>
<b>Community Assets</b>														
Community facilities	52 061 474	7 982 912	-	-	-	<b>13 609 825</b>	<b>73 654 211</b>	(11 663 938)	-	-	(1 938 206)	-	<b>(13 602 144)</b>	60 052 067
	<b>52 061 474</b>	<b>7 982 912</b>	-	-	-	<b>13 609 825</b>	<b>73 654 211</b>	<b>(11 663 938)</b>	-	-	<b>(1 938 206)</b>	-	<b>(13 602 144)</b>	<b>60 052 067</b>

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**Analysis of property, plant and equipment as at 30 June 2014**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Under construction	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Other assets</b>														
Emergency / Rescue equipment	38 060	-	-	-	-	-	<b>38 060</b>	(9 264)	-	-	(7 612)	-	<b>(16 876)</b>	21 184
Fire fighting equipment	38 497	-	-	-	-	-	<b>38 497</b>	(10 214)	-	-	(6 929)	-	<b>(17 143)</b>	21 354
Cabinets and cupboards	917 423	195	(3 070)	-	-	-	<b>914 548</b>	(214 631)	262	-	(117 119)	-	<b>(331 488)</b>	583 060
Chairs and couches	1 154 603	-	(17 692)	-	-	-	<b>1 136 911</b>	(355 761)	8 972	-	(142 908)	-	<b>(489 697)</b>	647 214
Other furniture and fittings	139 984	5 780	(2 836)	-	-	-	<b>142 928</b>	(38 160)	1 404	-	(24 863)	-	<b>(61 619)</b>	81 309
Shelving and bookcases	378 042	-	-	-	-	-	<b>378 042</b>	(113 343)	-	-	(48 605)	-	<b>(161 948)</b>	216 094
Tables and desks	934 219	195	(14 191)	-	-	-	<b>920 223</b>	(235 937)	7 025	-	(118 320)	-	<b>(347 232)</b>	572 991
Passenger vehicles	1 326 910	388 525	(330 700)	-	-	-	<b>1 384 735</b>	(214 254)	94 207	-	(95 432)	-	<b>(215 479)</b>	1 169 256
Specialised vehicles	301 679	571 599	-	-	-	-	<b>873 278</b>	(52 538)	-	-	(50 432)	-	<b>(102 970)</b>	770 308
Trucks, buses and ldv's	1 252 215	302 184	(580 100)	-	-	-	<b>974 299</b>	(339 313)	153 146	-	(56 497)	-	<b>(242 664)</b>	731 635
Tractors	428 400	-	-	-	-	-	<b>428 400</b>	(63 389)	-	-	(21 983)	-	<b>(85 372)</b>	343 028
Trailors and accessories	1 101 940	292 875	-	-	-	-	<b>1 394 815</b>	(252 906)	-	-	(92 243)	-	<b>(345 149)</b>	1 049 666
Air conditioners	437 422	-	-	-	-	-	<b>437 422</b>	(137 337)	-	-	(99 032)	-	<b>(236 369)</b>	201 053
Audiovisual equipment	76 956	26 541	-	-	-	-	<b>103 497</b>	(23 708)	-	-	(17 572)	-	<b>(41 280)</b>	62 217
Office equipment - other	211 970	39 141	(42 489)	-	-	-	<b>208 622</b>	(68 162)	21 412	-	(35 990)	-	<b>(82 740)</b>	125 882
Computer hardware	2 065 122	127 169	(73 521)	-	-	-	<b>2 118 770</b>	(605 043)	37 775	-	(476 866)	-	<b>(1 044 134)</b>	1 074 636
Domestic equipment	64 423	29 755	-	-	-	-	<b>94 178</b>	(15 884)	-	-	(15 647)	-	<b>(31 531)</b>	62 647
Office machines	112 922	1 460	-	-	-	-	<b>114 382</b>	(34 723)	-	-	(19 209)	-	<b>(53 932)</b>	60 450
Compressors	76 500	-	-	-	-	-	<b>76 500</b>	(20 655)	-	-	(13 770)	-	<b>(34 425)</b>	42 075
Earth moving equipment	1 683 010	-	(26 900)	-	-	-	<b>1 656 110</b>	(218 118)	7 263	-	(149 050)	-	<b>(359 905)</b>	1 296 205
lawnmowers / gardening equipment	18 500	746	-	-	-	-	<b>19 246</b>	(4 242)	-	-	(3 413)	-	<b>(7 655)</b>	11 591
Plant and equipment - other	46 581	-	-	-	-	-	<b>46 581</b>	(22 328)	-	-	(8 385)	-	<b>(30 713)</b>	15 868
Workshop equipment and tools	349 356	-	-	-	-	-	<b>349 356</b>	(47 497)	-	-	(62 884)	-	<b>(110 381)</b>	238 975
	<b>13 154 734</b>	<b>1 786 165</b>	<b>(1 091 499)</b>	-	-	-	<b>13 849 400</b>	<b>(3 097 407)</b>	<b>331 466</b>	-	<b>(1 684 761)</b>	-	<b>(4 450 702)</b>	<b>9 398 698</b>

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**Analysis of property, plant and equipment as at 30 June 2014**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Under construction Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Total property plant and equipment</b>														
Land and buildings	49 403 003	-	-	-	-	-	49 403 003	(9 561 904)	-	-	(1 567 269)	-	(11 129 173)	38 273 830
Infrastructure	1 068 435 650	5 424 101	-	-	-	-	1 073 859 751	(329 039 060)	-	-	(41 347 335)	-	(370 386 395)	703 473 356
Community Assets	52 061 474	7 982 912	-	-	-	13 609 825	73 654 211	(11 663 938)	-	-	(1 938 206)	-	(13 602 144)	60 052 067
Other assets	13 154 734	1 786 165	(1 091 499)	-	-	-	13 849 400	(3 097 407)	331 466	-	(1 684 761)	-	(4 450 702)	9 398 698
	<b>1 183 054 861</b>	<b>15 193 178</b>	<b>(1 091 499)</b>	<b>-</b>	<b>-</b>	<b>13 609 825</b>	<b>1 210 766 365</b>	<b>(353 362 309)</b>	<b>331 466</b>	<b>-</b>	<b>(46 537 571)</b>	<b>-</b>	<b>(399 568 414)</b>	<b>811 197 951</b>
<b>Agricultural/Biological assets</b>														
<b>Intangible assets</b>														
<b>Investment properties</b>														
<b>Total</b>														
Land and buildings	49 403 003	-	-	-	-	-	49 403 003	(9 561 904)	-	-	(1 567 269)	-	(11 129 173)	38 273 830
Infrastructure	1 068 435 650	5 424 101	-	-	-	-	1 073 859 751	(329 039 060)	-	-	(41 347 335)	-	(370 386 395)	703 473 356
Community Assets	52 061 474	7 982 912	-	-	-	13 609 825	73 654 211	(11 663 938)	-	-	(1 938 206)	-	(13 602 144)	60 052 067
Other assets	13 154 734	1 786 165	(1 091 499)	-	-	-	13 849 400	(3 097 407)	331 466	-	(1 684 761)	-	(4 450 702)	9 398 698
	<b>1 183 054 861</b>	<b>15 193 178</b>	<b>(1 091 499)</b>	<b>-</b>	<b>-</b>	<b>13 609 825</b>	<b>1 210 766 365</b>	<b>(353 362 309)</b>	<b>331 466</b>	<b>-</b>	<b>(46 537 571)</b>	<b>-</b>	<b>(399 568 414)</b>	<b>811 197 951</b>

# Report of the auditor-general to the Limpopo provincial legislature and the council on Blouberg Local Municipality

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the Blouberg Local Municipality set out on pages X to XX, which comprise the statement of financial position as at 30 June 2015, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## **Basis for qualified opinion**

### Receivables from non-exchange transactions

6. I was unable to obtain sufficient appropriate audit evidence that receivables from non-exchange transactions for the current year had been properly accounted for, due to the status of the accounting records. I was unable to confirm receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments relating to receivables from exchange transactions and allowance for impairment as stated at R31 754 936 and R13 986 441 respectively, in note 7 to the financial statements were necessary.

### Receivables from exchange transactions

7. I was unable to obtain sufficient appropriate audit evidence that receivables from exchange transactions for the current year had been properly accounted for, due to the status of the accounting records. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustment to receivables from exchange transactions stated at R7 643 660 in note 5 to the financial statements was necessary.

### Consumer debtors

8. I was unable to obtain sufficient appropriate audit evidence that consumer debtors for the current year had been properly accounted for, due to the status of the accounting records. I was unable to confirm consumer debtors by alternative means. Consequently, I was unable to determine whether any adjustments relating to consumer debtors and allowance for impairment stated at R8 406 689 and R3 745 124 respectively in note 6 to the financial statements were necessary.

### Operating lease

9. I was unable to obtain sufficient appropriate audit evidence regarding operating leases due to the non-submission of information in support of leases. I was unable to confirm operating leases by alternative means. Consequently, I was unable to determine whether any adjustment relating to operating lease stated at R3 216 030 in note 37 to the financial statements was necessary.

## **Qualified opinion**

10. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Blouberg Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA standards of GRAP and the requirements of the MFMA and DoRA.

## **Emphasis of matters**

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

### Restatement of corresponding figures

12. As disclosed in note 31 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2015 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

### Material electricity loss

13. As disclosed in note 38 to the financial statements, the electricity loss for the municipality is 15%, compared to the maximum acceptable loss of 10%.

### Unauthorised expenditure

14. As disclosed in note 32 to the financial statements, the municipality incurred unauthorised expenditure to the amount of R39 613 634, mainly as a result of non-cash transactions not budgeted for.

### Irregular expenditure

15. As disclosed in note 34 to the financial statements, irregular expenditure amounting to R26 326 253 has been incurred by the municipality, due to contravention of the supply chain management policy.

## **Additional matter**

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

### Unaudited disclosure notes

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

## **Report on other legal and regulatory requirements**

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express

assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## **Predetermined objectives**

19. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2015:
  - Key Performance Area (KPA) 1: Basic service delivery and infrastructure development on pages 9 to 12
20. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
21. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priority. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPi).
22. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
23. The material findings in respect of the selected development priority are as follows:

### **KPA 1: Basic service delivery and infrastructure development**

Usefulness of reported performance information

Consistency of targets

24. Section 41(c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) requires the service delivery and budget implementation plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 100% of the reported targets were not consistent with those in the approved service delivery and budget implementation plan. This was due to limited review of the accuracy of the planned and reported targets.

Changes to targets not approved

25. Section 54(1)(c) of the MFMA determines that the service delivery and budget implementation plan adopted by the municipal council may be amended only if the council approves an adjustments budget. Changes to the service delivery and budget implementation plan in the year have to be made in accordance with the process as prescribed per section 28 of the MFMA. Material changes were made to the targets in the annual performance report, without following the process as prescribed in section 28 of the MFMA and without adoption by the municipal council. This was due to limited review of the accuracy of the planned and reported targets.

## Reliability of reported performance information

26. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to lack of documented system descriptions for the accurate recording of actual achievements and monitoring of the completeness of source documentation in support of actual achievements.

## **Additional matters**

27. I draw attention to the following matters:

### Achievement of planned targets

28. Refer to the annual performance report on pages 9 to 58 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 28 to 30 of this report.

### Adjustment of material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of the KPA 1: basic service delivery and infrastructure development.

### Unaudited supplementary information

30. The supplementary information set out on pages 3 to 8 does not form part of the annual performance report and is presented as additional information. I have not audited this information and, accordingly, I do not express a conclusion thereon.

## **Compliance with legislation**

31. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

### Strategic planning and performance management

32. The performance management system and related controls were not maintained as it did not describe and represent the processes of performance monitoring and review and how it is conducted, organised and managed, as required by sections 38 of the MSA and regulation 7 of the *Municipal planning and performance management regulations*.
33. The performance management system did not provide for policies and procedures to take steps of improvement where performance targets were not met, as required by section 41 (1)(d) of the MSA.

## Annual financial statements, performance and annual reports

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

## Procurement and contract management

35. Contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of *Supply Chain Management (SCM) Regulations 21(b) and 28(1)(a)* and the *Preferential Procurement Regulations*.
36. Contracts were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) and the *Preferential Procurement Regulations*.
37. Bid adjudication was not always done by committees which were composed in accordance with *SCM regulation 29(2)*.

## Unauthorised, irregular and fruitless and wasteful expenditure

38. 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 MFMA.

## Revenue management

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

## Asset management

40. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

## Liability management

41. An effective system of internal control for liabilities was not in place, as required by section 63(2)(c) of the MFMA.

## Human resource management and compensation

42. Sufficient appropriate audit evidence could not be obtained that a newly appointed manager directly accountable to municipal manager submitted disclosure of financial interests prior to appointment as per regulation 36(1) of *Regulations on appointment and conditions of employment of Senior Managers (GNR 37245)*.

43. The municipality did not submit a report on compliance with prescribed competency levels to the national treasury and relevant provincial treasury as required by the *Municipal Regulations on Minimum Competency Levels 14(2)(a)*.

## Consequence management

44. Unauthorised, irregular and fruitless and wasteful expenditure incurred by municipality was not investigated to determine if any person is liable for the expenditure as required by section 32(2)(a)(ii) and (b) of the MFMA.

## **Internal control**

45. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

## **Leadership**

46. Management did not perform adequate review and monitoring over financial and performance reporting, resulting in a regression to a qualified opinion and material findings on the annual performance report.
47. Those charged with governance have not yet investigated unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality in the prior years.
48. Management did not adequately address all recommendations made by the internal audit unit and audit committee.

## **Financial and performance management**

49. The financial statements contained numerous misstatements that were corrected and those not corrected formed the basis for the audit opinion. This was mainly due to capacity constraints in the finance unit and staff members not fully understanding the requirements of the financial reporting framework.
50. Regular reviews were not performed by the performance management system manager on the usefulness and reliability of the annual performance report against the performance information requirements.
51. Daily and monthly controls over business processes were inadequate resulting in misstatements.
52. Supply chain management processes were inadequate due to poor monitoring, resulting in irregular expenditure.

## **Governance**

53. The internal audit unit performed all of its activities within the current year under the direction of the audit committee. However, these activities did not prevent the municipality from regressing to a qualified audit opinion and assist the municipality to

improve its internal control environment that supports financial and performance reporting and compliance with legislation.

## **Other reports**

### **Audit-related services**

54. An agreed-upon procedure engagement was performed to identify internal control weaknesses in the operating environment of the municipality. The report covered the period June 2012 to March 2014, and was issued to the municipal manager in June 2014.

*Auditor - General.*

Polokwane

30 November 2015



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*