

UMSOBOMVU MUNICIPALITY

**DRAFT ANNUAL
REPORT**

Volume I

2013/14

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REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

(i) VISION

To be the fastest economically developing municipality in South Africa.

(ii) MISSION

To uplift our community socially and economically, by delivering quality services and customer care through our dedicated staff.

VALUES: Respect; Responsiveness; Integrity, Dedication; Accountability.

SLOGAN: South Africa’s Halfway House with Great Possibilities.

(iii) KEY SERVICE DELIVERY IMPROVEMENTS

During the course of the oversight period, the municipality installed 1 744 Solar Water Heaters to indigent residents as part of a project to lower the maximum demand on electricity provision as well as to enhance the initiative by government to provide renewable energy. Another project that was successfully completed is the Waste Water Treatment Works (WWTW) which entailed the upgrading of the WWTW from an oxidation pond system to an activated sludge system. Work on the Water Treatment Works and the next phase of the bulk water pipeline commenced during the oversight period and will run over two financial years where-after the constant water restrictions and non-availability of water during certain hours will be something of the past.

A total of 1050 houses were built in Colesberg, 0 in Norvalspont and 58 in Noupoort with funds received from the Department of CoGHSTA. The provision of houses to the needy, elderly and poor made a huge impact on the human dignity and livelihood of the beneficiaries. Service delivery vehicles to an amount of R5m were bought by the municipality to assist with service delivery which made a significant impact on the rendering of services. The electrification of a phase of Ouboks Housing project commenced and was completed during the oversight period.

(iv) PUBLIC PARTICIPATION

Public participation is an institutionalized function in our Municipality. Our communities have learned to appreciate the elaborative process which ensures that all interested residents are afforded ample opportunity to make meaningful contributions to policy development and planning for developments in

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the municipal jurisdiction. The evolution of ward-based planning and the related establishment of ward committee system have elevated community participation to higher level in terms of legal provision and institutionalization of the process.

Umsobomvu Local Municipality, through the Office of the Speaker, liaise continuously with communities through ward committee members and other stakeholder forums. In order to facilitate maximum participation by ward committee members, the Municipality has implemented a process of providing stipends for each Ward Committee member. Ward committees are functioning satisfactorily in all 5 wards. Reports are received monthly and follow-ups made where necessary. Stakeholder forums with various role-players have also been established. Inputs are regularly solicited from these constituencies on a constant basis. Meetings are held as the need dictates. Otherwise, maximum participation takes place during annual IDP reviews and the tabling of annual budget.

(iv) FUTURE ACTIONS

Umsobomvu, with the assistance of the Department of Rural Development and Land Reform, will be engaging in a process to draft a new Land Use Management System. This will give up-to-date direction to the municipality when carrying out its land use management functions. In Noupoort the municipality is planning a township development of 400 erven to provide in the need for erven and to eradicate the housing backlog. A new bulk water pipeline will be built from Caroluspoort to the bulk reservoir as part of the programme to replace ageing infrastructure.

In Norvalspont the municipality will replace the existing water abstraction facility in the Orange River and the water treatment works as part of the municipality's programme to replace ageing infrastructure.

In Colesberg the New Ouboks in-situ upgrading project will continue and new houses will be build and re-locate households to enable the municipality to carry out the urban re-newment process in Hoek Locations, Asnek and New Brighton.

(vi) AGREEMENTS / PARTNERSHIPS

The municipality concluded a Shared Service Agreement with the Pixley ka Seme district Municipality to render legal, planning and Internal audit services.

(vii) BUDGETS

Due to unforeseen and unavoidable expenditure that occurred at year end I submitted a special draft budget in terms of the MFMA and Budget Circular 67 for approval by council. According to legislation I include this Special Adjustment budget with detailed explanations as an addendum to this report and do all figures and tables submitted in this report represent the special adjusted figures.

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(viii) CONCLUSION

I would like to commend all Councillors for striving beyond the challenge- maintaining a heightened sense of community and respect for communities and open dialogue during the period of oversight. As individuals we might not always agree, but as a collective we have managed to resolve differences and make the best decisions on behalf of all our communities.

I would also like to commend the Municipal Manager, his top management team and employees for their diligent input during the period of oversight.

(Signed by :) _____

N.L. HERMANS
MAYOR

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

This report is compiled and tabled in terms of Section 127(2) of the Municipal Finance Management Act (MFMA), Act 56 of 2003(2), which requires that the performance report of the municipality and of any municipal entity under the municipality's sole or shared control be tabled at Municipal Council by the Mayor. The report must be made public by the Municipal Manager and invite the local community to submit representation in respect to issues raised in the report.

The report covers the broad view of the Umsobomvu municipal area with information such as socio-economic profile of the area, the achievements gained in delivering services to the community, as well as the developmental and institutional aspects, including financial performance. The report also covers governance and public participation undertaken by the municipality to ensure involvement of the communities of Umsobomvu in planning as well as in delivery of services that meet their needs in the period under review.

The purpose of the report is to reflect on the work carried out in the 2012 to 2013 oversight period

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and to provide feedback on performance against targets to various stakeholders including the community, government departments and other interested parties. The report also ensures that accountability is upheld, and the clients of the municipality are informed of the decisions that were taken in this period. We hereby present an account of our work over this period as directed by these various stakeholders through the Integrated Development Plans (IDPs).

In the period under review, the Umsobomvu Local Municipality ensured alignment and contribution to the National, Provincial and Local Government Key Priority Areas in all its service delivery programmes.

Special thanks goes to the all the staff in administration of Umsobomvu Local Municipality for their dedication, the political over-sight particularly the Mayor of Council for her political oversight.

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Umsobomvu Local Municipality was established to manage and provide services to the local management area NC 072 which is 6 819 square km in size. The total population of Umsobomvu Local Municipality was counted at 28 376 during 2011 census. The Umsobomvu Municipality forms part of the Pixley Ka Seme District Municipality which is located in the south-eastern part of the Northern Cape Province and is a Category B Municipality. It is made up of three main entities, namely Colesberg, Noupoot, and Norvalspont, which is also called Kwa-Masizakhe.

Colesberg is the “capital” of Umsobomvu Local Municipality and was named after Sir Lowry Cole - governor of the Cape of Good Hope 1828 - 1833. The town of Colesberg is situated in the Great Karoo in the Northern Cape. It is on the N1 approximately halfway between Johannesburg and Cape Town at the foot of Coleskop. This makes it the ideal stop over place when travelling between Cape Town and Johannesburg. Colesberg is also situated on the N9 on the Port Elizabeth Road.

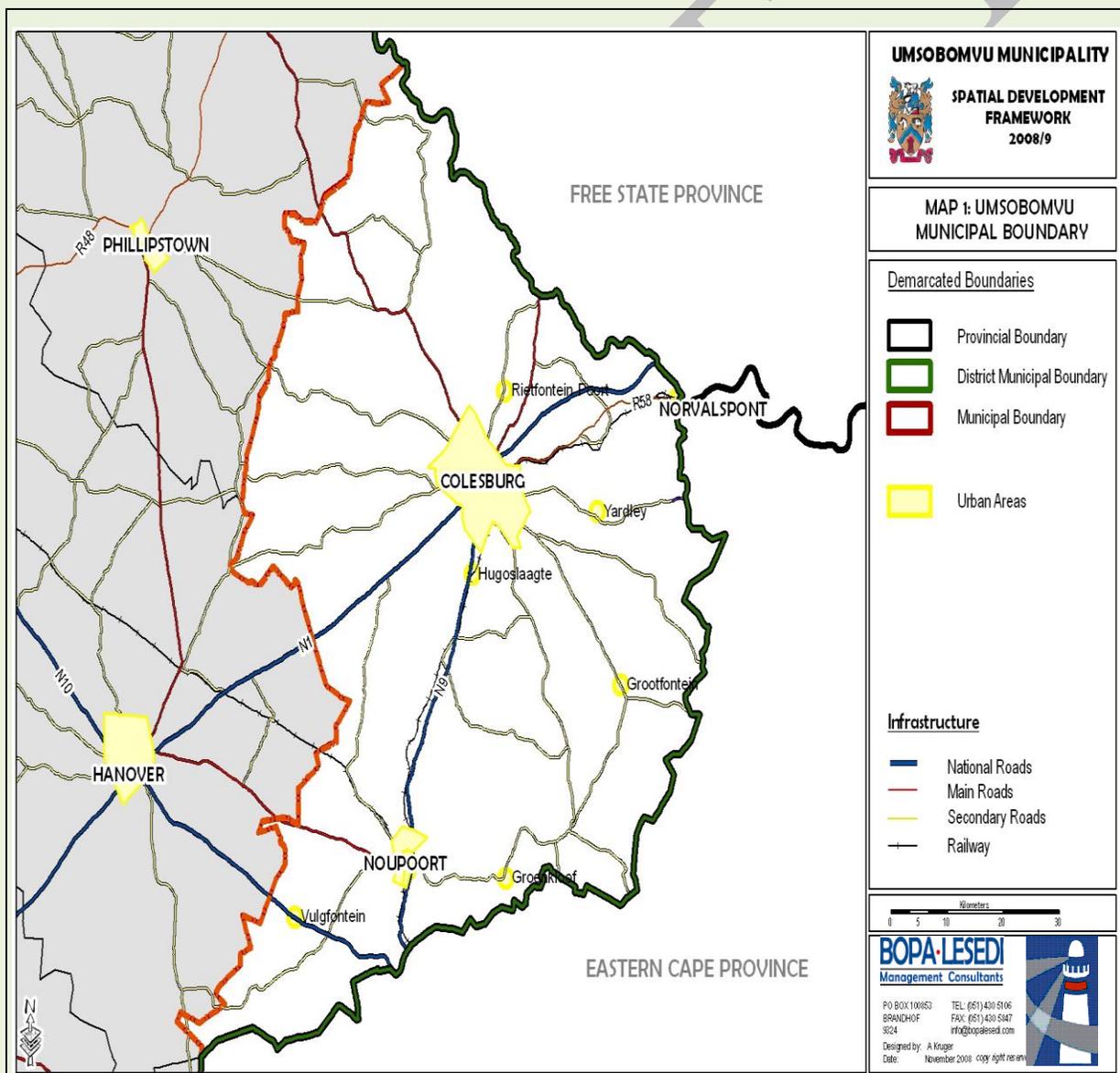
The other two components of this municipality are Noupoot, a town facing dramatic economic decline after the virtual closure of the Spoornet station, and Norvalspont, a small black settlement located near the Gariep Dam.

Farming in the area is dedicated almost entirely to horses and merino sheep, while in a sheep-farming area spread over half-a-million hectares, greater Colesberg breeds many of the country’s top merinos. It is also renowned for producing high-quality racehorses and many stud farms, including

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one owned by legendary golfer, Gary Player, are nearby. The ostrich-feather boom of the early 1900s, which left many farmers rich, is forgotten.

The District Municipality is neighboured by 3 provinces, namely Free State on the northern side, Eastern Cape on the eastern side and the Western Cape on the southern side. Within the Northern Cape the district is neighboured by Frances Baard, Siyanda and the Namakwa Districts. Umsobomvu municipality's economical activities are dominated by agricultural, services and tourism. The locality of Umsobomvu Municipality in relation to other municipalities and provinces in the region is depicted in the map below. Major road transport corridors are within the boundaries of Umsobomvu municipality for example the N1 that links Cape Town in the south with Johannesburg/Pretoria in the north, the N9 which links Port Elizabeth and the Eastern Cape with Johannesburg/Pretoria in the north.



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Sanitation

The municipality purchased a new Vacuum-Jet sanitation vehicle to empty VIP pits that are a constant cause of consumer dissatisfaction and a subject of complaint. VIP pits are now being emptied on a regular basis and it is a huge improvement on the previous situation.

Electricity

The municipality managed to electrify a total number of RDP houses and connected same to the local electrical grid. The electrification of Ouboks is done in stages as funds are being made available by the department of Energy.

As part of the Department of Energy's drive to support Eskom's ability to supply sufficient power and thus lowering the demand side, Solar Water Heaters were installed in a total of 2 000 household to the value of R15m.

Housing

To relieve the current housing backlog, a total number of 1108 houses were built during the oversight period. The housing units provided are as follows:

Colesberg: 1050

Noupoort: 58

Norvalspont: 0

Local Economic Development

Various government infrastructure projects were executed during the oversight period in and around Umsobomvu municipality which contributed significantly to the number of jobs created and skills acquired. As part of the municipality's initiative to create jobs, the municipality employed ten (10) jobless people and trained them to make paving bricks. These bricks were used in turn to pave streets where another 15 jobs were created. Ten Learner contractors were trained to do pipe laying and contract management and upon completion of training, they were awarded an 8, 8 Km section bulk water pipe from the Orange River to Colesberg which they have completed successfully.

Local Planning

Following the government's initiative on green and renewable energy, a number of companies submitted applications for rezoning of farm properties to enable them to build solar farms and wind farms. The following number of land use management applications has been received:

Re-Zoning: 8

Sub-Divisions: 2

Chapter 2

Consolidations: 2

Consent Uses: 1

To enable the municipality to control building activities and to ensure compliance to building standards, a total number of 19 building plans were approved consisting of the following:

New residential properties: 2
 Residential alterations: 14
 New business properties: 2
 Business property alterations: 0
 Advertising Signs 1

Key Characteristics and Implications of Population Profile

According to Census 2011, Umsobomvu Municipality's population has risen from 23 641 in 2001 to 28 376 in 2011. The number of households in the Municipality has also increased from 5 848 in 2001 to 7 841 in 2011. However, the average household size has decreased from 3.9 to 3.6. This increase has major implications for the municipality in terms of service delivery. In a normal situation the increase should be welcomed, but the households is part of an ever growing indigent component who contributes very little to the economy of the region.

There has been a positive growth rate of 1.83 in municipality which is significant change from the - 1.41 recorded in 2001. This is mainly due to the growth in economic activities and job opportunities in the Municipality resulting in migration of people from other towns as well as rural areas to the urban areas such as Colesberg.

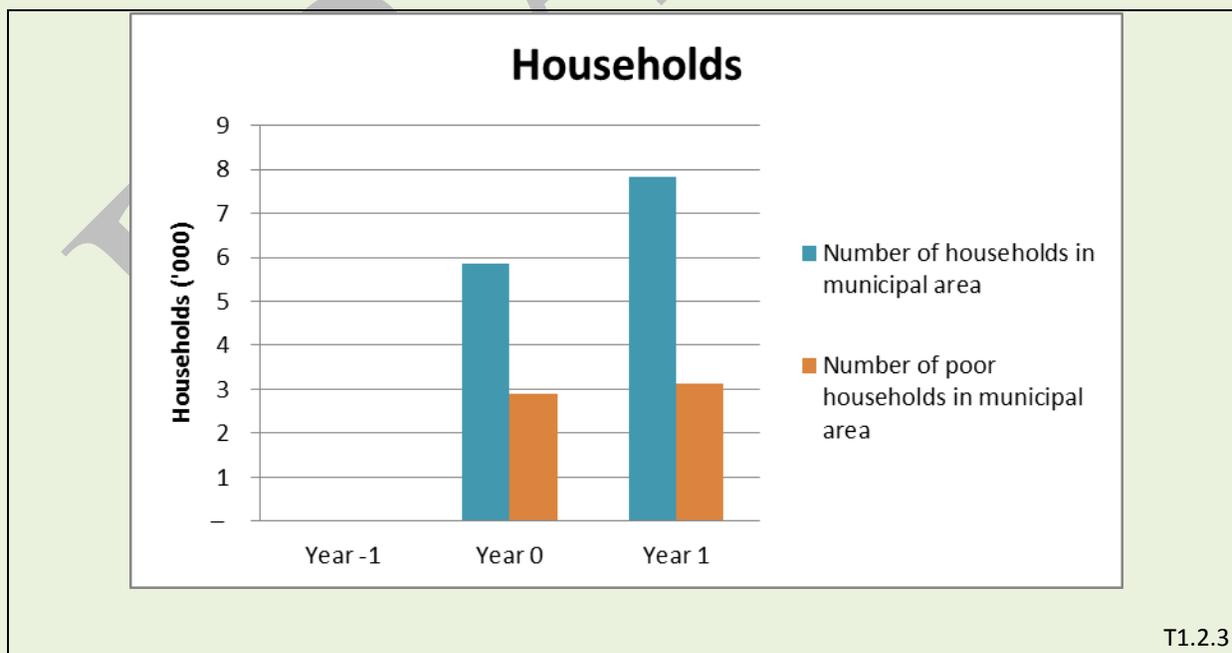
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Population Details									
Age	2012/13			2013/14			2014/15		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	1306	1348	2654	1234	1171	2405	1296	1293	2589
Age: 5 - 9	1564	1457	3021	1359	1363	2722	1427	1427	2854

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Age: 10 - 19	3225	3342	6567	2767	2743	5510	2905	2904	5809
Age: 20 - 29	1898	1944	3842	1891	1849	3740	1986	1983	3969
Age: 30 - 39	1327	1680	3007	1473	1650	3123	1547	1556	3103
Age: 40 - 49	1090	1267	2357	1061	1410	2471	1114	1132	2246
Age: 50 - 59	700	880	1580	799	963	1762	839	847	1686
Age: 60 - 69	395	585	980	445	657	1102	467	478	945
Age: 70+	326	579	905	284	524	808	298	310	608
	11831	13082	24913	11313	12330	23643	11879	11930	23809

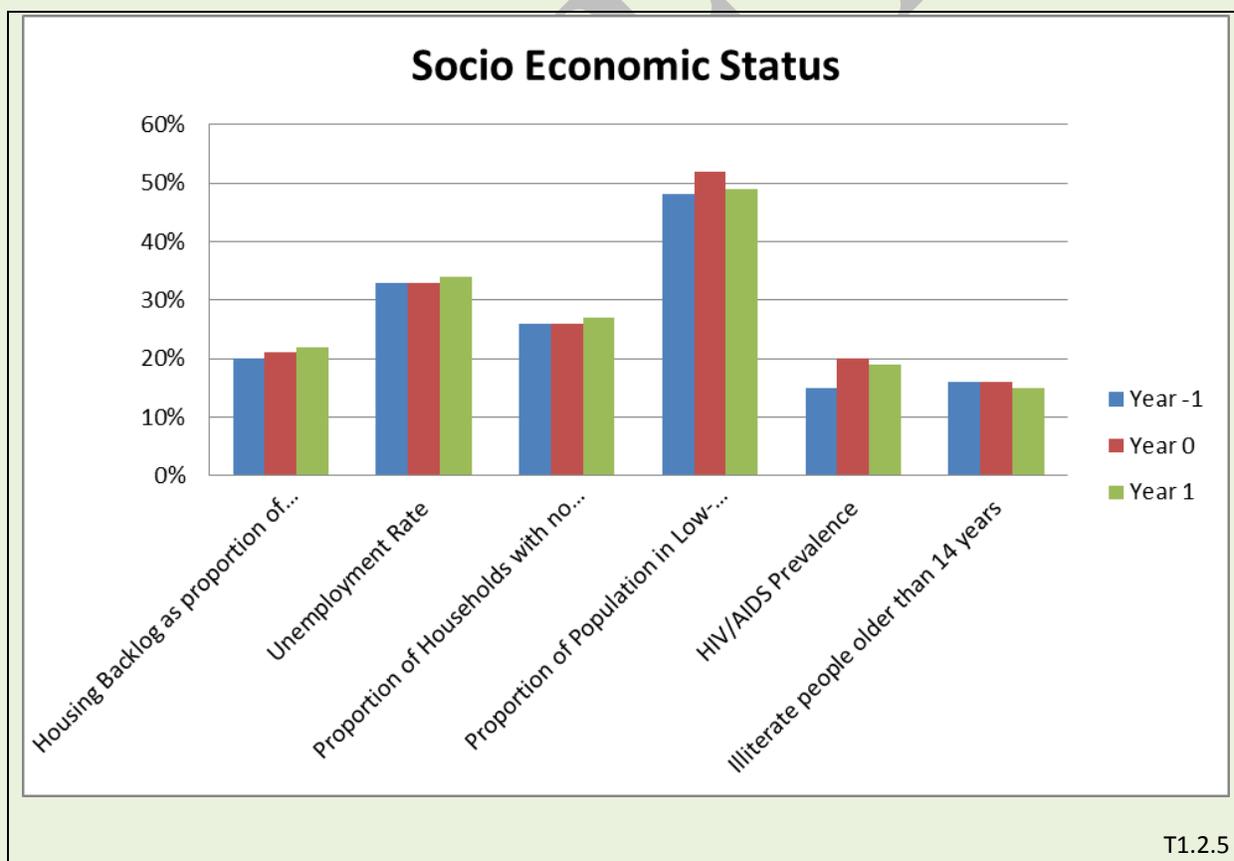
Source: Statistics SA
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Chapter 2

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2012/13	20%	33%	26%	48%	15%	16%
2013/14	21%	33%	26%	52%	20%	16%
2014/15	22%	34%	27%	49%	19%	15%

T1.2.4



Chapter 2

Overview of Neighbourhoods within Umsobomvu Municipality		
Settlement Type	Households	Population
Towns		
Colesberg		12762
Noupoort		6853
Norvalspont		1021
	7841	
Sub-Total	7841	20636
Townships		
Sub-Total		
Rural settlements		
Farms		3000
Sub-Total	0	3000
Informal settlements		
Included in population of towns		
Sub-Total		
Total	7841	23636
		T1.2.6

Natural Resources	
Major Natural Resource	Relevance to Community
Orange River	Water source for human consumption, agriculture, recreation, industries and businesses, electricity generation
Abundance of land	Housing and business development
Major transport routes	Business opportunities, effective and efficient marketing of area
Unpolluted areas	Healthy population, attractive to metropolitan residents

Chapter 2

Doornkloof Nature Reserve

Recreation and tourist attraction

T1.2.7

COMMENT ON BACKGROUND DATA:

Umsobomvu Municipality did its own SWOT analysis during the 2013/14 IDP Review. The strengths and opportunities are as follows:

Opportunities

Gariiep Dam

Orange River

Agricultural Industry

Tourism

Pollution free environment

Major national routes

Treats

Migration of residents to cities

Alcohol abuse

High levels of HIV/AIDS

High levels of poverty

High levels of unemployment

Poor public transport facilities

Poor payment levels

Poor housing structures

Mushrooming of informal settlements

High illiteracy levels

Shortage of skills

T1.2.8

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

According to Statistics South Africa, of the 11 million South African households, only 39% had running tap water inside their dwelling. By end of March 2005 some 44m people had access to an improved water supply and basic water infrastructure was provide for an estimate 15m people. By March 2005 some 31.9m (66.3%) South African households had access to Free Basic Water.

An additional 550 formal households have been provided with electricity in the financial year 2012/13, whereas an additional 83 informal household are without electricity services. Due to safety

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issues basic electricity is not provided to informal settlements/households. With regard to water services 2108 additional formal households have been provided with basic water services in the 2013/14 financial year, while communal taps were installed for use by informal settlements to provide them with water. Water is provided to informal settlements in the form of communal standpipes. In the 2013/2014 financial year an additional 2108 formal households have been provided with sanitation services, whereas informal households have been provided with sanitation services in the form of buckets which are removed twice a week.

In terms of solid waste management service 2108 additional formal households have been provided with services in the 2013/14 financial year. Solid Waste services in informal settlements are provided in the form of black plastic bags or self-provided refuse receptacles.

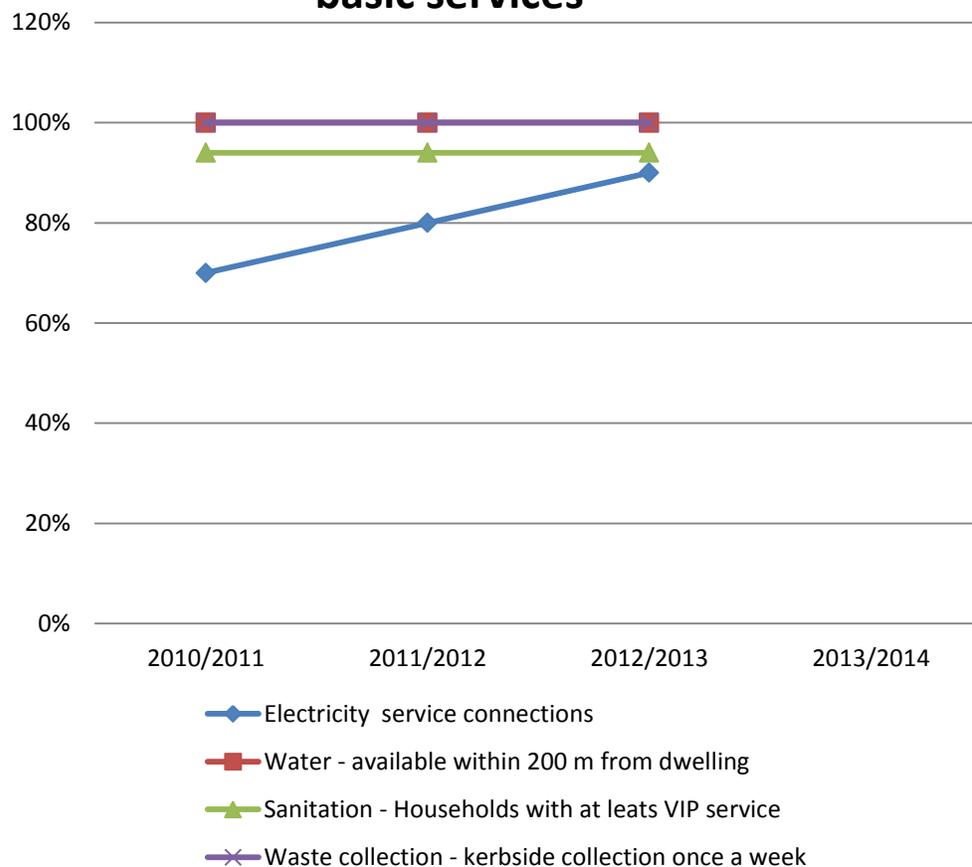
Service delivery to indigents in formal townships is on the same service level than that of other households. However the difference is the manner in which municipal accounts are handled for households on the municipality's indigent register.

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Chapter 2

Proportion of households with access to basic services



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BASIC SERVICES:

Compared to the 2013/14 financial year there is an increase in the number of households provided with basic services. However the percentage growth of households with the different basic services doesn't vary much from one year to another as can be deduced from the graphs. This is due to the fact that the growth in the number of formal households is proportional to the growth in the population of informal households, and as fraction of the total population does not differ significantly from year to year.

T1.3.3

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FINANCIAL OVERVIEW

The financial year under review was a difficult period for the municipality in that the recovery of debtors deteriorated and the cash flow throughout the period was under pressure. Although the municipality has arrear creditors, the municipality was still able to cover its short term commitments, which includes the bulk supplier of electricity. This is evident from the liquidity ratios included in Chapter 5.

The challenges with regards to the recovery of debtors necessitated that the municipality put in place a strategy to address the deterioration of debtors. This was done in terms of a Revenue Enhancement Strategy, one of the pillars of the Strategy amongst others, is the improvement of Credit Control.

The municipality maintain a reasonable healthy cash flow situation as in the previous financial years, management is certain that the municipality would still be able to operate into the foreseeable future and as a result the going concern assumption would not be affected. The Statement of Financial Position at 30 June 2013 indicates a decrease in Net Assets, and an increase in both Non-current Liabilities and Current Liabilities. These Annual Financial Statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003). The standards and pronouncements that form the GRAP Reporting Framework for the 2012/13 financial period is set out in Directive 5 issued by the ASB on 11 March 2009. The increase in Net Assets is ascribed primarily to the increase in Accumulated Surplus as a result of the surplus generated on the operating account. The increase in Non-current Liabilities is primarily as a result of the increases in Retirement Benefit Liabilities and Long-service Benefits. The decrease in Current Liabilities is primarily as a result of the increase in Creditors and Unspent Conditional Grants.

_T1.4.1

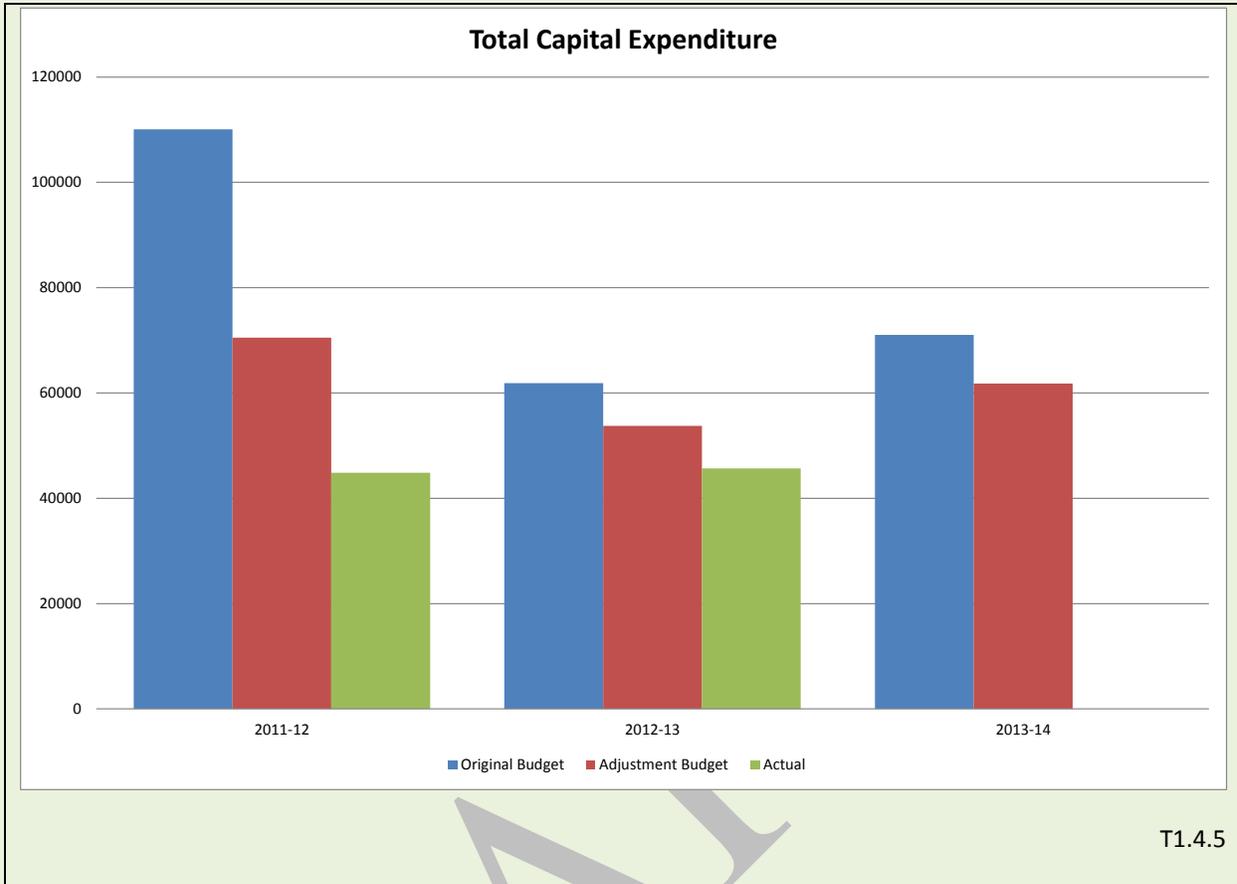
Chapter 2

Financial Overview - 2014				R' 000
Details	Original budget	Adjustment Budget	Actual	
Income				
Grants	94267	105515		
Taxes, Levies and tariffs	46688	58616		
Other	6575	1260		
Sub Total	147530	165391	0	
Less Expenditure	116698	129254		
Net Total*	30832	36137	0	
<i>* Note: surplus/(defecit)</i>				T1.4.2

Operating Ratios	
Detail	%
Employee Cost	23%
Repairs & Maintenance	2%
Finance Charges & Impairment	28%
T 1.4.3	

Total Capital Expenditure: 2012 - 2014				R'000
Detail	2011-12	2012-13	2013-14	
Original Budget	110090	61857	71017	
Adjustment Budget	70499	53753	61792	
Actual	44869	45663		
				T1.4.4

Chapter 2



Under expenditure on the capital was caused by project funding that was received late in the financial year and the MIG projects were delayed due to the non-registration of projects.

COMMENT ON CAPITAL EXPENDITURE:

As can be seen from the graph, the provision for capital expenditure in the three financial years shows a consistent expenditure on capital projects. Differences in provision in the original capital budget and the adjustments and actual budget shows that the differences have decreased which was due to the fact that provision has been made for the expenditure and the MIG allocations was approved, but the capital projects were not all registered in the previous budgets. This problem has been overcome and rectified.

T 1.4.5.1

Chapter 2

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The purpose of the Municipal Organisational Development Plan is to develop a framework and drive a strategy that will facilitate the optimal provision, organisation and deployment of the Municipality's staff so as to enable the Municipality to achieve its strategic goals and objectives. This includes the development of institutional and business systems and processes to support the Municipality's development strategies and initiatives. The focus of the plan is to shift the culture and managerial practice through the following four areas:

- . To shift the organisation to high performance, based on best practice benchmarking and through the alignment of people strategies to business strategies.
- . To guide and drive the process of changing to a high performance organisation through targeted strategic programmes.
- . To measure the value gained by revised business systems and processes, investment in employees, the percentage alignment of people strategies to business strategies and the extent to which the organisation measures up to national best practice benchmarks.
- . To identify and prioritise key levers that will have the greatest impact on improved service delivery.

T1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2012/2013

The municipality obtained an unqualified audit opinion with matters during the 2012-2013 financial year. The financial statements of the municipality were regarded as fairly stated.

Furthermore, areas of internal control weaknesses were also mentioned which included matters of leadership, financial and performance management and governance. Although the municipality aimed to obtain an unqualified opinion during the 2012-2013 financial year, the matters raised as qualifications in the previous audit report were not repeated. The audit report is contained in Chapter 6 of this annual report.

AUDITOR GENERAL REPORT 2013/2014

The 2013/14 AG Report is not available yet, as the AG is still busy auditing the Financial Statements.

_T 1.6.1

Chapter 2

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2013/2014 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	January
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	February/ March
16	Council adopts Oversight report	March
17	Oversight report is made public	April
18	Oversight report is submitted to relevant provincial councils	April
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	July
T1.7.1		

Chapter 2

COMMENT ON THE ANNUAL REPORT PROCESS:

The effectiveness, efficiency and economic financial management of the municipality can help change municipal areas to be the choice place for residence and work. This is the vision that is strived for by our political leadership. The communities must be involved as much as possible in the spending priorities for the areas they live in. It is important for the Councillors and ward committees to report to ward meetings about the budget plans and consult the communities on programmes and projects that are going to affect them.

IMPORTANCE OF MEETING ANNUAL REPORT DEADLINES

The importance of achieving annual report deadlines will enable the municipality to provide:

- . Records or evidence of municipal activities during the year under review.
- . Report on municipal performance against the budget for the year under review.
- . And to account to the local communities for the decisions made by the municipality during the year under review.

ALIGNMENT OF IDP/BUDGET / PERFORMANCE MANAGEMENT

IDP forms the basis on which the annual budget is based and it must be compatible with the national and provincial government development plans. Processes for IDP, Budget and performance management must be flawlessly assimilated. The IDP fulfils the planning stage and Performance Management fulfils the management of implementation, monitoring and evaluation of the IDP. Municipal performance is inherently interrelated to that of the employees. If the employees do not perform, the municipality will not achieve its purpose.

T1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The Political Leadership of the Municipality comprises of elected Councillors through both the Ward System and Proportional Representation, is led by the Mayor. On the other side the Administration of the Municipality is composed of Executive Management appointed in terms of Sections 54 A and 56 of the Municipal Systems Act as amended. The Municipal Manager is the head of Administration. In order to realise the Constitutional mandate of the Municipality these two components, including the Community have to work together.

T2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Umsobomvu Municipality was established in terms of a Section 12 Notice of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998). In terms of the Section 12 Notice the municipality is classified as a Category B municipality which operates within a Plenary System combined with a Ward Participatory System with 5 wards. Governance at Umsobomvu Municipality is composed of political and administrative governance. In addition to this there is Intergovernmental Relations, Public Participation and Accountability.

The political component of the municipality exercises its executive and legislative powers and functions to govern the affairs of the municipality. The administrative component of the municipality is responsible for corporate governance and administrative functions of the municipality as prescribed by various legislative frameworks. Co-operative governance and Inter-governmental Relations pertains to the interaction support by various sector departments and state institutions. Public participation is realized through engaging communities in the affairs of the municipality by means of road shows, imbizos', public meeting, newsletters, public notices, etc.

Administrative governance is exercised by the Accounting Officer, also referred to as the Municipal Manager who is appointed in terms of Section 54A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). The Accounting Officer is supported by Managers who are reporting directly to the Municipal Manager and are appointed in terms of Section 56

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Umsobomvu Local Municipality has ten democratically elected Councillors which took office following the 2011 local government elections. The Council consists of a Speaker, which is referred to as the Mayor and five ward elected Councillors and five proportional elected Councillors.

To be able to effectively and efficiently conduct the business of Council, Committees were established in terms of Section 79 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998). These Committees are the three Portfolio Committees, i.e. Corporate Services Committee, Technical Services Committee, Financial Services Committee, Oversight Committee, Municipal Public Accounts Committee and Audit Committee.

T2.1.1

Chapter 2

<p><i>Photos</i></p>	<p>POLITICAL STRUCTURE</p> <p>MAYOR/SPEAKER Clr. Nombulelo Lilian Hermans</p>	<p><u>Introduction</u> The Mayor is elected by Council to coordinate the work of Council. She is the political head of Council. The Mayor performs functions and duties as set out in the legal framework for Municipalities. She also performs duties as delegated to her by Council.</p> <p><u>Functions</u> The duties of the Mayor amongst other things are as follows:</p>
		<p>1) Reviews the performance of the municipality in order to improve:- (i) the economy, efficiency and effectiveness of the municipality; (ii) the efficiency of credit control and revenue and debt collection services; (iii) the implementation of the municipality's bylaws; (iv) monitors the management of the municipality's administration in accordance with the policy directives of the municipal council (output monitoring).</p> <p>2) Oversees the provision of services to communities in the municipality in a sustainable manner.</p> <p>3) Annually reports on the involvement of communities and community organizations in the affairs of the municipality;</p> <p>4) Considers recommendations on the alignment of the IDP and the budget received from the relevant councilors;</p> <p>5) Ensures that regard is given to public views and reports on the effect of consultation on the decisions of the council;</p> <p>6) Makes recommendations to council regarding:- (i) the adoption of the estimates of revenue and expenditure, as well as capital budgets and the imposition of rates and other taxes, levies and duties; (ii) the passing of by-laws; and (iii) the raising of loans.</p> <p>7) Oversee the approval, review and amendment of the IDP.</p> <p>8) Responsible for appointment and conditions of service of Municipal Manager and heads of departments.</p> <p>9) Deals with any other matters referred to her by the Council and submits a recommendation thereon for consideration by the council.</p> <p>9) Deals with any other matters referred to her by the Council and submits a recommendation thereon for consideration by the council.</p> <p>10) Attends to and deals with all matters delegated to her by council in terms of the Systems Act.</p> <p>11) Develops strategies, programmes to address</p>

Chapter 2

	<p>priority needs of the municipality through the IDP and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans and programmes and submits a report and recommendations thereon to the council.</p> <p>11) Subject to applicable legislation, recommends or determines the best methods, including partnerships and other approaches to deliver services, programmes and projects to the maximum benefit of the community.</p> <p>12) Identifies and develops criteria in terms of which progress in the implementation of services, programmes and objectives to address the priority needs of the municipality can be evaluated, which includes key performance indicators which are specific to the municipality and common to local government in general.</p> <p>13) Manages the development of the performance management system, assigns responsibilities in this regard to the municipal manager and submits the proposed performance management system to council for consideration.</p> <p>14) Monitors progress against the said key performance indicators.</p> <p>15) Receives and considers reports from committees in accordance with directives as stipulated by the Mayor.</p> <p>16) Recommends to council after consultation with the relevant Portfolio Committee, policies where Council had reserved the power to make policies itself.</p> <p>17) Makes recommendations to Council in respect of council's legislative powers;</p> <p>18) Determines strategic approaches, guidelines and growth parameters for the draft budget including tariff structures.</p>
<p>CHIEF WHIP Clr. N.B. Mdala</p>	<p><u>INTRODUCTION</u> The Whip of Council is elected by the majority party in Council.</p> <p><u>FUNCTIONS</u> The functions and duties of the Chief Whip among other things are as follows:</p> <ol style="list-style-type: none">1) Ensure that Councillors attend to their duties and are accountable to their constituencies2) She assists Council with the deployment of Councillors to various Council Committees.3) She gives political management of Council meetings.

Chapter 2

COUNCILLORS

ALLOCATION OF COMMITTEES

The Council of Umsobomvu Local Municipality has established five (5) Section 79 Committees. Each of these committees is chaired by a member of Council, and the allocation is as follows:

CORPORATE SERVICES: SECTION 79 COMMITTEE

1. **Chairperson: Cllr. S.G. Mlenzana (ANC)**
2. Deputy Chairperson: Cllr. J. Reyners (Cope)

FINANCIAL SERVICES: SECTION 79 COMMITTEE

1. **Chairperson: Cllr. E. Humphries (ANC)**
2. Deputy Chairperson: Cllr. S. Ngalimani (ANC)

TECHNICAL SERVICES: SECTION 79 COMMITTEE

1. **Chairperson: Cllr. N.B. Mdala (ANC)**
2. Deputy Chairperson: Cllr. M.A. Sestile (ANC)

OVERSIGHT: SECTION 79 COMMITTEE

1. **Cllr. C. Gronum (DA) (Chairperson)**
2. Cllr. S. Ngalimani (ANC)
3. Cllr. N.J. Reyners (Cope)

MUNICIPAL PUBLIC ACCOUNTS: SECTION 79 COMMITTEE

1. **Cllr. S. SIKO (Cope) (Chairperson)**
2. Cllr. A. Fritz (ANC)
3. Cllr. M.A. Sestile (ANC)
4. Cllr. S. Ngalimani (ANC)
5. C. Gronum (DA)

T2.1.2

POLITICAL DECISION-TAKING

The Standing Rules and Orders of Council and various pieces of legislation including the Constitution of the Republic of South Africa provides for the processes of decision making by Council.

All issues pertaining to the matters listed below are dealt with by Council and the resolution passed through the supporting vote of the majority of members of Council:

- a) Approval of Budgets, IDP and policies.
- b) The imposition of rates and taxes, levies and duties.
- c) The passing of By-laws.
- d) The raising of loans.
- e) The appointment and conditions of service of the Municipal Manager and Managers directly accountable to the Municipal Manager

Chapter 2

All other matters before Council are decided by the majority of votes cast in a particular meeting. If on any matter there is an equality on votes cast, the Speaker exercise a casting vote in addition to that of her being a Councillor.

Political decisions by Council are taken by means of consensus between the various political groupings in Council. Submissions by the Municipal Manager either serves before a Portfolio Committee meeting who makes recommendations to Council, where-after Council resolve on those recommendations at a Council meeting. Ordinary Council meetings are scheduled on a quarterly basis and when the need arises, Special Council meetings are scheduled to resolve on urgent issues.

The following resolutions have been passed by Council and the table gives an indication on the proportion of resolutions implemented and the reasons why not.

STATUS OF EXECUTION OF COUNCIL RESOLUTIONS			
COUNCIL RESOLUTION NR.	COUNCIL RESOLUTION DESCRIPTION	STATUS	REASON FOR NOT BEING EXECUTED
94/08/2012	Approval of Draft Policies: Brickmaking Land Allocation Policy and Commonage Land Allocation Policy	Not Finalized	Awaits public participation process by Councillors to be finalized
103/08/2012	Local Economic Development Strategy	Not Finalized	Awaits public participation process by Councillors to be finalized
104/08/2012	Review of Disaster Management Plan	Not Finalized	Awaits public participation process by Councillors to be finalized
106/08/2012	Draft Policy: Naming and Re-Naming of Streets, Buildings and Facilities	Not Finalized	Awaits public participation process by Councillors to be finalized
112/08/2012	Building of a Memorial Stone	Not finalized	Awaits housing allocation for affected

Chapter 2

			family
39/07/2013	Draft Logo	Not Finalized	Referred to next Council meeting
40/07/2013	Authorization of Debt Impairment Provision	Finalized	
41/07/2013	Bad Debt Write - Off	Finalized	
42/07/2013	Appointment of an Acting Manager: Technical Services	Finalized	
50/08/2013	Draft Logo	Finalized	
41/08/2014	Quarterly Report: Manager Technical Services: April 2013 to June 2013	Finalized	
42/08/2013	Quarterly Report: Manager: Corporate Services: April 2013 to June 2013	Finalized	
43/08/2013	Determination of a Date of Valuation	Finalized	
44/08/2013	Introduction of Amended By-Laws: Customer Care, Credit Control and Revenue Management By-Law and Rates By-Law Introduction of New By-Laws: Indigent By-Law and Tariff By-Law	Finalized	
45/08/2013	Application for the purchase of Erf 1728 Colesberg: Messrs Bomelas	Finalized	
46/08/2013	Application for the Re-Zoning of Portions/Remaining Portions of: (a) Remaining Extent of Farm	Finalized	

Chapter 2

	<p>Rietfontein140, Noupoort (Amandla Welonga Photovoltaic Solar Facility);</p> <p>(b) Portion 3 of the Farm 140, Noupoort (Dida Solar Energy Facility)</p> <p>(c) Portion 1 of the Farm Naauwpoort 1 (Tollie Solar Energy)</p> <p>(d) Portion 2 of the Farm Caroluspoot 167 Noupoort (Inkululeko Photovoltaic Solar Energy Facility.</p> <p>(e) Portion of the farm Damfontein114, Noupoort (Damfontein Solar Facility)</p> <p>(f) Portion 7 of the Farm Damfontein 114, Noupoort (Wonderheuwel Solar Energy Facility)</p> <p>(g) Remainder of Farm 207, Noupoort (Caroluspoot Solar Energy Facility)</p> <p>(h) Remainder of Farm 306, Noupoort (Gillmer Solar Energy Facility)</p> <p>(i) Remaining Extent 1 of the Farm Naauwpoort No.1, Noupoort (Naauwpoort Solar Energy Facility: Terra Solar Energy (Pty)Ltd</p>		
48/08/2013	Circular 2/2013: Re-Determination of Municipal Boundaries: Section 21 Process	Finalized	
49/08/2013	Report on Negotiations on Review of Main Collective Agreement	Finalized	
50/09/2013	Transfer of Government Properties	Finalized	
51/09/2013	Budget, IDP and PMS Time Table	Finalized	
52/09/2013	Operation and Maintenance of Bulk Water Supply Infrastructure: Norvalspont	Finalized	

Chapter 2

53/09/2013	Establishment of a Municipal Advisory Committee	Finalized	
54/09/2013	Proposed Lease/Alienation Agreement: Portion of Erf 675 Colesberg: Tecino//Umsobomvu Municipality	Finalized	
55/09/2013	Revision of Organogram: Creation of a Post: Cashier: Traffic Section; Senior Clerk Supply Chain Management and Housing Clerk	Finalized	
56/09/2013	Salary and Wage Increase 1 July 2013 to 30 June 2014; 2) Cost of Living Increase Contract Personnel	Finalized	
57/09/2013	Appointment of Personnel: Senior Clerk Revenue, Senior Clerk Assets Management, Financial Intern and Cashier.	Finalized	
58/10/2013	Attendance of ICLD's International Training Programme: Local Political Leaders-Capacitating Woman in Politics: Councillor N.L. Hermans	Finalized	
60/10/2013	Amended budget for MTREF 2013/14 To 2015/16 financial years as a result of the alignment of the budget tables and returns with previous years audited figures	Finalized	
61/11/2013	Quarterly Report: Manager: Corporate Services: July 2013 to September 2013 Signboards be erected at all illegal refuse dumping sites; Councillors do their utmost best to finalize all outstanding Council resolutions that are held in abeyance due to the lack of public participation at the latest March 2014.	Finalized	

Chapter 2

62/11/2013	Application for the Cancellation of Revisionary Clause on Erf 2165, Colesberg in Favour of the Municipality: Mr. R.J. Vos	Finalized	
63/11/2013	Application for a Consent Use for an Occupational Practice on Erf 1242, Situated at 19 D'Urban Row, Colesberg: Mr T.and Mrs K. Wessels	Finalized	
64/11/2013	Amendment of Indigent Policy and Introduction of Asset Management Policy, Policy on Strategies for Municipal Income Generation and Revenue Enhancement, Policy on Unauthorised, Irregular, Fruitless and Wasteful Expenditure and Employee Wellness	Finalized	
66/11/2013	Availing of Municipal Land to the Umsobomvu Development Trust for an Old Age Home	Finalized	
67/11/2013	Development Proposals: Tecino//Umsobomvu Industrial Development City	Finalized	
68/09/2013	Provision of Operation and Maintenance Costa: Proposed Norvalspont Community Hall	Finalized	
69/11/2013	Closure of Offices	Finalized	
68/01/2014	Draft 2012/13 Annual Report	Finalized	
69/01/2014	Payment of Performance Bonuses: Section	Finalized	

Chapter 2

	54A and Section 56 Employees: 2012/13 Financial Year		
70/01/2014	Determination of Upper Limits of Salaries, Allowances and Benefits of Members of Municipal Councils for the 2013/14 Financial Year	Finalized	
71/01/2014	Financial Contribution: Norvalspont Bulk Water Infrastructure Development	Finalized	
72/02/2014	Payment of Performance Bonuses to Section 54A and Section 56 Managers	Finalized	
73/02/2014	Recruitment of Section 56 Managers	Finalized	
81/03/2014	2012/13 Oversight Report	Finalized	
83/03/2014	Draft 2014/15 Reviewed IDP	Finalized	
84/03/2014	Revision of Budget Related Policies	Finalized	
85/03/2014	Draft 2014/15 Budget	Finalized	
86/03/2014	Upgrading of Noupoot Sport Complex Instead of Kwazamuxolo Sport Complex	Finalized	
87/03/2014	Appointment of Manager: Corporate Services and Manager: Technical Services	Finalized	
88/05/2015	Approval of the 2014/15 Revised IDP	Finalized	
89/05/2015	Approval of the 2014/15 Budget	Finalized	

Chapter 2

90/05/2015	Approval of the Budget Related Policies	Finalized	
91/05/2014	Appointment of Manager: Finance	Finalized	
68/01/2014	Draft 2012/13 Annual Report	Finalized	
73/02/2014	Recruitment of Section 56 Managers	Finalized	
81/03/2014	2012/13 Oversight Report	Finalized	
83/03/2014	Draft 2014/15 Reviewed IDP	Finalized	
86/03/2014	Upgrading of Noupoort Sports Complex Instead of Kwazamuxolo Sport Complex	Finalized	
87/03/2014	Appointment of Manager: Corporate Services and Manager: Technical Services	Finalized	
88/05/2015	Approval of the 2014/15 Revised IDP	Finalized	

Chapter 2

90/05/2014	Approval of the Budget Related Policies	Finalized	
91/05/2014	Appointment of Manager: Finance	Finalized	

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA s60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The municipality has established a process or mechanism to regularly evaluate the staff establishment and if necessary review the staff establishment, in line with organizational objectives and development priorities. This mechanism provides for the review of the organizational structure at the beginning of the financial year, which entails revisiting each Department to ensure that they respond to the priorities contained in the Integrated Development Plan (IDP). The organizational design and the structure of the Municipality are such that it seeks to respond to both national and local government priorities of:

- a) Municipal Institutional Development & Transformation.
- b) Basic Service Delivery
- c) Local Economic Development
-) Municipal Financial Viability
- e) Good governance
- f) Building Local Economies to create more employment & sustainable livelihood.
- g) Improve local public services and broaden access to services
- h) Promote more active community participation in local government
- g) Effective, accountable and clean local government

Chapter 2

The Municipal Manager is the Head of Administration and plays a pivotal role in the functioning of the Municipality. The Municipal Manager subject to policy direction by Council must organize the Administration in the manner that enables Council to hold the Municipal Manager accountable for the overall performance of the Municipality.

As head of the administration, the municipal manager is responsible for the formation and development of an economical, effective, efficient and accountable administration, which is equipped to implement the IDP, operates within the municipality's performance management system, and is responsive to the needs of the local community to participate in municipality.

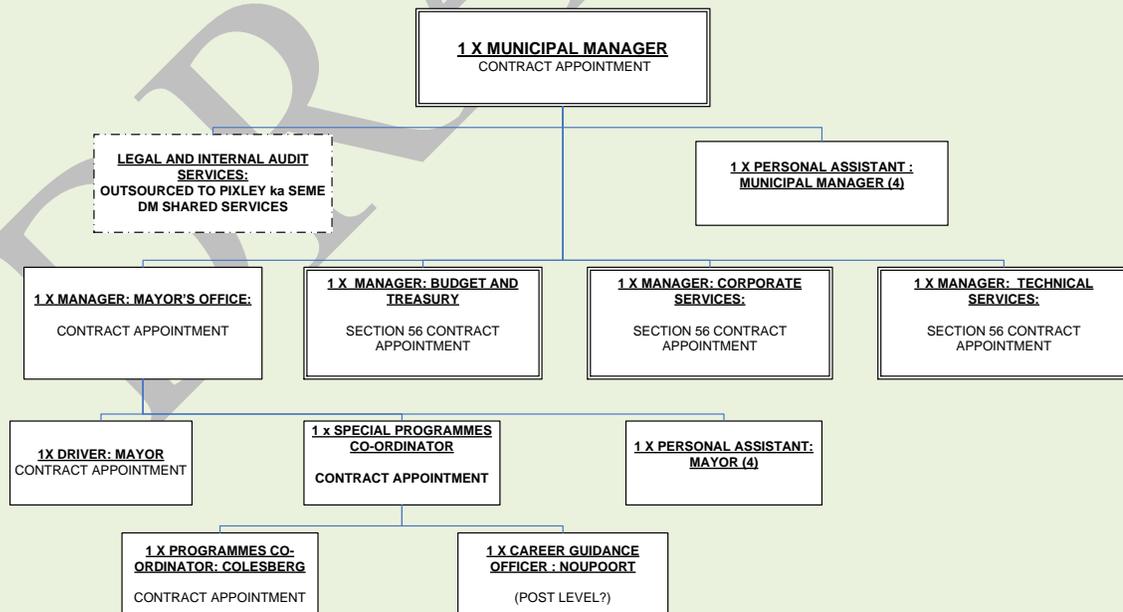
The municipal manager manages communication between the political structures and office-bearers and the administration. In order to be able to give fruition to the requirement to run an efficient, economical and accountable administration, the operations of the municipality are divided into three directorates:

- a) Finance
- b) Corporate Service
- c) Technical Services

T2.2.1

UMSOBOMVU MUNICIPALITY

TOP LEVEL MANAGEMENT



Chapter 2

	<p>TOP ADMINISTRATIVE STRUCTURE FIRST TIER</p> <p>MUNICIPAL MANAGER AMOS CHINA MPELA</p>	<p>Function</p> <p>Responsible for the operations and performance in the following sections:</p> <ul style="list-style-type: none"> • Responsible for setting up effective and sound local administration; • Coordinates the compilation of IDP; • Responsible for PMS of the Municipality • Oversees the management of internal audit. • As the Accounting Officer has overall responsibility for finances of the Municipality; • Advice Political Office Bearers and Council on various issues; • Responsible for compliance of the Municipality with various pieces of legislation; • Must ensure community participation in the affairs of the Municipality;
<p><i>Directors</i></p>	<p>DIRECTOR: FINANCE SECOND TIER</p> <p>DIONNE TIMOTHEUS VISAGIE</p>	<p>Responsible for the operations and performance in the following sections:</p> <ul style="list-style-type: none"> • Financial Planning and Treasury; • Supply Chain Management; • Expenditure Control; • Credit Control and Debtors; • Revenue Control; • Information and Communications Technology; and • Asset Management.
	<p>DIRECTOR: CORPORATE SERVICES SECOND TIER</p>	<p>Responsible for the operations and performance in the following sections:</p>

Chapter 2

	<p>BIRTUS JACOBUS KAPP</p>	<ul style="list-style-type: none"> • Administration and Auxiliary Services; • Legal Services; • Human Resources. • Sports & Recreation, • Arts & Culture; • Social and Community Development; • Library Services; • Facility Management. • Parks, Gardens, Open Spaces and Cemeteries • Motor Vehicle Roadworthy Testing & Driver Licensing; • Traffic Law Enforcement; • Disaster Management • Town Planning; • Housing and Property Administration; • Property Valuations; • Commonages
	<p>DIRECTOR: TECHNICAL SERVICES SECOND TIER PHILLIP THEMBA REENTSENG MOSOMPHA</p>	<p>Responsible for the operations and performance in the following sections:</p> <ul style="list-style-type: none"> • Building Control; • Electrical Services; • Roads and Storm water; • Water and Sanitation; • Solid Waste
<p>T2.2.2</p>		

Chapter 2

<u>THIRD TIER</u>	
<u>DIRECTORATE</u>	<u>NAME AND TITLE</u>
Municipal Manager	X. Teki: Manager Mayor's Office M.S. Toto: Unit Manger: Noupoort Administrative Unit N.V. Hondo: Unit Manger: Norvalspont Administrative Unit
Finance	N. Thiso: Budget and Treasury S. Khapha: Supply Chain Management M. Mostert: Accountant Expenditure L. Sonwabo: Accountant Income
Corporate Services	V. Mokhothu: Section Head Corporate Services G. Mgcineni: Section Head Community Development
Technical	T. Mhtimkhulu: Technician: Roads, Storm-water F. Swartz: Technician: Water, Waste Water and Electricity S. Nkcithiso: Technician: Project Management

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Overview of cooperative Governance

Service delivery is the core function of the municipality. Cooperative governance is but on the arrangement entered into by spheres of government to fast track service delivery within the Constitutional mandate thereof:

Mayor's forum

Municipal Manager's Forum

Chief Financial Officer's Forum

The above forum is established to share best practices among others and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottleneck within certain spheres.

Such forums must be attended to check and report on service delivery. Once these forums are successful, service delivery will be achieved and we will have communities that are satisfied.

The Inter-governmental Relations Framework Act, (Act No 13 of 2005), requires all spheres of government to coordinate, communicate, align and integrate service delivery effectively, to ensure

Chapter 2

access to services. In this regard the Municipality complies with the provisions of the Act. The Intergovernmental Relations Framework Act, (Act No 13 of 2005), requires all spheres of government to coordinate, communicate, align and integrate service delivery effectively, to ensure access to services. In this regard the Municipality complies with the provisions of the Act.

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Intergovernmental Relations

In South Africa public participation in the context of community is defined as a ward with elected ward committees. Hence ward committees play a central role in linking elected institutions with the people, whilst other forms of communication reinforce these linkages with communities like the izimbizo, road shows, the lekgotla and so forth.

During September 2011, a process to launch ward committees was undertaken in Umsobomvu Local Municipality under the auspices of the Office of the Mayor. In all five (5) wards a composition of ten (10) committee members per ward was established through an open democratic process.

Members of ward committees were elected in various public meetings in their respective wards. This was done to further enhance the role of ward committees and make sure that it is clearly entrenched and for it to effectively execute their roles in making the council accountable to the community. The following capacity building mechanisms were consequently put in place:

Ward Committees have been critical in the launching of Block Committees, and Street Committees in various wards. This is to effectively assist the municipality to establish forums of public engagement with its constituency.

Constant meetings are held by the various ward committees, however it should be noted that there is more need for capacitating ward committee members, which the Office of the Mayor has committed itself to mobilize sufficient resources towards. This will ensure that ward committees are capacitated to the extent of effectively executing their mandate.

All Ward Committee members have signed their Code of Conduct and a Declaration which bind them in serving the interest of the people of Umsobomvu diligently and ethically.

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The Northern Cape Department of Co-Operative Governance, Human Settlement and Traditional Affairs conducted a two day workshop for all members of ward committees. This workshop was to ensure that all members of the ward committees comprehend their roles as public representatives and how to ensure that the Municipality is accountable to the Umsobomvu community.

FUNCTIONS OF WARD COMMITTEE MEMBERS

The function a ward committee is as follows:

Organising and attending meetings of ward;

Submission and tabling of reports and plans addressing the needs and priorities of the ward and to provide feedback on the functions rendered by the municipality that impacts on the ward, in order to formulate recommendations to be submitted to the municipality through the ward Councillor;

Facilitating feedback on matters raised by the Council through the ward Councillor;

Attend to do door-to-door campaigns and arrange interactions with substructures in the ward, such as street committees;

Keep record of and attend to all complaints, queries and requests received from the community in the ward and to attend to it, through the ward Councillor;

Distribute publications as required;

Management and updating of ward profiles as well as the database of indigent households

Participation in plans and programmes of municipalities and other spheres of government impacting on the ward development;

Facilitating participation by the community in all affairs of the municipality; Foster a good working relationship with CDW'S operating in the ward.

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Municipality participates in the Premier's Coordinating Forum where parties look into the Provincial funded projects, based on the allocation granted for the province. The municipality have a functional and efficient LGNET software and hardware systems, this is constantly updated in partnership with the Department of Co-Operative Governance, Human Settlement and Traditional Affairs.

Other provincial departments have signed Memorandum of Understanding with the municipality.

T2.3.2

Chapter 2

DISTRICT INTERGOVERNMENTAL STRUCTURES

In addressing some of the service delivery constraints and challenges, the municipality have partnered with the Pixley ka Seme District Municipality in terms of building of houses, legal services, audit services and planning services.

The Mayor participates in the Mayor's District forum. These forums provide a platform for engagement on the approval of projects and for coordination and monitoring of expenditure on MIG-funded projects.

T2.3.4

DRAFT

Chapter 3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public participation is an institutionalised function in our Municipality. Our communities have learned to appreciate the elaborative process which ensures that all interested residents are afforded ample opportunity to make meaningful contributions to policy development and planning for developments in the municipal jurisdiction. The evolution of ward-based planning and the related establishment of ward committee system have elevated community participation to higher level in terms of legal provision and institutionalisation of the process.

Umsobomvu Local Municipality, through the Office of the Speaker, liaise continuously with communities through ward committee members and other stakeholder forums. In order to facilitate maximum participation by ward committee members, the Municipality is in a process of providing stipends for each member. Ward committees are functioning pretty well in all 5 wards.

Reports are received monthly and follow-ups made where necessary. Stakeholder forums with business community have also been established. Inputs are regularly solicited from these constituencies on a constant basis. Meetings are held as the need dictates. Otherwise, maximum participation takes place during annual IDP reviews and the tabling of annual budget.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

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2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

As part of the objective of the Municipality to enhance public participation and give community members the opportunity to fully participate in the formulation of municipal planning, Umsobomvu Local Municipality had during November 2013 until March 2014 embarked on IDP Review process to make inputs in the Municipal Integrated Development Planning (IDP's), this was done with the view to allow that the annual Municipal Budgeting be informed by the real aspirations of our society, further informing the Municipality's Service Delivery Budget Implementation Plan (SDBIP).

Noting the concerns and challenges raised by the community during these IDP review road shows, the council executive, made responses to all the relevant questions that were raised and provided clarity in respect of the issues that needed immediate attention. An underlying aspect that emerges from these meetings and requires self-interrogation are to what extent are our deliverables/milestones clearly articulated to our target audience and to what extent is our monitoring system that tracks progress, success and blockages effective.

T2.4.1

WARD COMMITTEES

Ward committees are made up members of a particular ward who are chosen by residents of the ward to advise the ward councillor. Their function is to raise issues of concern about the local ward to the ward councillor and to make sure ward residents have a say in decisions, planning and projects that the council or municipality undertakes which have an impact on the ward.

The major issues that the ward committee has dealt with during the year are:

Service delivery related issues such as electricity cut offs, drain blockages, indigent registration, inputs on IDP process, housing related issues. T2.4.2

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Public Meetings					
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
IDP Consultation	17/02/2014	0	3		Representative Forum meetings
	13/2/2014	6	4	26	Consultative Meeting
Budget Consultation and Council Meets the People	23/06/2014	8	6	90	Consultative Meeting
	24/06/2014	7	3	209	Consultative Meeting
	25/06/2014	8	2	122	

T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Benefits are: Dissemination of information, community participation in the development of municipal plans, IDP inputs, being aware of the concerns of our residents, providing clarity on issues and accountability of the municipality to its residents; Minimizing voter apathy amongst our residents and Inculcating the concept of responsible residents.

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 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	

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	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	
T2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is a link between all three spheres of government as enshrined in the constitution of the country. Inter-governmental relations are working relations between spheres of government for realization of a service delivery.

In terms of the mandate of each sphere per the constitution, the expectation is that spheres of government compliments each other. This is done for the purpose of best practice and service delivery. T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

The MFMA S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

BACKGROUND

The provision of Section 62 (1) (c) (i) of the Municipal Finance Management Act (Act 56 of 2003) stipulates that the Accounting Officer (Municipal Manager) of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all responsible steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control

ROLE OF RISK MANAGEMENT

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Risk management forms a critical part of any institution's strategic management. It is the process whereby an institution methodically and intuitively addresses the risks attached to its activities with the goal of achieving sustained benefit within each activity and across the portfolio activities. Risk Management is therefore recognized as an integral part of sound organizational management and is being promoted internationally as good practice to both the public and private sectors.

ACHIEVEMENTS

An integrated Enterprise Risk Management (ERM) framework and the Risk Management Policy has been drafted and approved by the Council. This framework is informed by best practice such as ISO 31000 paper on Risk Management and the Public Risk Management Framework as well as current trends led by provincial and national government. The framework makes provision for the establishment of a risk committee and a governance structure.

A high level (strategic) risk assessment was finalized in July 2012.

The risk assessment identified a list of 17 key risks that need to be managed and controlled by the municipality.

The Operational Risk Assessment was finalized in May 2012.

Risk Management Committee Charter was in place and approved in July 2012.

Risk Management implementation plan was in place and approved in July 2012

Risk Management Committee schedule was in place and approved in August 2012

The risk maturity survey to establish the extent to which the Enterprise Risk Management has been implemented revealed and improvement from 2012/13 to 2013/14.

Quarterly Risk Management Meetings are being held and is attended by Management and Middle Management.

TOP 5 INHERENT RISKS

Below is an overview of the five most significant risks in terms of inherent risk exposure For detailed risks per goal, reference should be made to the detailed attached risk register.

Risk Number	Inherent Risk Exposure	Residual Risk Exposure	Risk Name
1.	25	25	Inability to continue operations in the event of a

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			disaster.
2.	25	25	Degradation of Environment.
3.	20	20	Loss of institutional memory.
4.	25	16	Ageing infrastructure.
5.	25	16	Inability to attract sufficient investment

According to the above ratings, risks 1 to 5 are currently not being controlled at an acceptable level. This may mean that controls in place to mitigate the risks are inadequate. Mitigating actions should be implemented timeously. T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

FRAUD AND ANTI-CORRUPTION STRATEGY

In terms of the Municipal Systems Act (MSA) Act 32 of 2000 Section 83 (c), if a municipality decides to provide a municipal service through service delivery agreement with a person referred to in section 80 (1) (b), it must select the service provider through selection processes which minimize the possibility of fraud and corruption.

Umsobomvu Local Municipality has the following strategies in place to prevent corruption, fraud and theft:

- Presidential Hotline on Fraud Prevention and Corruption, and Service delivery matters.
- Risk Management Policy.
- Internal Audit Unit reviews the effectiveness of the systems of internal control, governance and risk management on a continuous basis.

A Risk Management Committee is also in place to assist the Accounting Officer in addressing oversight requirements of risk management and evaluating and monitoring the municipality's performance with regards to Risk Management, Fraud Prevention and Corruption.

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T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Supply Chain Management Unit forms part of the Finance Directorate under the leadership of the Chief Financial Officer. During the adoption of the 2013-14 budget, the Supply Chain Management Policy was reviewed and adopted, which was formulated in terms of section 111 of the MFMA and the Supply Chain Regulations, 2011.

The municipality had challenges to comply with section 112 of the MFMA as can be noted from the audit findings raised by the Auditor-General. The municipality has entered into long term contracts as set out in Appendix H. T2.8.1

2.9 BY-LAWS

By-laws Introduced during 2013/2014					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
None	Indigent	Done in 2012/13	15//2013 to 6/12/2014	No	
	Credit Control, Customer Care and Revenue Management	Done in 2012/13		No	
	Tariff	Done in 2012/13		No	
	Rates	Done in 2012/13		No	

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Note: See MSA section 13.					T2.9.1

COMMENT ON BY-LAWS:

After a By-Law has been passed by the Council, it must be published promptly in the Provincial Gazette, where after it takes effect when it is has been gazetted or at a future date determined in the By-Law. By-Laws only become meaningful when they are enforced by the functional Departments in the Municipality. At Umsobomvu Local Municipality the Legal Section forms part of a team initiating By-laws and training Enforcement Officers on the requirements of By-Law enforcement.

By-Law enforcement generally refers to a host of actions directed at obtaining compliance with local government By-Laws. This may include activities such as educating the public about regulatory rules, conducting inspections to ensure that the rules are being followed, mediating between members of the public, leveraging voluntary compliance with the rules where possible, and seeking consequences for contraventions where compliance is not forthcoming or harm has been done to the community. At the one end of the spectrum communities were called to public participation forums and encouraged to know their By-Laws, as well to complain when they notice any contraventions of these By-Laws. At the other end, the municipality made enforcement officers aware of the By-Laws to assist line departments with on-going inspections for compliance. By introducing the new By-Laws, the legal section has in fact ensured that compliance in the Municipality improves over the medium to long term.

COMMENT ON BY-LAWS

The municipality firstly involved internal stakeholders in its law making process, by soliciting input from the community on the policies that are to be converted into By-Laws.

T2.9.1.1

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	17/4/2012
All current budget-related policies	Yes	25/6/2012
The previous annual report (Year 0)	Yes	2/5/2012
The annual report (Year 1) published/to be published	-	

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All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 1) and resulting scorecards	No	
All service delivery agreements (Year 1)	No	
All long-term borrowing contracts (Year 1)	No	
All supply chain management contracts above a prescribed value (give value) for Year 1	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 1	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 1	Yes	23/11/2012
<i>Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

We are to ensure that all the MFMA Section 75's are met on regular basis. The MFMA calendar will be used as a guide to ensure that all the compliance matters are adhered to. Posting of legislative information is done on a regular basis. The responsibilities of the various directorates constitutes of the following:

Office of the Municipal Manager:

Ensures project management of all the strategic plans, documents and programmes with regards to the municipal website;

Corporate services:

Ensures that all council resolutions are posted on the website;

In collaboration with Office of the MM ensures that other business units provides performance information for posting on the website;

Ensures compliance on the preparation of the IDP and ensures posting on the website;

Finance Unit:

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Ensures MFMA compliance on preparation of reports and directs reports for posting on the website;

Ensures that all the capital projects as per SDBIP are posted on the website;

Ensure that all contracts related to capital projects are posted on the website.

A number of computers have been installed in libraries for free internet access to communities around Umsobomvu. T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

No satisfactory survey done.

T2.11.1

Satisfaction Surveys Undertaken during: Year 0 and Year 1

Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
Satisfaction with:				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Information supplied by municipality to the public				
(f) Opportunities for consultation on municipal affairs				

* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory

T2.11.2

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COMMENT ON SATISFACTION LEVELS:

No satisfaction level survey has been done.

T2.11.2.2

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

INTRODUCTION

Technical Services Directorate:

In our quest to improve service delivery, economic development and job opportunities for all, Umsobomvu local municipality embarked on the following:

- . Constructed a 28.km pipeline from the Orange River to the water treatment works in Colesberg.
- . Part of the maintenance programme is to rehabilitate roads; municipality has rehabilitated tar roads to a total of 34 kilometers in and around the towns of Colesberg, Noupoort and Norvalspont.
- . A tremendous amount of money was spent in re-gravelling of old roads and streets throughout Umsobomvu.
- . Upgrading of the oxidation pond sewerage system to an activated sludge waste water treatment works.
- . Due to the request from the community, and as part of strategy to fight crime, municipality has installed at least 13 sets of lights in greater Umsobomvu.

According to stats South Africa, in 2006, 96% of our households had access to water through pipe-water inside the yard and community stands. Municipality in a process of bringing huge infrastructural projects whose purpose is to observe basic rights of the community, rights to access clean water, creation of job opportunities and transferring of skills. Projects that have been done in relation to the aforementioned include the following

- . Building of 1118 houses.

Finance Directorate:

Umsobomvu Local Municipality declares that, in the last three consecutive budget presentation speeches that all indigent households who have been registered, verified and approved be accorded assistance as follows:

- . 6 kl free water
- . 50 kwh free electricity

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- . full subsidy for property rates
- . full subsidy for sanitation
- . full subsidy for refuse removal

The billing system has been improved in order to reach the municipality's desired objective. Municipality's revenue collection method has increased the financial coffers of the municipality, to an extent that it can internally fund major projects.

Corporate Support Services Directorate:

Oversight role in the department seeks to inculcate the principle of a caring government that is:

- . Department built and maintained good relationship with labour unions;
- . Department has successfully implemented its progressive recruitment and employment policy that saw municipality attracting people with appropriate qualifications to execute the mandate of the municipality;
- . Department has an effective employee assistance programme;
- . Created 13 internship opportunities for external graduates for a period of a year and this programme runs annually and there is a stipend offered;
- . Implemented proper occupational health programmes;

Local Economic Development (LED):

The aforementioned section is the municipality's window that serves to attract investment and support the SMME development and has made strides in various aspects:

- . In job creation and sustainable livelihoods programmes, 250 short-term job opportunities have been created, through municipal infrastructure projects using EPWP principles.

Over the last five years, municipality has approved development in relation to business, residential and other forms of settlement. This has been done in accordance with the promise in our manifesto that "we will improve the way government provides housing to ensure better quality houses close to economic opportunities".

The following areas were developed in relation to housing development

- . Noupoot: 56 units are partially completed
- . Ouboks ISUP: 67 units are completed and allocated
- . Norvalspont: 0 units are completed and allocated

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Land audit has been completed.

Social Services:

Hosted heritage celebrations to acknowledge our fallen and unsung heroes and heroines

Public Safety:

Roads in Umsobomvu are becoming safer and this has been confirmed by many motorists from other parts of the province using our route. In partnership with the saps and community members through community policing forums, crime was reduced. Municipality has successfully conducted arrive alive campaigns during December holidays.

- . Zero-tolerance approach towards transgressors of laws.
- . In reducing the rate of accidents on our roads, municipality has replaced road signs, erected speed humps in various communities and re- painted road marks.
- . In promotion of legal trading and enforcement of our by-laws, municipality has issued trading licences to hawkers and are in a process of identifying adequate space for trading.

Office of the Mayor:

This office provides an overall political and administrative support to the entire institution. The office has dedicated areas in the mayor's office that focuses on the vulnerable in society, namely youth and women, disabled, elderly, gender and children.

The office highlights the following:

- . For 16 days of violence the office had a campaign to raise awareness of the negative impact of violence against women and children by encouraging them to speak out.
- . The youth desk located in this office has had numerous consultative engagements with young people in the greater Umsobomvu.
- . Informative seminars and career and job opportunities workshops have been coordinated with various stakeholders such as NYDA;

The office declares through the mayoral bursary fund which seeks to assist learners to further their studies in tertiary institutions. Learners who have been supported are doing exceptionally well.

Recent IDP forum meetings for all the directorates held by Umsobomvu local municipality revealed that the municipality has done exceptionally well in terms of:

- . provision of water – we can proudly announce that we have received a blue drop certification, which means our drinking water is of good quality;

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- . public participation;
- . caring for the elderly and the disadvantaged children;
- . provision of housing in conjunction with housing department;
- . refuse removal;
- . Cleaning and beautification of the greater Umsobomvu

With regard to the aforementioned paragraph, municipality, therefore, commit to fulfil the “ideal” for local government as envisaged in the constitution (1996), and the white paper for local government (1998), which cites that “Developmental local government is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.”

In line with this constitutional obligation and the fulfilment of it thereof, municipality set itself in realising these strategic objectives. Both political and administrative leadership have over the past few months met to discuss strategic issues which will help provide a clear direction for the municipality.

In providing excellent service, emphasis will be placed on the new Umsobomvu values, namely:

- . Quality service and performance excellence;
- . Commitment and team work;
- . Integrity/trust, honesty and respect;
- . Accountability and transparency;
- . Participation and empowerment;
- . Learning and development.

Municipality’s strategic goal is to build better communities by doing the following:

- . investigate the establishment of a specialist industrial manufacturing node for private transport companies;
- . In the medium term we wish to initiate and investigate the agricultural development of both the growing of products and the processing of that product in Umsobomvu;
- . Enhancement of the Umsobomvu tourism bureau and consider linking tourism sites throughout the region;
- . Develop and implement accurate billing system;

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- . Accelerate revenue collection particularly from business and those who can afford;
- . Develop an infrastructure investment plan and develop and implement a system of financial control.

Medium term to long term

- . To manage a system of financial control and share and sustain best financial practices within the municipality.
- . As a result of these initiatives we believe that over time we can ensure that we achieve financial liquidity, achieve a good credit rating and as a result attract investment.
- . That an area-wide plan be developed to address energy efficiency in Umsobomvu inclusive of water, electrical and fossil fuel saving;
- . Strengthen public participation and community involvement throughout the five year period;
- . Audit review and implement policies, procedures, practices, systems and processes;
- . Review and implement a risk management system;
- . A progressive and creative menu of public participation techniques should be developed to guide councillors and the administrative staff at Umsobomvu in engaging communities.
- . Improve the system of inter-governmental relations which will directly contribute to the building and supporting of local government in a co-ordinated way;
- . Uproot fraud, corruption, nepotism and all forms of maladministration affecting local government in both political and administrative domain;

In conclusion Umsobomvu local municipality as part of its contribution to the 2016 vision must promote shared services in collaboration with other municipalities before any project is embarked upon.

T3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

Chapter 3

Basic services within the local municipality fall under the Technical Services directorate. The basic services provided are Electricity, Water and Sanitation, and Roads and Storm water management.

The functions of the electricity department are to implement electrification projects, upgrading of dilapidated electricity infrastructure, reduction of electricity losses and improve quality of supply. The challenges faced by the electricity function are copper theft, vandalizing of pillar boxes, by-passing of meters, insufficient budget and insufficient manpower. Priorities for the electrical section include minimizing electricity losses, electrifying of new townships, reducing copper theft and maintaining existing infrastructure.

The objectives of the Water and Sanitation function are to provide affordable, efficient, effective and on- going water and sanitation services which are sustainable. Priorities for this function include water provision for informal settlements, ensuring that the quality of potable water provided to Umsobomvu residents is of an acceptable standard, reduction of water losses, implementation of water conservation and water demand management projects, maintenance and refurbishment of water and sanitation infrastructure. Challenges faced in rendering this service are ageing water and sewer infrastructure, increasing demand for water services by rapid development of new settlements, and insufficient budget for capital projects. T3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The constitution of the South Africa assigns the responsibility of ensuring access to water services to Local Government. Furthermore the Water Services Act entrust the local municipality with provision of affordable, efficient, effective on-going water services which is sustainable.

The Water Section within Technical Services Department of Umsobomvu Local Municipality is tasked and responsible for potable drinking water distribution, wastewater collection and treatment, water quality management, water and sewer infrastructure maintenance and upgrade and water conservation and demand management. Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

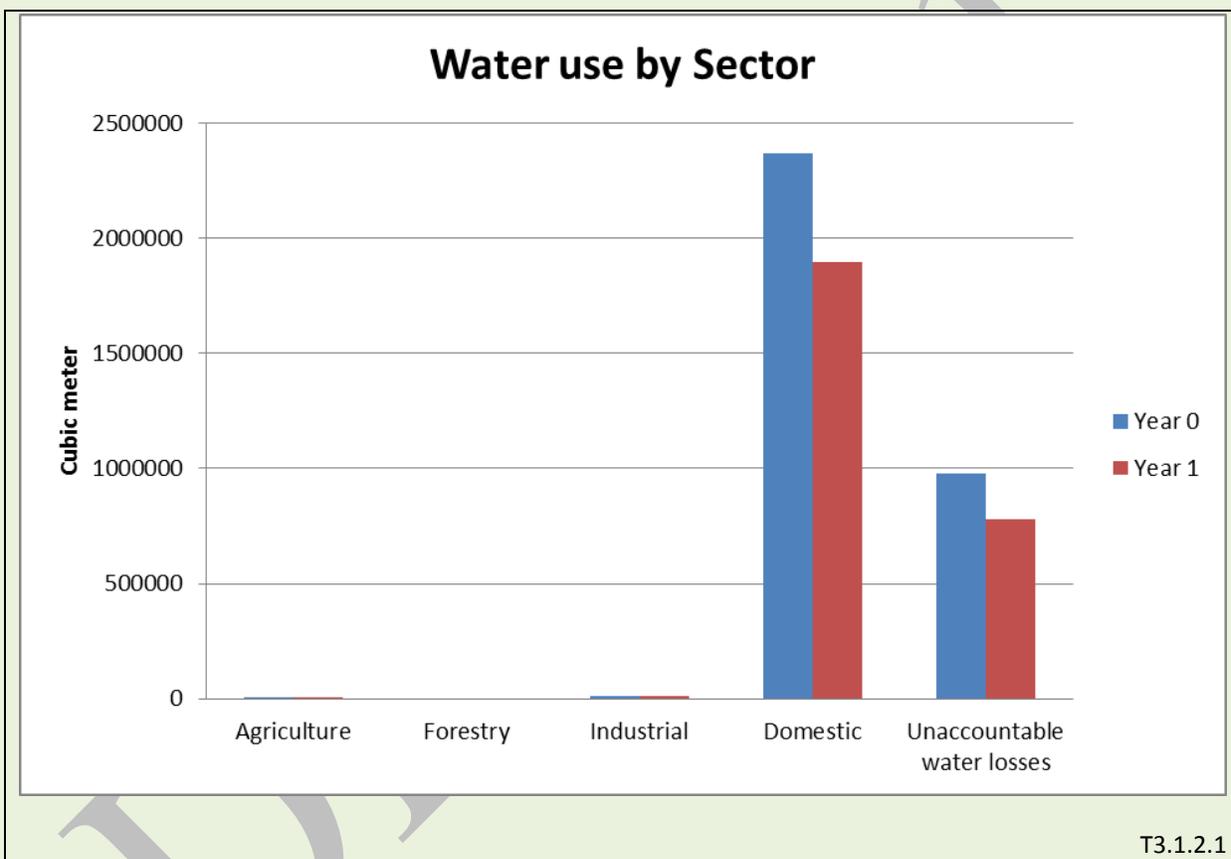
Water demand in the municipality exceeds the supply. Currently the municipality can only supply 4 000 Kl/day while the demand during peak time is between 3 000 to 12 000 Kl per day. The municipality closes the water during certain times to build up supply capacity. Secondly the WTW is currently being upgraded and extended to meet the demand. Umsobomvu municipality is not doing well in Blue Drop System, during the financial year the process controller was employed to put processes in place. The other challenge is the low level of process operators who still need to be trained. All indigent households in the formal settlement has access to free basic water supply, in the informal settlement there are stand pipe to supply water to needy communities.

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T3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year 0	100	0	10,910	2,367,873	975,564
Year 1	120	0	12,000	1,898,181	782,051

T3.1.2



T3.1.2.1

COMMENT ON WATER USE BY SECTOR:

In the current year the highest volume of water use was by households, followed by water use by industrial users. This trend is similar to that of the preceding year, although volumes used in 2013/14 financial year per sector are significantly higher than 2012/13 indicating either an increase in the number of users, or an increase in demand by existing/current users. The lowest volumes of water are used by businesses and other uses, although the use of water in these sectors has decreased.

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The water usage in the municipality with respect to Agriculture and Forestry is very low or non-existent. In the Agriculture sector the number of livestock is not known. The ground water is used to supply farmers with water for their animals from the windmills. These windmills are not fitted with water meters. Unaccounted water losses were reduced significantly by keeping up with maintenance on Solar Water Geysers installed on indigent households and dealing with old pipe breakages.

T3.1.2.2

Water Service Delivery Levels				
Description	Households			
	Year -2	Year -1	Year 0	Year 1
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)				
Piped water inside dwelling				
Piped water inside yard (but not in dwelling)	3 000	3 000	4 399	–
Using public tap (within 200m from dwelling)	3 000	3 000	3 104	–
Other water supply (within 200m)	605	605	605	–
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above Percentage</i>	6 605	6 605	8 108	–
Water: (below min level)				
Using public tap (more than 200m from dwelling)	100%	100%	100%	#DIV/0!
Other water supply (more than 200m from dwelling)				
No water supply	–	–	–	–
<i>Below Minimum Service Level sub-total</i>				
<i>Below Minimum Service Level Percentage</i>	–	–	–	–
Total number of households*	0%	0%	0%	#DIV/0!

* - To include informal settlements T3.1.3

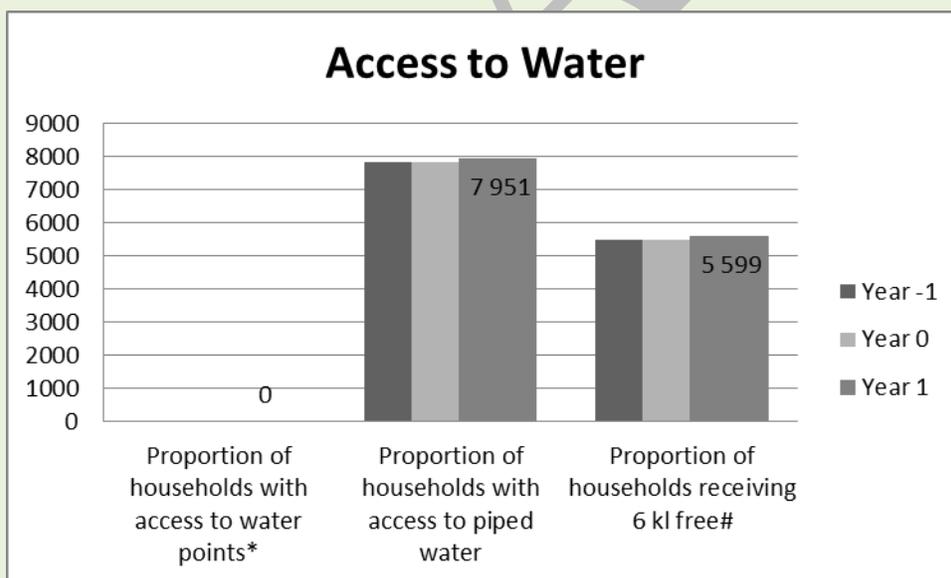
Households - Water Service Delivery Levels below the minimum						
Description	Households					
	Year -2	Year -1	Year 0	Year 1		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.

Chapter 3

Formal Settlements						
Total households	5 848	7 841	7 841	9 539	28 639	7 961
Households below minimum service level	-	-	-	-	-	-
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	555	555	273	243	243	200
Households is below minimum service level	555	555	273	243	243	200
Proportion of households is below minimum service level	100%	100%	100%	100%	100%	100%
T3.1.4						

* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute
 # 6,000 liters of potable water supplied per formal connection per month
 Refer to table T3.1.4 above

T3.1.5



Access to Water

Chapter 3

	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year - 1	0	7 841	5 489
Year 0	0	7 841	5 489
Year 1	0	7 951	5 599
			T3.1.1.3

DRAFT

Chapter 3

Water Service Policy Objectives Taken From IDP

IDP Objective	Indicator of Performance	Measurement source	Annual target	Achieved for
To improve water quality and continuity of water services to residents	Provision of sustainable water to residents	Reports to Council	100%	
	Number of blue drops achieved	Reports to Council	100%	62.00%
	To ensure proper management of Bulk Water Supply project	Reports to Council	100%	100.00%
	To ensure proper management of water provision agreements- Bloem Water and Private owners	Reports to Council	100%	
	Report on the percentage of households with access to basic level of water	Reports to Council	100%	100.00%
	Replace 10 network valves in Colesberg	Reports to Council	100%	0.00%
	Drafting and submission of of long term bulk infrastructure investment plan	Reports to Council	100%	100.00%
	Number of water leaks detected/reported and repaired	Reports to Council	100%	100.00%
	Report on number of hours Orange River and Borehole BWSupply Line are down due to leaks	Reports to Council	100%	100.00%
	Report on the number of hours the Borehole system are down	Reports to Council	100%	100.00%
	Report on the number hours each borehole is down	Reports to Council	100%	0.00%
	Report on the number of hours pumpstation duty and standby pumps are down	Reports to Council	100%	100.00%
	Report on amount of funds spend on maintenance in accordance with allocated budget	Reports to Council	100%	100.00%
	100% Compliance with SANS 241 for E.coli	Reports to Council	100%	62.00%
	Equip WTW laboratory to carry out chemical tests on water	Reports to Council	100%	0.00%
	To ensure effective and efficient operation of CWTW	Reports to Council	100%	100.00%
	Review WSCDBP	Reports to Council	100%	
	Report on monthly water auditon Bulk Supply lines: Tolhuis to WTW to reservoir; Van Der Waltsfontein to reservoir	Reports to Council	100%	100.00%
	Report on percentage reticulation losses and implementation of remedial actions to reduce losses by 5%	Reports to Council	100%	100.00%
	Provision of temporary water services for areas without water	Reports to Council	100%	100.00%
Installation of meters on communal taps system	Reports to Council	100%	100.00%	
Installation of bulk meters to calculate water losses	Reports to Council	100%	100.00%	
Report on meters repaired/replaced	Reports to Council	100%	100.00%	
Report on meters made readable on list from Finance	Reports to Council	100%	100.00%	

Chapter 3

Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	2	2	3	0	0%
10 - 12					#DIV/0!
13 - 15	20	20	20	0	0%
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	26	26	27	0	0%

T3.1.7

Financial Performance 2013: Water Services					
DETAILS	Actual 2012/13 R	Actual 2011/12 R	Percentage Variance %	Budgeted 2012/13 R	Variance actual/ budgeted %
Income	R 45 268 557.15	R 38 558 590.04	17.40%	R 9 665 000.00	368.37%
Expenditure	R 22 844 057.06	R 19 535 852.65	16.93%	R 19 144 475.00	19.32%
Surplus / (Deficit)	R 22 424 500.10	R 19 022 737.39	17.88%	R -9 479 475.00	-336.55%
Surplus / (Deficit) as % of total income	49.54%	49.33%		-98.08%	

Chapter 3

Capital Expenditure 2013: Water Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	R 44 770 000	R 30 000 323	R 29 705 309	-51%		
Bulk Water supply Colesberg WTW	R 31 516 464	R 16 746 787	R 16 746 769	-88%	50000000	
Abstraction Orange river	R 12 483 536	R 12 483 536	R 12 483 536	0%	18000000	
Noupoort Bulk Water supply Upgrad Project D	R 770 000	R 770 000	R 475 004	-62%	35000000	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.1.9	

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The 5 year plan set out in the IDP will be attained within the approved budget. The four largest capital projects high on the priority list are the Abstraction point at the Orange River and Pump Station, Upgrading and extension of Colesberg Water Treatment Works, Upgrading of Bulk Water Supply in Norvalspont and lastly Upgrading of Noupoort Bulk Water Supply. Variation to the total approved budget will be influenced by implementation plan. The municipality is getting the capital budget from the RBIG and MIG to execute the project. RBIG funding is controlled at a provincial budget and if it can be determined that the funds will not be spent, they are shifted to the other project in the province. The MIG funding is always less than what the project costs are because its intention is to address infrastructure backlogs in poor areas and fortunate community must contribute to infrastructure building.

During the 2013/14 financial year the municipality managed to provide water services above the minimum service level to households. Through the procurement of a vehicle equipped with JoJo tanks, the municipality is able to provide water to inhabitants that are the most affected during supply interruptions. Water is bought in bulk from DWAF and distributed to the consumers by the municipality.

T3.1. 10

3.2 WASTE WATER (SANITATION) PROVISION

Chapter 3

INTRODUCTION TO SANITATION PROVISION

Just like the rest of the towns in the country all municipalities has two tales to tell. The appropriate level of service verses basic level of service. In the municipality all four types of sanitation are present. The most challenging service is the VIP toilets are shallow dug and release a bad smell during hot summer days. The municipality tested different types of chemicals in order to eliminate the odour without any success.

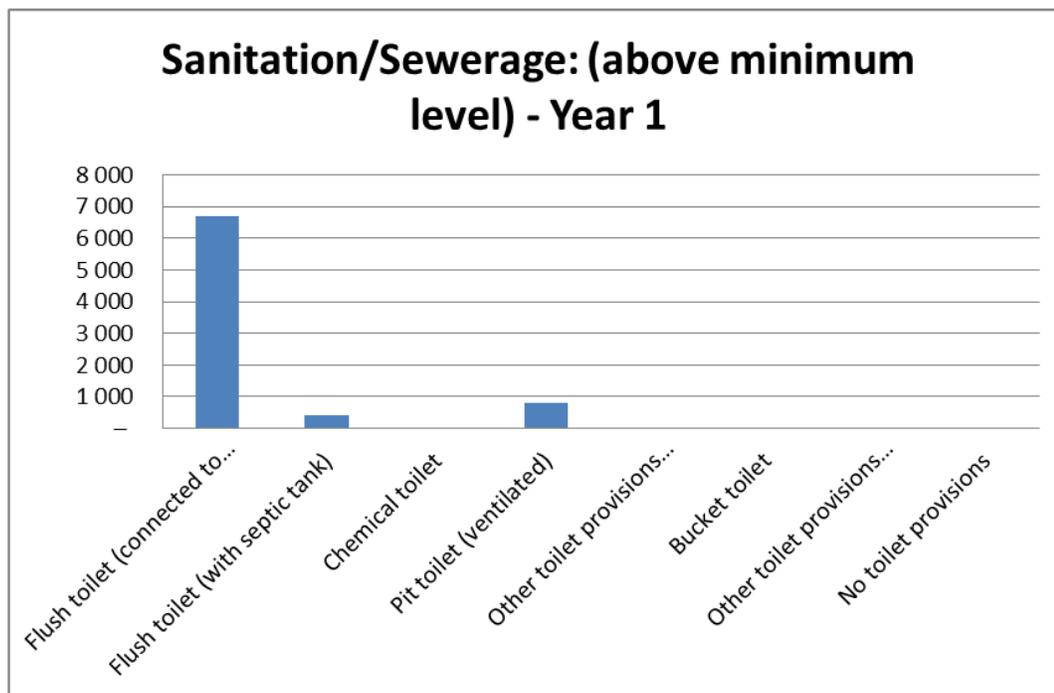
The basic service standards in the municipality were achieved before the national target date. The only challenge regarding the basic service in Colesberg is the hard rock and the shallow excavated pit latrines. These toilets are filled in short space of time. The municipal strategy is to give all the residence an appropriate level of service; that is full waterborne toilets. The shortfall in the basic service is the only 10 buckets in the Old Ouboks area where few houses holds refused to accept the VIP toilets. The municipal top priority is to upgrade the Waste Water Treatment works in Colesberg. The project was implemented within the financial year. The impact was the total elimination in polluting the natural stream passing through the town and the farm downstream. The second priority is the upgrading of the sewer pump station in Norvalspont and the replacement of internal sewer network. The jet vacuum truck is procured to deal with the 795 VIPs currently in the municipality and before the end of the year at least more than hundred unusable VIP toilets were cleaned. The municipality does not use any entity in the provision of sanitation services. Sanitation trends in the municipality ranges from the VIPs, septic tanks, French drains and below service bucket system.

Not much has changed regarding sanitation in the municipality. There were additional 110 housing units added during the financial year. All these housing units have sanitation inside.

The Umsobomvu local municipality policies provide for waterborne (full) sanitation services to all formal urban settlements. However the policies are not explicit on the level of sanitation service to be provided in informal settlements.

The municipality is currently providing limited sanitation services (VIP toilets) in some of the formal settlements, however the ultimate goal is to provide these households with full water borne sewerage systems. In agricultural holdings the owners are responsible for providing their own sanitation services. This is due to the fact that the Municipality's bulk infrastructure does not reach those areas.

Chapter 3



Description	*Households			
	Year -2	Year -1	Year 0	Year 1
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)				
Flush toilet (with septic tank)				
Chemical toilet				
Pit toilet (ventilated)				
Other toilet provisions (above min.service level)				
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above Percentage</i>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet				
Other toilet provisions (below min.service level)				
No toilet provisions				
<i>Below Minimum Service Level sub-total</i>				
<i>Below Minimum Service Level Percentage</i>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total households	-	-	-	-
*Total number of households including informal settlements				T3.2.3

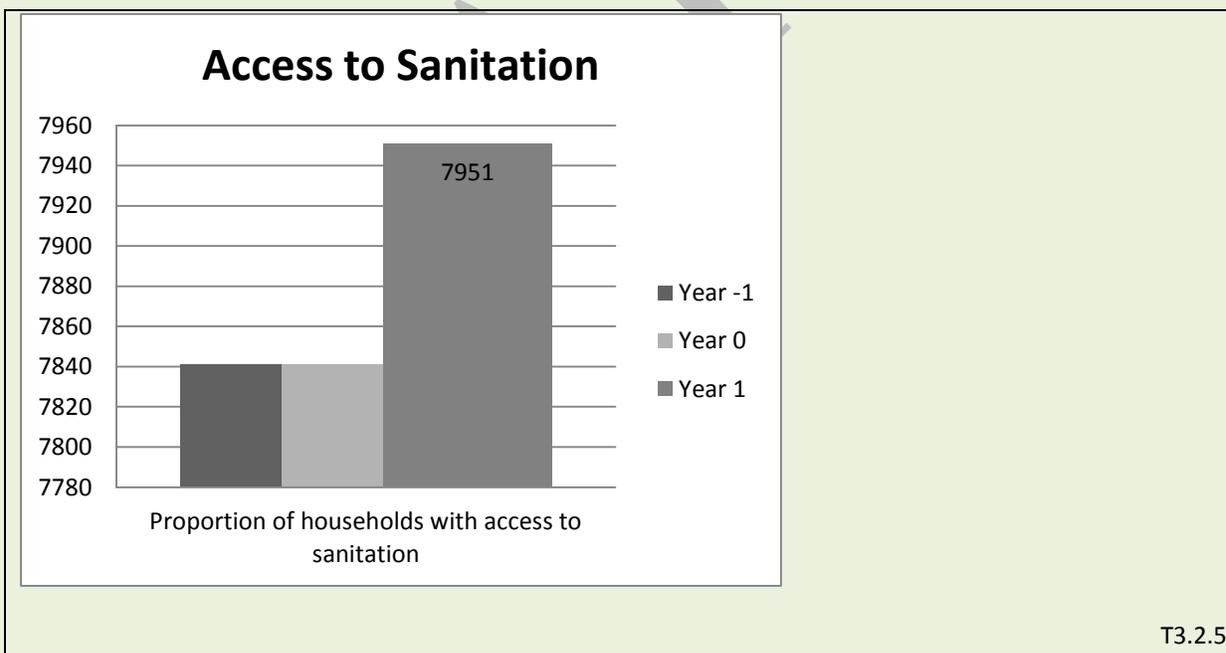
Chapter 3

T3.2.2

Sanitation Service Delivery Levels				
Description	*Households			
	Year -2	Year -1	Year 0	Year 1
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	6 588	6 588	6 588	6 698
Flush toilet (with septic tank)	415	415	415	415
Chemical toilet	–	–	–	–
Pit toilet (ventilated)	795	795	795	795
Other toilet provisions (above min. service level)	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	7 798	7 798	7 798	7 908
<i>Minimum Service Level and Above Percentage</i>	99.5%	99.5%	99.5%	99.5%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet	43	43	43	43
Other toilet provisions (below min. service level)	–	–	–	–
No toilet provisions	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	43	43	43	43
<i>Below Minimum Service Level Percentage</i>	0.5%	0.5%	0.5%	0.5%
Total households	7 841	7 841	7 841	7 951
*Total number of households including informal settlements				T3.2.3

Chapter 3

Households - Sanitation Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	7 841	7 841	7 841	7 029	7 029	7 951
Households below minimum service level	43	43	43	38	38	43
Proportion of households below minimum service level	1%	1%	1%	1%	1%	1%
Informal Settlements						
Total households	555	555	555	491	491	445
Households ts below minimum service level	525	525	525	464	464	415
Proportion of households ts below minimum service level	95%	95%	95%	95%	95%	93%
						T3.2.4



Chapter 3

T 3.2.6

Employees: Sanitation Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	1	1	1	0.17	17%
7 - 9	3	3	3	0.9	30%
10 - 12	12	12	12	0	0%
13 - 15	2	2	2		0%
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	18	18	18	1.07	6%

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

Financial Performance Year 0: Sanitation Services						R'000
DETAILS	Actual 2012/13 R	Actual 2011/12 R	Percentage Variance %	Budgeted 2012/13 R	Variance actual/ budgeted %	
Income	15 932 523	22 517 296	-	6 276 378	258.76	
Expenditure	6 385 922	4 456 216	-	6 405 883	(30.44)	
Surplus / (Deficit)	9 546 601	18 061 080	-	(129 505)	(14 046.24)	
Surplus / (Deficit) as % of total income	59.92%	80.21%		(2.06)%		
						T3.2.8

Chapter 3

Capital Expenditure 2013 : Sanitation Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	10406	10406	100%		
Waste Water Treatment Works	0	8448	8448	100%	280	
Vacuum truck	0	1958	1958	100%	150	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.2.9	

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The sanitation system in all the three towns on average is performing well except sluggishness on the basic housekeeping. Salaries are kept below 35% of the total revenue, but this is creating a problem because there less manpower to look after the oxidation ponds and Norvalspont. In Colesberg the system is changed to activated sludge system.

Upgrading of the bulk sewer system in Colesberg was completed with two horizontal aerators breaking in the middle. The retention monies were released during the financial year.

The extension and upgrading of Colesberg Waste Water Treatment Works was implemented over multi year. The targets as set out in the IDP could not be attained within the approved budget. The municipality does not have own funding but rely on the MIG from the National Government. The municipality has prioritized the Norvalspont rising main after the waste water treatment works in Colesberg. The waste water treatment works in Norvalspont were completed in the previous year. The variance in the above project indicates that the project will be finalized in 2013/14 financial year.

T3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Chapter 3

The Electrical Section within the department Technical Services is responsible for the provision of quality and sustainable electrical services to all customers within the Umsobomvu electrical distribution area. Some areas, for example Kuyasa in Colesberg, Masizakhe in Norvalspont and Kwazamuxolo and EurekaVille in Noupoot are supplied by Eskom.

Umsobomvu Local Municipality is supplied with electricity by Eskom via 2 main intake substations on the an eleven kV network.

Formal Houses

Umsobomvu Local Municipality supplies electricity to approximately 2 153 domestic and business consumers in the greater Umsobomvu area consisting of Colesberg, Noupoot and Agricultural holdings in Noupoot. There are limited backlogs within the Umsobomvu Local Municipality electrical distribution are. The only areas without electricity are newly developed RDP houses supplied by both Eskom and the municipality. These backlogs are addressed on a basis of 70% occupation (Eskom) and upon approval of applications for electrification grants from the Department of Energy. All formal houses do have an electricity connection at their houses.

The Electrical Department of Umsobomvu local municipality is guided by the following Act./Standards.

Electricity Regulation Act. 4 of 2006

- . Eskom Standards
- . National Energy Regulator Regulations
- . Electrical By-Laws
- . Municipal Finance Act.
- . Occupational Health and Safety Act. (Act.85 of 1993)

CHALLENGES 2013/14

- . Insufficient network supply maps
- . Un-firm electricity capacity in our sub-stations
- . Insufficient budget
- . Ageing infrastructure.
- . Non-compliance of NERSA requirements in terms of License agreement
- . Vandalism of electrical assets and networks

Chapter 3

- . Theft/tampering with metering systems
- . High electricity losses
- . Resources i.e. skills and fleet
- . Weather (severe winds and lightning)
- . Tree branches in between overhead lines causing power trips
- . Insufficient phase balancing

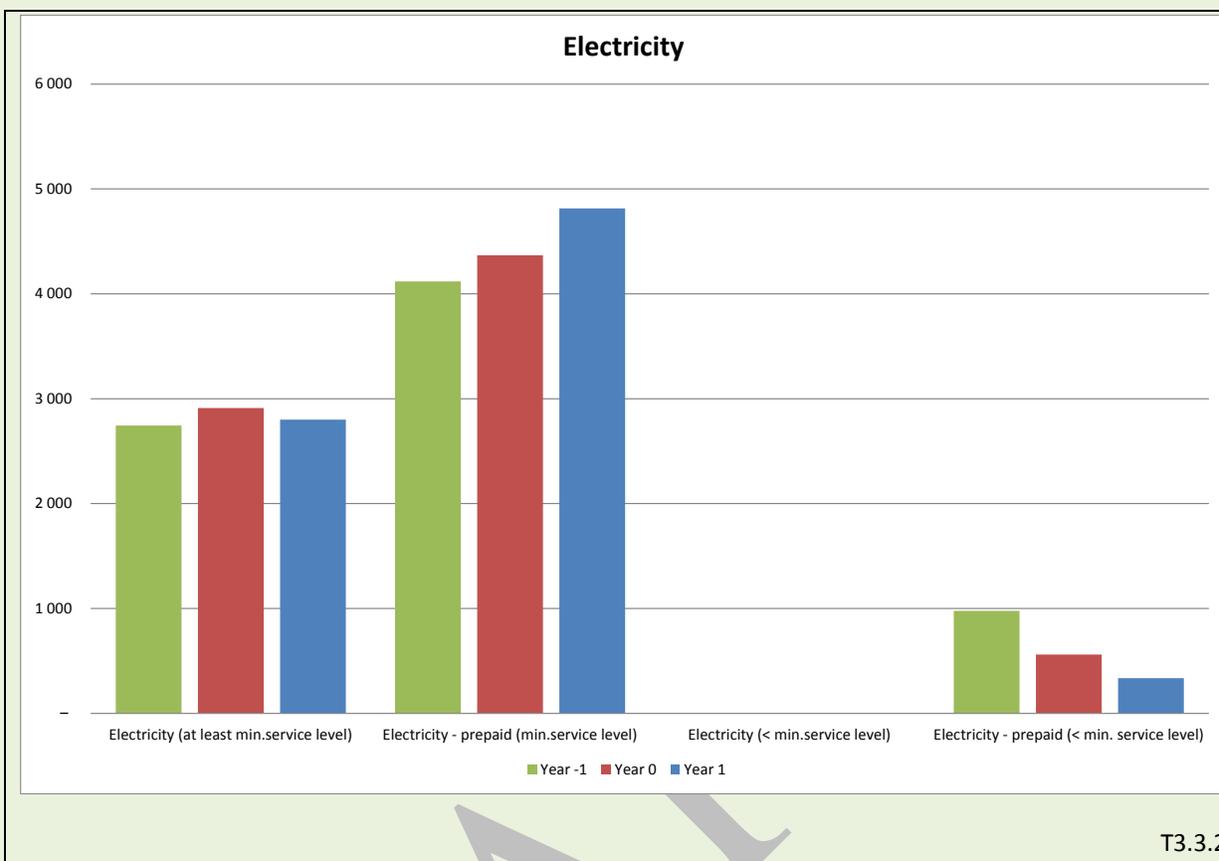
MAJOR ACHIEVEMENTS 2013/14

- . Successful implementation of preventative maintenance programs.
- . Continuous refurbishment of overhead networks.
- . Successful submitting business plans to the Department of energy to obtaining finance for the electrification of New Ouboks (new RDP township development.).
- . Reducing all backlogs on street light complaints.
- . Introducing effective communication and planning of workload for employees of the section.

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

The municipal strategy for the provision of household electricity is to provide a 60 Amps braker per households but still try to keep the Notified Maximum Demand from ESKOM within limits. With the construction of houses without electrical connection this has created a huge problem for the municipality. Existing backlogs are from the existing housing pilot project where 2400 sites were developed and 1848 were for poor or indigent households. 1013 households has been electrified so far and the remaining 1387 households are treated as backlogs. The National basic standards for Electricity provision will not be achieved by 2014. The service delivery priority is also safety on our street hence the municipality has embarked on putting street lights in the New Ouboks. Around 200 street lights have been installed in the new area as a safety measure. One of the service delivery priority is the upgrading of Noupoot electrical network from 6600 volts supply lines to 11 000 volts supply with aerial bundle conductors. Measuring set out to improve performance is by constant surveillance of the electrical network and proper planned maintenace on it. Major successes achieved were 357 house connection done by the municipality on its own, and the challeges was the budgtery constraints and in 2013/14 connection of additional 236 households with a limited R2.6m grant from DoE. Currently the municipality does not make use of entity.

Chapter 3



Electricity Service Delivery Levels				
Description	Households			
	Year -2	Year -1	Year 0	Year 1
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min.service level)	2 338	2 745	2 912	2 801
Electricity - prepaid (min.service level)	3 507	4 118	4 368	4 815
<i>Minimum Service Level and Above sub-total</i>	5 845	6 863	7 280	7 616
<i>Minimum Service Level and Above Percentage</i>	81.4%	87.5%	92.8%	95.8%
Energy: (below minimum level)				
Electricity (< min.service level)	-	-	-	-
Electricity - prepaid (< min. service level)	1 338	978	561	335
Other energy sources	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	1 338	978	561	335
<i>Below Minimum Service Level Percentage</i>	18.6%	12.5%	7.2%	4.2%
Total number of households	7 183	7 841	7 841	7 951

T3.3.3

Chapter 3

Employees: Electricity Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	2	2	2	0	0%
7 - 9	2	2	1	0	0%
10 - 12	1	1	1	0	0%
13 - 15	2	2	2	0	0%
16 - 18					
19 - 20					
Total	7	7	6	0	0%

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

T3.3.6

Financial Performance 2013: Electricity Services					
DETAILS	Actual 2012/13	Actual 2011/12	Percentage Variance	Budgeted 2012/13	Variance actual/budgeted
	R	R	%	R	%
Income	36 776 437	19 933 185	-	20 080 200	(0.73)
Expenditure	32 485 268	17 839 769	-	36 004 211	(50.45)
Surplus / (Deficit)	4 291 169	2 093 416	-	(15 924 011)	(113.15)
Surplus / (Deficit) as % of total income	11.67%	10.50%		(79.30)%	

R'000
T3.3.7

Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality. The cost of bulk purchases to the municipality was R15 537 775 (2012: R13 845 436). Tariffs levied for electricity are subject to administered adjustments.

Chapter 3

R' 000					
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	3300	8300	3172	-4%	
Electrification Ouboks	3300	3300	3154	-5%	280
Demand mangement	0	5000	18	100%	150
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.3.8

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Chapter 3

Electricity Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1		Year 2	Year 4		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (300 HHs) provided with minimum supply during the year (654 Number of HHs below minimum supply level)	362 additional HHs (1486 HHs below minimum)	417 additional HHs (1069 HHs below minimum)	417 additional HHs (1069 HHs below minimum)	235 additional HHs (834 HHs below minimum)	235 additional HHs (834 HHs below minimum)	120 additional HHs (714 HHs below minimum)	357 additional HHs (357 HHs below minimum)	357 additional HHs (0 HHs below minimum)
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

T3.3.5

Chapter 3

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Chapter 3

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The municipality is busy with the electrification of New Ouboks. The project was initially estimated at around R15m in 2007. The project has been implemented over phase due to lack of funding. During the current year only R3.6m was available from DoE as part of INEP. The solar geyser project was also implemented at a cost of R12.6m as part of energy efficiency program. The variation in the budget is due to fact that the solar water geyser project is implemented over two years. In the electrification of New Ouboks is due to the fact that more connections were expected from the municipality while only 326 connections should have been made. The only agreement between ESKOM and the municipality is the areas supplied by ESKOM within the municipal boundaries and the wheeling agreement on the supplying farmers from the municipal infrastructure. The electrification project of New Ouboks is still the project to be implemented during year 5. Upgrading of Noupoort internal network is also one of the project envisaged during year 5.

T3.3.9

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

INTRODUCTION TO WASTE MANAGEMENT

Section 84(1)E of the Municipal Structures Act (Act 117 of 1998) mandate the Waste Management section of Umsobomvu Local Municipality to make provision for in so far it relates to the disposal of waste and this includes; determining and implementing its waste management strategy i.e. refuse collection, waste recycling, transportation, disposal etc.; regulating the disposal of waste within its area of jurisdiction; establishing, operating and controlling waste disposal facilities including waste transfer station. In order to achieve its legislative mandate, the section is subdivided into the following functional sub-units, namely:

- . Refuse removal services;
- . Street Cleaning & litter-picking;
- . Illegal Dumping Removal;
- . Waste Minimization; and

Chapter 3

. Landfill Operations & Management Sub-Units.

During the 2012/13 financial year, the unit managed to provide door – door weekly refuse removal services to about 44 596 formal residential households. The door to door weekly refuse removal services was also provided to four of the five informal settlements. To date, about 98% formal households falling within the refuse removal area of the municipality were supplied and serviced through free plastic bags.

Street cleaning activities are carried out on a daily basis in the CBD and main streets in residential areas. Cleaning in residential areas is carried out in conjunction with the Community Workers Programme where job opportunities are created by Special Programmes.

The municipality has procured two refuse compactor trucks and one refuse removal tractor for Norvalspont. This action was taken to meet service delivery challenges. By so doing the national targets of collecting refuse once per week from every households was achieved. Challenges the municipality faced during the year were wild cat strikes which ended in one of the refuse removal truck torched. Service delivery was badly affected. The municipality collect refuse on its own and no entity is used. In terms of StatsSA there is not much improvement in refuse removal during the 2011 count compared to 2001, instead of improvement there was a decline. The municipality succeeded in street cleaning but has not succeeded in waste recycling.

T3.4.1

Chapter 3

Solid Waste Service Delivery Levels				
Description	Households			
	Year -2	Year -1	Year 0	Year 1
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	4 832	5 983	5 983	7 321
<i>Minimum Service Level and Above sub-total</i>	4 832	5 983	5 983	7 321
<i>Minimum Service Level and Above percentage</i>	82.6%	76.3%	76.3%	92.1%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	43	79	79	50
Using communal refuse dump	46	84	84	84
Using own refuse dump	851	1 568	1 568	372
Other rubbish disposal	-	-	-	-
No rubbish disposal	76	127	127	124
<i>Below Minimum Service Level sub-total</i>	1 016	1 858	1 858	630
<i>Below Minimum Service Level percentage</i>	17.4%	23.7%	23.7%	7.9%
Total number of households	5 848	7 841	7 841	7 951
				T3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Households					
	Year -2	Year -1	Year 0	Year 1		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	5 848	7 841	7 841	5 359	5 359	7 951
Households below minimum service level	1 016	1 858	1 858	1 195	1 195	1 748
Proportion of households below minimum service level	17%	24%	24%	22%	22%	22%
Informal Settlements						
Total households	1 575	1 215	798	446	446	653
Households ts below minimum service level	1 575	1 215	798	446	446	653
Proportion of households ts below minimum service level	100%	100%	100%	100%	100%	100%
						T3.4.3

Chapter 3

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year 0		Year 1		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	0	0	0	0	
7 - 9	4	4	4	0	0%
10 - 12	0	0	0	0	
13 - 15	28	28	28	0	0%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	32	32	32	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.4.6

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Capital Expenditure Year 1: Waste Management Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	Nil	Nil	Nil	#VALUE!	
Project A	Nil	Nil	Nil	#VALUE!	Nil
Project B	Nil	Nil	Nil	#VALUE!	Nil
Project C	Nil	Nil	Nil	#VALUE!	Nil
Project D	Nil	Nil	Nil	#VALUE!	Nil
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The compartmentalization of the waste management section into the following units: refuse removal; street cleaning and litter-picking; illegal dumping removal; landfill operations and management, has enabled the section to meet its mandate of providing effective and efficient integrated waste management services. The section had prioritized to capitalize the outright procurement of two rear end waste compactors. Minor variances were experienced in respect of the operational budget hence the section managed to render its mandatory functions and responsibility without having major experienced major challenges. Major budget adjustments were effected on the personnel line item relating to overtime payments resulting from unplanned downtime of refuse compactor trucks, and fleet maintenance costs due to insufficient budgetary allocation. In order to avert budgetary constraints in respect of the latter (excessive overtime and fleet maintenance costs), the section has planned to institute timeous and proper fleet maintenance programme.

There are no capital projects currently in the municipality, the institution does not have a financial muscle to implement large capital project. The only source of finance for capital project is MIG. The municipal priority is bulk water supply and sanitation. Most important priority in the municipality is to prevent any weekly failures in refuse collection and recycle most of it if not all.

_T3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

The housing and Property Administration Section of the Umsobomvu Local Municipality is entrusted with overseeing facilitation of integrated human settlements, managements of Council owned property, management of informal settlements and ensuring security of tenure through issuing of title deeds.

The following housing programmes are currently being prioritised by the Umsobomvu Local Municipality:

- . Sustainable Human Settlements
- . Formalisation/ of Informal Settlements
- . Essential services/consolidation
- . Urban Renewal
- . Social Housing
- . Land Reform Projects
- . Rural Developments

The municipality's housing initiatives are aligned with the Provincial Agenda which is in turn based on the sustainable Human Settlement Plan adopted by National Government in 2004. The plan has the following objectives:

- . Progressive Informal Settlement Upgrading: This ranges from the provision of basic services to the development of formal housing. The main focus of this programme is on in situ upgrading. (Ouboks In-Situ Upgrading Programme);
- . Promoting Densification and integration: Preventing urban sprawl by locating housing within the urban core;
- . Enhancing the Location of New Housing Projects: Well-located land owned by the municipality will be identified for housing;
- . Urban renewal programmes (eg Ouboks ISUP)

Chapter 3

. Developing Social and Economic infrastructure: This intervention is aimed at facilitating the provision of community facilities such as crèches, community halls, taxi ranks, hawker stalls etc

. Promoting Rental Housing: After 1994 the development of public Rental Stock was not regarded as a high priority for government. The Directorate has discovered that there are people who come and who come to Umsobomvu to work who are not interested in home ownership. T3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -2	5848	4819	82.4%
Year -1	5332	4526	84.9%
Year 0	7841	7120	90.8%
Year 1			90.8%
			T3.5.2

Employees: Housing Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	2	2	0	0%
					T3.5.4

Chapter 3

Financial Performance Year 0: Housing Services					
					R'000
DETAILS	Actual 2012/13 R	Actual 2011/12 R	Percentage Variance %	Budgeted 2012/13 R	Variance actual/ budgeted %
Income	500	3 080 688	-	-	100.00
Expenditure	454 616	2 076 214	-	428 006	385.09
Surplus / (Deficit)	(454 116)	1 004 474	-	(428 006)	(334.69)
Surplus / (Deficit) as % of total income	(90823.16)%	32.61%		(100.00)%	
					T 3.5.5

Capital Expenditure Year 0: Housing Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.5.6

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The Municipality has prioritized to complete the following projects in the next five years through its approved IDP and in conjunction with the Northern Cape Department of Local Government and Housing.

Building of 59 houses in Noupoort;

Building of 67 houses in Ouboks ISUP.

T3.5.7

Chapter 3

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The following basic services are provided by the municipality;

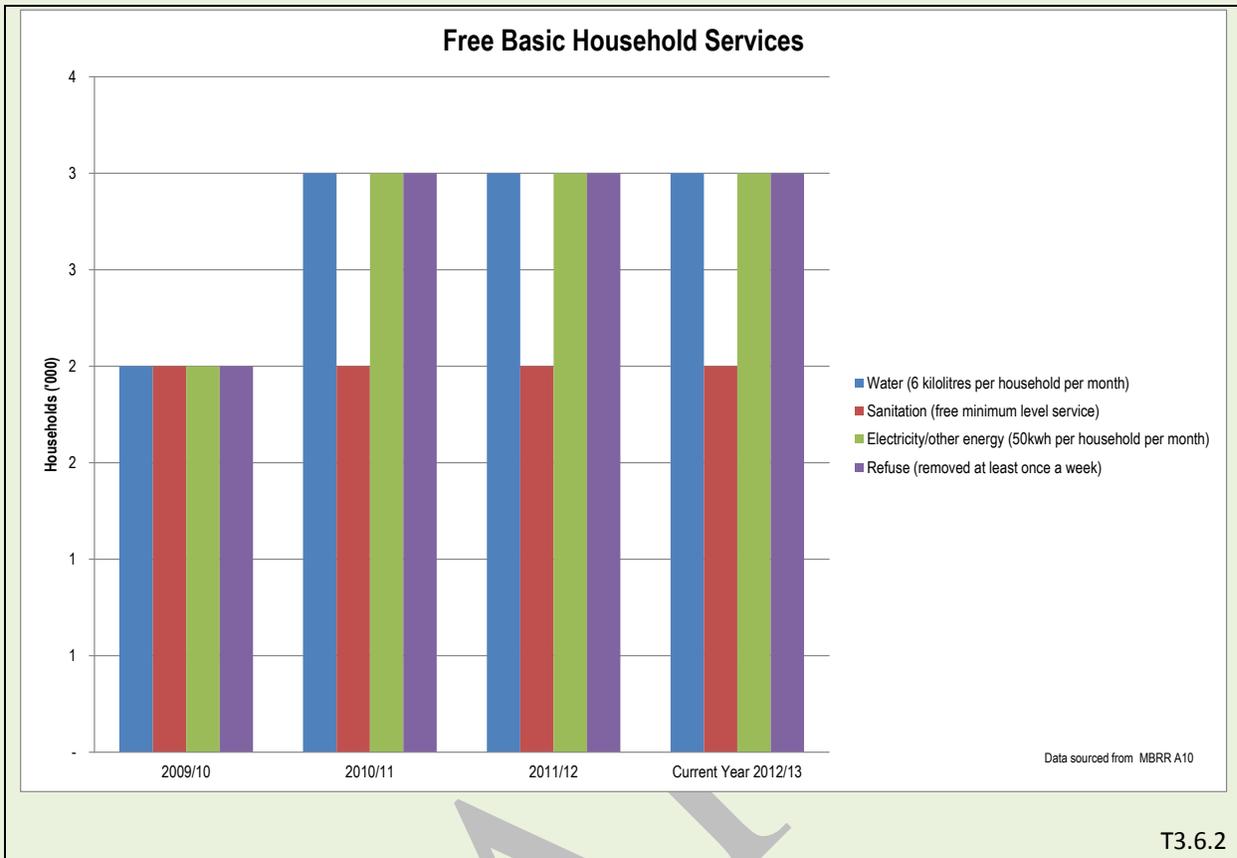
- . Electricity
- . Solid Waste Removal services
- . Sanitation services
- . Water provision

In terms of the Indigent Policy approved by Council in May 2012, Umsobomvu LM is providing assistance to households with a gross monthly income of less than R1, 800.00 in the form of:

- . 100% rebate on property rates;
- . 100% rebate on non-metered services, i.e. refuse collection and sewerage;
- . 50kWh of electricity, or an amount of 5l paraffin, candles and matches to indigents living on informal erven.
- . 6 kilolitres of water

_T3.6.1

Chapter 3



T3.6.2

Free Basic Services To Low Income Households											
	Number of households										
	Total	Households earning less than R2,000 per month									
		Total	Access	%	Access	%	Access	%	Access	%	
2012/13	3 132	3 132	3 132	100%	3 132	100%	3 132	100%	3 132	100%	
2013/14	3 532	3 532	3 532	100%	3 532	100%	3 532	100%	3 532	100%	
2014/15	3 782	3 782	3 782	100%	3 782	100%	3 782	100%	3 782	100%	

T3.6.3

Financial Performance Year 1: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2012/13	2013/2014			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Total	7 782 965	8 328 940	8 328 940	6 214 468	-34%

T3.6.4

Chapter 3

Free Basic Service Policy Objectives Taken From IDP				
Service Objectives (i) <i>Service Indicators</i>	Outline Service Targets (ii)	Year 0		
		Target		Actual
		*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx <i>Provision of alternative support to low income households that do not receive all Free Basic Services</i>	Low income households (LIHs) who do not receive all the free basic services but do receive alternative support (Total number of LIHs not in receipt of free basic services)	All qualifying	All qualifying	24-Sep-05

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Due to safety reasons free basic electricity is only provided to indigent households in formal and not to informal settlements/households. Sanitation services in informal settlements are in the form of VIP and bucket toilets. Solid Waste services in informal settlements are provided in the form of black plastic bags or self provided recepticals. The level of the services provided to indigents in formal townships are on an equal service standard to that of other households. All residents of Umsobomvu receive free basic electricity and free basic water. However the difference is the manner in which municipal accounts are handled for households in the municipality's indigent register.

Access to free basic services for informal settlements are limited to the provision of matches, candles and paraffin to do basic lighting and cooking.

T3.6.6

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

Umsobomvu local Municipality covers an area of 6 813km² and lies on the eastern side of the Northern Cape Province. It further more locate within the Pixley ka Seme District Municipality surrounded by Emthanjeni municipality, Renosterberg municipality, Kopanong municipality, Ixuba ye Themba municipality. The total paved road network is 37,84.km with 44,98 of unpaved road network.

The N1 National Road towards Cape Town/Johannesburg and the N9 towards Port Elizabeth runs through the municipality area.

T3.7.0

Chapter 3

3.7 ROADS

INTRODUCTION TO ROADS

CORE FUNCTION OF THE SECTION

- 1) Re-gravelling and blading of the unpaved roads/streets.
- 2) Construction, maintenance and rehabilitation of roads/streets.
- 3) Installing and upgrading of storm water.
- 4) Maintenance of surfaced and un-surfaced roads/streets in general.

The main challenges faced are the aged infrastructure and the inadequate budget for both capital projects and the maintenance of existing infrastructure.

T3.7.1

Gravel Road Infrastructure

Gravel Road Infrastructure				Kilometers
	Total gravel	New gravel roads	Gravel roads	Gravel roads
Year -1	97	0	0	77
Year 0	97	0	0	50
Year 1	95	0	2	40

T3.7.2

Tarred Road Infrastructure

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -1	38	5	0	0	33
Year 0	38	0	0	0	38
Year 1	40	2	0	0	38

Chapter 3

T3.7.3

T3.7.5

Solid Waste Policy Objectives Taken From IDP					
	Indicator of Performance	Baseline	Measure ment	Annual target	Achieved for year
To improve and provide quality and basic services to the residents	To improve road infrastructure and related facilities to support the economic and social requirement of the municipality by 2013	Report on amount of funds spend on maintenance in accordance with allocated budget	Quarterly report to Council	100%	
		Report on Km of dirt streets graded or re-built and surfaced roads repaired	Quarterly report to Council	100%	
		Review Transport plan	Quarterly report to Council	100%	
		Report on maintenance and repair of storm water systems	Quarterly report to Council	100%	
		Report on dirt roads bladed	Quarterly report to Council	100%	
		Report on roads re-gravelled	Quarterly report to Council	100%	100%
		Report on upgrading of dirt roads to other surfaces	Quarterly report to Council	100%	
		Report on rearing of potholes	Quarterly report to Council	100%	100%
		Report on sportsfields bladed	Quarterly report to Council	100%	

Employees: Road Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	0	0	0.5	#DIV/0!
7 - 9	9	10	9	1.5	15%
10 - 12	3	3	3	1	33%
13 - 15	11	14	11	2.2	16%
16 - 18				0.9	#DIV/0!
19 - 20				1	#DIV/0!
Total	24	28	24	7.1	25%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

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

T3.7.7

Chapter 3

Capital Expenditure Year 1: Road Services						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	5600	5450	2697	-108%		
Upgrading of Mbali street in Norvalspont	600	450	279	-115%	600	
Upgrading of an access road to Kwazamuxolo	2400	2400	1218	-97%	2400	
Upgrading of Louisa street	2600	2600	1200	-117%	2600	
Project D						
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>						T3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The objectives of the Roads and Storm Water function are the construction, maintenance and rehabilitation of roads, repair of potholes and storm water management. The main challenge faced in the implementation of this function is insufficient budget provision for capital projects. This creates a situation where roads that should be stripped and reconstructed are repaired and rehabilitated whereas they have exceeded their useful life. This results in high maintenance costs, which result in added pressure on an already limited maintenance budget.

T3.7.10

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Provide brief introductory comments on the progress being made to improve storm water drainage and discuss the major successes achieved and challenges faced in year 1 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to informal settlement and rural development. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Stormwater Drainage Services

Chapter 3

within the municipality.

T3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -1	20	0	0	3
Year 0	20	0	1	10
Year 1	20	0	0	2

Cost of Construction/Maintenance			R' 000
	Storm water Measures		
	New	Upgraded	Maintained
Year -1	0	300	745
Year 0	0	700	763
Year 1	0	600	1 079
			T3.9.3

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Employees: Storm water Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	0	0	0.5	#DIV/0!
7 - 9	9	10	9	1.5	15%
10 - 12	3	3	3	1	33%
13 - 15	11	14	11	2.2	16%
16 - 18				0.9	#DIV/0!
19 - 20				1	#DIV/0!
Total	24	28	24	7.1	25%

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

T3.9.6

Financial Performance Year 1: Stormwater Services						R'000
Details	Year 0	Year 1				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	728	9,214	9,214	10,827	15%	
Expenditure:						
Employees	5,118	4,044	4,044	4,231	4%	
Repairs and Maintenance	1,271	506	506	910	44%	
Other	743	591	591	1,079	45%	
Total Operational Expenditure	7,132	5,141	5,141	6,220	17%	
Net Operational Expenditure	6,405	-4,072	-4,072	-4,608	12%	

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

T3.9.7

Capital Expenditure Year 1: Storm water Services	R' 000

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Capital Projects	Year 1				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	400	400	279	-43%	
Stone pitching of storm water channels	400	400	279	-43%	400
Project B	0	0	0	#DIV/0!	0
Project C	0	0	0	#DIV/0!	0
Project D	0	0	0	#DIV/0!	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.9.8

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Storm water drainage within the municipal area is very poor. No strategy in place currently on how to deal with storm water. Priority capital project is to line the existing natural drainage with stone pitching. Through storm water targets will be included in the 2013/14 IDP review. The municipality prioritized the bulk services over the past 5 years hence plans around drainage problem were put on hold.

T3.9.9

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The area of the Umsobomvu LM comprises of a total area of 6 813 km² and it is located in the eastern part of the Northern Cape Province and falls within the Pixley ka Seme District Municipality.

The Umsobomvu area serves the towns of Colesberg, Noupoort and Norvalspont and is bordered by

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the Free State and Eastern Cape provinces. The municipality borders Kopanong municipality in Free State, Gariiep municipality in the southern Free State, Emthanjeni municipality in the west, Renosterberg municipality in the northwest and Ixuba Ye Themba in the south. The location of Umsobomvu Local Municipality is such that it is centrally placed and movement from one town to the other occurs through our area. Since the town of Colesberg is used as a “passage way”, business activity within the area have more recognition potential and the town is strategically located to attract investment opportunities. The municipality has also strategic land alongside the N1 which can be made available for investors who wants to be associated with the municipality.

There is a need for engagement with the private sector to be more involved in the development of the municipality and to also assist with the availing of their strategy land to be utilised for sustainable business purposes.

Challenges for the Town Planning section that have a direct or indirect impact in the positive development of Umsobomvu include inter alia the following:

- . Declining economy due to closure of Spornet’s activities in Noupoort and to a lesser degree in Colesberg;
- . Old engineering infrastructure;
- . Degeneration of commercial infrastructure;
- . High unemployment rate.

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

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The Town Planning section renders a strategic spatial planning and economic area regeneration programmes for the municipality with its focus on the following development aspects as part of its key performance area:

- . Spatial Development Framework (SDF) which the municipality has embarked on a process to have the (SDF) approved.
- . Land Use Scheme where the municipality is compiling a new Land Use Scheme to incorporate all areas into one scheme as part of an updated Land Use Management System.
- . Development facilitation which facilitates and encourage residential, business and industrial development. Over the last two years Umsobomvu municipality has experienced enormous growth with the approval of Ouboks ISUP township establishment. The integration of our previously distorted spatial settlement patterns is still an enormous challenge due to the physical geography of the areas. Special focus has also been redirected to the rural communities where the Municipality has also facilitated the development of a residential township known as Ouboks which its target is to provide housing to our displaced rural community as well as informal settlements and backyard dwellers.
- . Building Control which includes regulation of all building control activities within the municipal area of jurisdiction and undertaking of inspections for new buildings and alternations and drainage inspections

T3.10.1

Applications for Land Use Development												
Detail	Formalisation of Townships		Rezoning		Built Environment		Consolidations		Consent Uses		Removal of Restrictions	
	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1
Planning application received	0	0	5	11	19	25	0	2	0	1	0	2
Determination made in year of receipt	0	0	5	11	17	0	0	0	0	1	0	1

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Determination made in following year	0	0	0	0	0	0	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	1	0	0	0	2	0	0	0	1
T3.10.2												

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The economy of Umsobomvu relies to a great extent on the performance of agriculture, trade, financial services, hospitality industry and transport. Sectors that can provide future growth include:

- . Construction: infrastructure investment by government in terms of transport and electricity as well as the provision of houses and services to rural areas are the main potential for local residents to benefit.
- . Trade: an important sector that is currently showing signs of increasing in the economy of Umsobomvu and pro-active measures have to be implemented in order to retain the stability and future growth of the sector.
- . Transport and Business & Financial Services: these essential service providers are becoming increasingly important for this service orientated economy.
- . Tourism: this sector's influence spans over a multitude of economic sectors and has a significantly important multiplier effect.
- . Agriculture: this sector has a comparative advantage as well as the potential to expand into more niche markets like essential oils, aquaculture and horticulture.

Sectoral Employment

The recent growth in the South African economy has direct implications for formal employment levels. While informal or second economy employment also plays an important role in providing access to household income, accurate data only exists for the trends in the formal employment levels.

T3.11.1

Chapter 3

Economic Employment by Sector			
Sector	Year -1	Year 0	Jobs
	No.	No.	Year 1 No.
Agric, forestry and fishing			
Mining and quarrying			
Manufacturing			
Wholesale and retail trade			
Finance, property, etc.			
Govt, community and social services			
Infrastructure services			
Total			

T3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES:

Through municipal infrastructure projects, the following job opportunities were created using EPWP principles:

Cleaning of cemeteries;

Paving of storm-water furrows;

Construction of mountain bike route;

Procurement and erection of signage to aid tourists and visitors.

T3.11.4

Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -1				

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Year 0				
Year 1	176		176	Direct count
Initiative A (Year 1)	68		68	Direct count
Initiative B (Year 1)	78		78	Direct count
Initiative C (Year 1)	30		30	Direct count
T3.11.5				

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
Year -1	4	210
Year 0	5	250
Year 1	7	333
* - Extended Public Works Programme		T3.11.6

Employees: Local Economic Development Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	0	1	0	1	100%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p>T3.11.8</p>					

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Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The main challenge for local economic development in Umsobomvu is to diversify the economic base and add value to the primary products that are produced in the area. Forward and backward linkages within the economy should also be strengthened, and a unique opportunity exists for utilising the by-products of different economic sectors, e.g. agriculture, manufacturing, etc. for beneficiation and value-adding. The value chain analyses of several industries which hold potential for Umsobomvu have also pointed to certain gaps that need to be addressed in order to further develop these value chains.

In order to maximise the benefits that Umsobomvu Local Municipality can derive from the development of tourism, focus should be placed on areas that provide the most potential. In terms of development constraints in the tourism sector, the improvement of transport linkages, infrastructure, tourism facilities, information and tourist services, as well as the development and implementation of a strong tourism marketing strategy for the area, are the main factors to be addressed.

T3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Provision of accelerated effective efficient Libraries, Museums and Information Services, Sports and Recreation facilities and the facilitation of Social Development for the community of Umsobomvu through building and maintaining of halls, stadium, libraries and support to the Thusong Centre.

T3.52.0

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

Chapter 3

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

To provide accelerated, effective, efficient, quality social development services for the community of Umsobomvu through sport, recreation, arts and culture and library and information programs.

- . To ensure the community have access to information as prescribed by the South African Constitution.
- . To promote employment equity and skills development, therefore effecting efficiency and effectiveness to clientele
- . To position libraries as centres for the dissemination of information and knowledge
- . To position libraries as places where people from all backgrounds can find each other (promoting social cohesion)

The museum in Colesberg is quite a popular destination for tourists looking for information on establishment and rich history of the region, especially the displays on the Khoisan, Karretjie People and the Anglo Boer War. The museum in Noupoort is not staffed permanently and visitors are accommodated upon appointments.

_T3.52.1

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	5	5	5	1	20%
7 - 9	3	3	3	0	0%
10 - 12	2	2	2	0	0%
13 - 15	3	3	3	0	0%
16 - 18					
19 - 20					
Total	13	13	13	1	8%
T3.52.4					

Chapter 3

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

T3.52.7

3.55 CEMETORIES AND CREMATORIMUMS

INTRODUCTION TO CEMETORIES & CREMATORIMUMS

The Parks, Cemeteries, Sport Facilities, Commonage and Street Cleaning Section, located within the Community Development Section are the custodian for cemeteries management within the municipality. The Section provides to the public burial services and cemeteries maintenance. The department manages and maintains twelve municipal owned cemeteries within municipal boundaries. Out of the twelve cemeteries, only five cemeteries are still active and the rest are passive. The passive cemeteries are currently maintained on as need basis. Umsobomvu Local Municipality is currently faced with a challenge of shortage of burial space and the Colesberg cemeteries are already running out of space for new burials.

The section has during the years identified important service delivery priority issues and the impact the priorities have had in the community at large. The following are the priorities; encourage second burials in existing graves (this is an initiative to save land and to increase the life span of existing cemeteries) , improved cemeteries maintenance (this has helped in improving the aesthetical view of the cemetery) and improved cemeteries security (2x cemeteries were fenced but unfortunately vandals removed the devils fork fencing).

In order to improve performance and cemeteries efficiencies during the past year, the section started encouraging families to provide deeper graves in order to encourage second burials in one grave as a means to saving space.

The section was committed to timeous response to grave and burial disputes received. The section also managed to limit number of non-residence burials to Umsobomvu Municipality cemeteries as another means to saving space. Non-reservation of graves will be introduced by means of a policy as another means to saving limited burial space. The municipality does not own any cremation facility and does not plan to in the near future. A business plan was submitted to the Department of Public Works to fund the upgrading of cemeteries in Noupoot. All cemeteries in Noupoot were cleaned during the oversight period and will be fenced in the next financial year if a budget is provided for the expenditure.

Chapter 3

Employees: Cemeteries and Crematoriums					
Job Level	Year 0		Year 1		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	0	0	0	0	#DIV/0!
10 - 12	0	0	0	0	#DIV/0!
13 - 15	3	4	3	1	25%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	3	3	3	0	25%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

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

T3.55.4

Financial Performance Year 1: Cemeteries and Crematoriums						R'000
Details	Year 0	Year 1				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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

T3.55.5

Chapter 3

Capital Expenditure Year 1: Cemeteries and Crematoriums						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.55.6	

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

Development of a new cemetery – The municipality is faced with a challenge of shortage of cemetery burial land. Various studies were undertaken in the 2011/12 and 2012/13 fiscal year to investigate and to do a comprehensive feasibility studies to determine a suitable cemetery land. The program is still to continue until the exercise is complete. It is however not budgeted for in the 2013/2014 fiscal year but will remain in the planning document until budget is made available. In the interim the parking area in the Colesberg cemetery were incorporated in the cemetery to make space available for burial and a new parking area was designated.

Upgrade of existing cemetery – This program is aimed at upgrading the general landscape of the cemeteries including greening. It is very important to start implementing this project. It is however not budgeted for in the 2013/2014 fiscal year but will remain in the planning document until budget is made available.

Improved cemetery security – In order to prevent vandalism and to control access to all cemeteries, this program aims to fence off all cemeteries and to introduce security. It is however not budgeted for in the 2013/2014 fiscal year but will remain in the planning document until budget is made available. Fencing with devils fork started in Kwazamuxolo but unfortunately vandals removed sections of the fence during riots and the municipality were forced to remove the rest to secure the asset.

T3.55.7

Chapter 3

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Special Programmes Section in the Mayor's Office focuses mainly on community awareness and outreach programmes. Social development unit focus on promotion of social wellness and implementation of programme to prevent social illness.

THREE MAIN PRIORITY SERVICE DELIVERY

- . Poverty alleviation programme, implement training programme and substance abuse programme;
- . Implementation of training programmes
- . The Social Children, woman, disable and elderly programmes.

_T3.56.1

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

Child and Aged Care are predominantly run by private institutions and governed by the municipality. HIV/AIDS, Woman and Youth programmes are initiated by the municipality through the Office of the Mayor. These include:

- . Social Programmes;
- . Elderly Programmes;
- . Children's Programmes;
- . HIV/AIDS: Door to Door Educational Programme;
- . Health Programmes;
- . 16 Days of Activism and awareness on World Aids Day.
- . National

T3.59.0

COMPONENT G: SECURITY AND SAFETY

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

INTRODUCTION TO SECURITY & SAFETY

Chapter 3

In terms of Schedule 5 part B of the Constitution, functions powers and functions were allocated to local government to inter alia regulate licensing and control of animals and control of public nuisances. At present no licenses are being issued for animals due to an unworkable situation experienced with regard to owners of dogs.

Public nuisances are dealt with by the environmental health section of the Pixley ka Seme district municipality and same is assisted by the municipality locally. The only worrying problem experienced in this regard is the keeping of animals in residential areas. The matter has been taken up on numerous instances with very little progress as there are a critical shortage of commonage land where to animals can be re-located.

The municipality renders a fire fighting service and disaster management is rendered by the Pixley ka Seme District municipality. Firefighting services consists of a fire fighter LDV, trailers fitted with pressure pumps and AFTs'. Manpower is derived from a voluntary pool of employees who are utilized on an as needed basis. A voluntary firefighting Corps was established and trained to assist in the fighting of fires.

T3.65.0

3.66 FIRE

COMPONENT H: SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

Through sport and recreation the Social Services strives to build more united non-racial integrated, healthier and safer communities.

SERVICE DELIVERY PRIORITY AREAS:

- . To support mass participation in sport and recreation throughout the Umsobomvu municipal area.
- . To ensure that all community members are able to access and participate in sport and recreation activities
- . To direct the development and implementation of sport and recreation projects throughout the community and to form collaborative partnerships with between role players in the sport and recreation sector.

T3.68.0

Chapter 3

Employees: Sport and Recreation					
Job Level	Year 0		Year 1		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	0	0	0	0	
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	!
13 - 15	9	9	9	3	33.3%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	11	11	11	0	33.3%

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

T3.60.4

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

No performance targets set on sport and re-creation

T3.68.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES, etc.

Umsobomvu Local Municipality is the sphere of governance closest to the people. Hopes and expectations of the community are placed at this level for provision thereof. The Annual Performance Report (APR) provides a snapshot of the implementation of the Service Delivery and Budget Implementation Plans, the budget of the 2013/2014 financial year and the Integrated Development

Chapter 3

Plan (IDP). It reflects on when projects and programmes were started with, when they were completed, and reflects upon the types of evidence to be provided proving that the projects have been completed. T3.69.0

3.69 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

The executive is established in terms of chapter 4 of the Internal Structures and functionaries (ss 42-82) of the Local Government Municipal Structures Act 117 of 1998, an Act which regulates the establishment of an executive with regard to certain types of municipalities. Council is composed of It is composed of 10 (ten) members and five members of the committee chairs a section 79 committee. Refer to Appendices A.

The municipal Council is established in terms of Section 157 (1) of the Constitution and Section 22 (1) of the Local Government Municipal Systems Act, which stipulates that council of the Metropolitan or Local consists of councillors elected in accordance with schedule 1. It is composed of the Speaker of council who presides at meetings of the council and must ensure that Council meets at least quarterly, the Chief Whip who is appointed by council and has to ensure that councillors attend to their duties and account to their constituencies and gives political management of council meetings and councillors elected in terms of schedule 1.

_T3.69.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Councillors attend to different initiatives as per their programmes or those emanating from both National or Provincial spheres of government. Programmes differ from health, education environment, local economic development etc. through Private Partnerships; a few projects have been established with a view of fighting poverty and bettering the lives of our people.

T3.69.2

Chapter 3

Employees: The Executive and Council					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	1	17%
4 - 6	2	2	2	2	33%
7 - 9					0%
10 - 12					#DIV/0!
13 - 15	1	1	1	1	100%
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	9	11	9	3	27%
T3.69.4					

Financial Performance Year 1: The Executive and Council					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.69.5

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3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

1. DEPARTMENTAL VISION

The vision of the Finance Department is to ensure that the Umsobomvu Municipality's finances are managed in a sustainable manner and meet the needs of the community.

2. DEPARTMENTAL MISSION

To secure sound and sustainable management of the fiscal and financial affairs of Umsobomvu Municipality; by:

- (a) Ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of Umsobomvu Municipality;
- (b) The management of the municipality revenues, expenditures, assets and liabilities and the handling of the financial dealings;
- (c) Budgetary and financial planning processes and the co-ordination of those processes with the processes of organ of state in other spheres of government;
- (d) Borrowing;
- (e) The handling of financial problems of Umsobomvu Municipality;
- (f) Supply chain management;
- (g) Other financial matters

3. INTRODUCTION AND OVERVIEW

The Financial Department is responsible for ensuring a corporate financial management service to support the Council's functional corporate goals and to ensure proper financial management commences in the municipality. This Department also performs key financial and administrative functions in the activities of mainly the financial department with the aim of contributing to the general functioning of the department in the management of all money related matters in the municipality.

4. KEY PERFORMANCE AREAS

The Key performance areas applicable to the Department are:

- (i) Municipal Transformation and Institutional Development
- (ii) Municipal Financial Viability and Management
- (iii) LED

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(iv) Good Governance and Public Participation

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3.70.1

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1	Year 2		Year 4		
		Target	Actual	Target	Actual		Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
<i>Service Indicators</i> (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
<i>Increase in speed of payment of tariffs, tax demands, invoices</i>	No more than x% of creditors raised (in Rand value) during the year outstanding (o/s) at year end	No more than T ₀ % of current yr creditors o/s at yr end	No more than A ₀ % of current yr creditors o/s at yr end	No more than T ₁ % of current yr creditors o/s at yr end	No more than T ₁ % of current yr creditors o/s at yr end	No more than A ₁ % of current yr creditors o/s at yr end	No more than T ₂ % of current yr creditors o/s at yr end	No more than T ₅ % of current yr creditors o/s at yr end	No more than T ₅ % of current yr creditors o/s at yr end

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Reducing the number of invoices raised by increasing advance payment for services rendered (A project requiring participation by all departments but let by the central finance department)	x% reduction in number of invoices raised over the previous year's target	T ₀ % reduction in invoices raised; target limit of invoices	A ₀ % reduction in invoices raised; target limit of invoices	T ₁ % reduction in invoices raised; target limit of invoices	T ₁ % reduction in invoices raised; target limit of invoices	A ₁ % reduction in invoices raised; target limit of invoices	T ₂ % reduction in invoices raised; target limit of invoices	T ₅ % reduction in invoices raised; target limit of invoices	T ₅ % reduction in invoices raised; target limit of invoices
Improving speed of legal measures to recover revenues	Commence legal proceedings for recovery of revenues within 4 weeks of the due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

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Employees: Financial Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	5	4	1	20%
4 - 6	3	3	4	2	67%
7 - 9	15	15	15	1	7%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	22	23	23	4	17%

T3.70.4

Vote Description	2012/2013								
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Original Budget
R thousand	1	2	3	4	5	6	7	9	11
Revenue by Vote									
Vote 2 - FINANCE & ADMIN	6 982	2 163	9 145			9 145	10 975	(10 975)	157.18%
Expenditure by Vote									
Vote 2 - FINANCE & ADMIN	16 087	703	16 790		(1 200)	15 590	15 029	561	93.42%

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

T3.70.7

3.71 HUMAN RESOURCE SERVICES

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INTRODUCTION TO HUMAN RESOURCE SERVICES

For the financial year 2013/14 the organization focused on ensuring effective management of available human resources and attraction of competent work force. Human Resources Management Policies were developed and approved by council in 2007 in order to ensure proper governance of the workforce. Filling of vacant position was also placed at the centre of service delivery and vacancies were filled throughout the municipality with the aim of capacitating the departments to deliver services. Human Resources Management is focused on the following core support services:

- . Effective Human Resources Development
- . Promoting Safe and Healthy working environment (Compliance with the Occupational Health and Safety Act)
- . Promoting the Wellbeing of all Employees (Implement the Employee Wellness Program)
- . Managing labour Relations

T3.71.1

Employees: Human Resource Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	2	2	0	0%

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Management of Labour Relations: The municipality has made serious strides to ensure that the labour relationship between management and union remain sound. Unfortunately this relationship has been damaged with an unprotected strike which was settled in the Labour Court. The local Labour Forum was established and had functional engagements with Management.

T3.71.7

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3.72

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Legal Section is located in the directorate Corporate Services, but same has been outsourced to the Shared Services Section of Pixley Ka Seme District municipality. At this stage the legal section delivers a support function to all directorates and due to the size of the municipality cannot function as a fully-fledged legal unit, like in the Metropolitan Municipalities. In other words, operationally it cannot offer specialised services to the different sub-disciplines within the municipality.

During the 2013/2014 financial year the legal section focused amongst others on the following three service delivery priorities:-

Firstly, in aid of responding to the KPA – Good Governance, 4 new rationalized by-Laws were developed in liaison with the relevant line departments. These By-Laws allows the municipality in improving controls related to rates and financial management.

Second to the above, in aid of responding to the KPA – Accountable and clean local government, the legal section was instrumental in developing a monitoring tool to allow the municipality to improve the management of its contingent liabilities. Better controls in this instance, equated to a substantial reduction in a currently poorly controlled risk to the municipality.

Thirdly, in aid of responding to the KPA – Accountable and clean local government, the legal section also developed a mechanism to place the administration as well as the political side of the municipality in a position to monitor the status of all litigation matters in the municipality. To the administration, an updated report is given on a monthly basis, whilst on the other hand; a quarterly update is submitted to Council every three months. These reports include status updates as well as expenditure patterns.

INTRODUCTION PROPERTY

Property in the form of Council rental stock is managed under the Housing section and as such has neither specific budget nor dedicated personnel beside the housing section officials. Currently there is no maintenance plan being undertaken due to the non-collection of rental amounts from the tenants.

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The municipality is exploring various disposal options as these flats do not form part of core municipal function.

INTRODUCTION ON RISK MANAGEMENT

Risk Management forms part of the Corporate Service department. There is no risk officer in the unit during the 2013/14 financial year. Despite the challenges, we were able to implement some of the Risk Management programs, such as the Strategic and operational Risk Assessment.

Refer to Component D (2.6) for a detailed Risk Management report

T3.73.1

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

A total of two contingent liabilities exists, 3 court matters were lodged in the financial year. The legal sections priority in attending to the listed matters is in order to improve good governance and also to lower the municipality's risks related to contingent liabilities. The list of prominent matters is summarized below:

Kommanisi Developers CC vs Umsobomvu Municipality;

Cillie vs Umsobomvu Municipality

Erasmus vs Umsobomvu Municipality

T3.73.2

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Property in the form of Council rental stock is managed under the Housing section and as such has neither specific budget nor dedicated personnel beside the housing section officials. Currently there is no maintenance plan being undertaken due to the non-collection of rental amounts from the tenants.

The municipality is exploring various disposal options as these flats do not form part of core municipal function. T3.73.7

Umsobomvu Local Municipality for the first time in its history has developed the Strategic Scorecard in 2009. The Umsobomvu Local Municipality should provide the strategic direction that the municipality intends to follow in order for Umsobomvu to attain the strategic intent that has been described and explained as part of this document. The Strategic Scorecard therefore represents the

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strategic choices that the Umsobomvu Local Municipality made that will provide a clear indication towards the strategic direction to be followed during the period spanning from 2011 till 2016. The Strategic Scorecard will provide Umsobomvu with an invaluable tool to monitor and assess progress made towards the attainment of the strategic intent. The Strategic Scorecard provides the Council with a measurable tool enabling them to fulfil their oversight role in overseeing strategy implementation and consist of the following elements:

- . Strategic Outcomes
- . Strategic Key Performance Indicators
- . Strategic projects

The Strategic Key Performance Indicators are the measurements developed that will indicate how Umsobomvu intends to measure the attainment of the identified outcomes. The measurability of the strategy will be done as per the Strategic Key Performance Indicators (Strategic KPI's) and the attainment of the annual targets set for the next five years. The Strategic Scorecard will also contain those Strategic projects that the municipality should priorities and focus on to ensure that critical issues and bottlenecks are removed helping Umsobomvu to more effectively implement the strategies and plans developed. These projects represent some of the what Umsobomvu needs to implement and; when the budget is developed these projects should receive highest priority to ensure implementation.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The purpose of the Municipal Organisational Development Plan is to develop a framework and drive a strategy that will facilitate the optimal provision, organisation and deployment of the Municipality's staff so as to enable the Municipality to achieve its strategic goals and objectives. This includes the development of institutional and business systems and processes to support the Municipality's development strategies and initiatives. The focus of the plan is to shift the culture and managerial practice through the following four areas:

- . To shift the organisation to high performance, based on best practice benchmarking and through the alignment of people strategies to business strategies.
- . To guide and drive the process of changing to a high performance organisation through targeted strategic programmes.

Chapter 4

. To measure the value gained by revised business systems and processes, investment in employees, the % alignment of people strategies to business strategies and the extent to which the organisation measures up to national best practice benchmarks.

. To identify and prioritise key levers that will have the greatest impact on improved service delivery.

_T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year 0		Year 1		
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	26	26	27	0	0.00%
Waste Water (Sanitation)	17	17	19	0	0.00%
Electricity	7	7	6	0	0.00%
Waste Management	1	1	1	0	0.00%
Housing	2	2	2	0	0.00%
Waste Water (Stormwater Drainage)	0	0	0	0	0.00%
Roads	36	26	40	0	0.00%
Transport	0	0	0	0	0.00%
Planning	1	1	1	0	0.00%
Local Economic Development	0	1	0	1	100.00%
Planning (Strategic & Regulatory)	13	13	13	1	7.69%
Local Economic Development	3	3	3	0	0.00%
Community & Social Services	0	0	0	0	#DIV/0!
Environmental Protection	11	11	11	0	0.00%
Health	0	0	0	0	0.00%
Security and Safety	9	9	9	0	0.00%
Sport and Recreation	0	0	0	0	0.00%
Corporate Policy Offices and Other	9	11	9	3	27.27%
Financial	22	23	23	4	17.39%
Human Resource	2	2	2	0	0.00%
Property and Others	20	24	20	4	16.67%
Totals	179	177	186	13	#DIV/0!

Chapter 4

T4.1.1

Vacancy Rate: Year 1			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	2	0.763	38.15
Other S57 Managers (Finance posts)	0	0	#DIV/0!
Police officers			
Fire fighters			
Senior management: Levels 13-15 (excluding Finance Posts)	25	4.5	18.00
Senior management: Levels 13-15 (Finance posts)	6	1.5	25.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	35	6.5	18.57
Highly skilled supervision: levels 9-12 (Finance posts)	8	0.5	6.25
Total	78	13.763	17.64

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
20011/12			
20012/13	210	12	5.71%
20013/14	215	18	8.37%

* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year

T4.1.3

Chapter 4

COMMENT ON VACANCIES AND TURNOVER:

Umsobomvu Local Municipality has a huge challenge in retaining qualified staff. This is presumed to be as a result of the labour market in which we operate and most other factor such as the inability of the organization to introduce relevant incentive schemes that will contribute positively to staff retention. Provision for the filling of vacancies is done annually in line with the maximum legislative threshold on employee related costs. The most challenge in filling vacancies relates to financial constraints.

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

A set of workplace HR Policies was developed, documented in a handbook and approved by Municipal Council with the aim of ensuring good governance of the workforce. Introduction and implementation of these policies resulted in the Municipality being able to effectively manage labour related matters and providing direction to employees as far as expected behaviour and their conduct at the workplace.

T4.2.0

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100.00%	100.00%	27-Sep-07
2	Attraction and Retention	0.00%	0.00%	Part of Recruitment Policy
3	Code of Conduct for employees	0.00%	0.00%	Part of Systems Act and is signed by new employees
4	Delegations, Authorisation & Responsibility	100.00%	100.00%	31-May-12
5	Disciplinary Code and Procedures	100.00%	100.00%	Part of Collective Agreement
6	Essential Services	0.00%	0.00%	Unions Refuse to Sign Agreement
7	Employee Assistance / Wellness	100.00%	100.00%	27-Sep-07
8	Employment Equity	100.00%	100.00%	27-Sep-07
9	Exit Management	0.00%	0.00%	Done on an Ad Hoc Basis
10	Grievance Procedures	100.00%	100.00%	Part of Collective Agreement
11	HIV/Aids	100.00%	100.00%	27-Sep-07
12	Human Resource and Development	0.00%	0.00%	Part of Staff Performance Policy
13	Information Technology	100.00%	100.00%	27-Sep-07
14	Job Evaluation	0.00%	0.00%	Part of Collective Agreement
15	Leave	100.00%	100.00%	Part of Collective Agreement
16	Occupational Health and Safety	100.00%	100.00%	27-Sep-07
17	Official Housing	0.00%	0.00%	No Need. No Facilities
18	Official Journeys	100.00%	100.00%	27-Sep-07
19	Official transport to attend Funerals	100.00%	100.00%	27-Sep-07
20	Official Working Hours and Overtime	100.00%	100.00%	Part of Collective Agreement
21	Organisational Rights	0.00%	0.00%	Collective Agreement
22	Payroll Deductions	100.00%	100.00%	27-Sep-07
23	Performance Management and Development	100.00%	100.00%	31-May-12
24	Recruitment, Selection and Appointments	100.00%	100.00%	27-Sep-07
25	Remuneration Scales and Allowances	100.00%	100.00%	27-Sep-07
26	Resettlement	100.00%	100.00%	27-Sep-07
27	Sexual Harassment	100.00%	100.00%	27-Sep-07
28	Skills Development	100.00%	100.00%	27-Sep-07
29	Smoking	100.00%	100.00%	27-Sep-07
30	Special Skills	0.00%	0.00%	27-Sep-07

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31	Work Organisation	0.00%	0.00%	27-Sep-07
32	Termination of Contract	100.00%	100.00%	27-Sep-07
33	Uniforms and Protective Clothing	100.00%	100.00%	27-Sep-07
34	Training and Skills Development	100.00%	100.00%	27-Sep-07
35	Union Support and Facilities	100.00%	100.00%	27-Sep-07
36	Private Work	100.00%	100.00%	27-Sep-07
37	Staff Performance	100.00%	100.00%	27-Sep-07
38	Study Assistance	100.00%	100.00%	27-Sep-07
39	Substance Abuse	100.00%	100.00%	27-Sep-07
40	Language	100.00%	100.00%	27-Sep-07
41	Retrenchment	100.00%	100.00%	27-Sep-07
42	Health and Safety	100.00%	100.00%	27-Sep-07
43	Annual Leave	100.00%	100.00%	27-Sep-07
44	Strategies for Municipal Income Generation and Revenue Enhancement	100.00%	0.00%	13 Dec-13
45	Asset Management Policy	100.00%	0.00%	13 Dec-13
46	Irregular, Fruitless and Wasteful Expenditure	100.00%	0.00%	13 Dec-13
47	Employee Wellness	100.00%	0.00%	13 Dec-13

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

T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The Municipality developed HR policies in the year 2007 and all mentioned policies were approved by council. This is in an attempt to ensure good governance on all employee related matter. All Senior and middle Management Teams, Supervisors, Union Representatives (SAMWU and IMATU) were trained on HR policies in order to ensure common understanding on HR matters. Newly appointed employees are familiarized with the policy manual on their first day of arrival and a policy manual handed to them for perusal on their spare time.

General induction sessions are conducted on quarterly basis to ensure that employees are refreshed on matters of policy, pension funds, medical aids, labour relations, conditions of employment, health and safety, employee wellness programme, etc.).

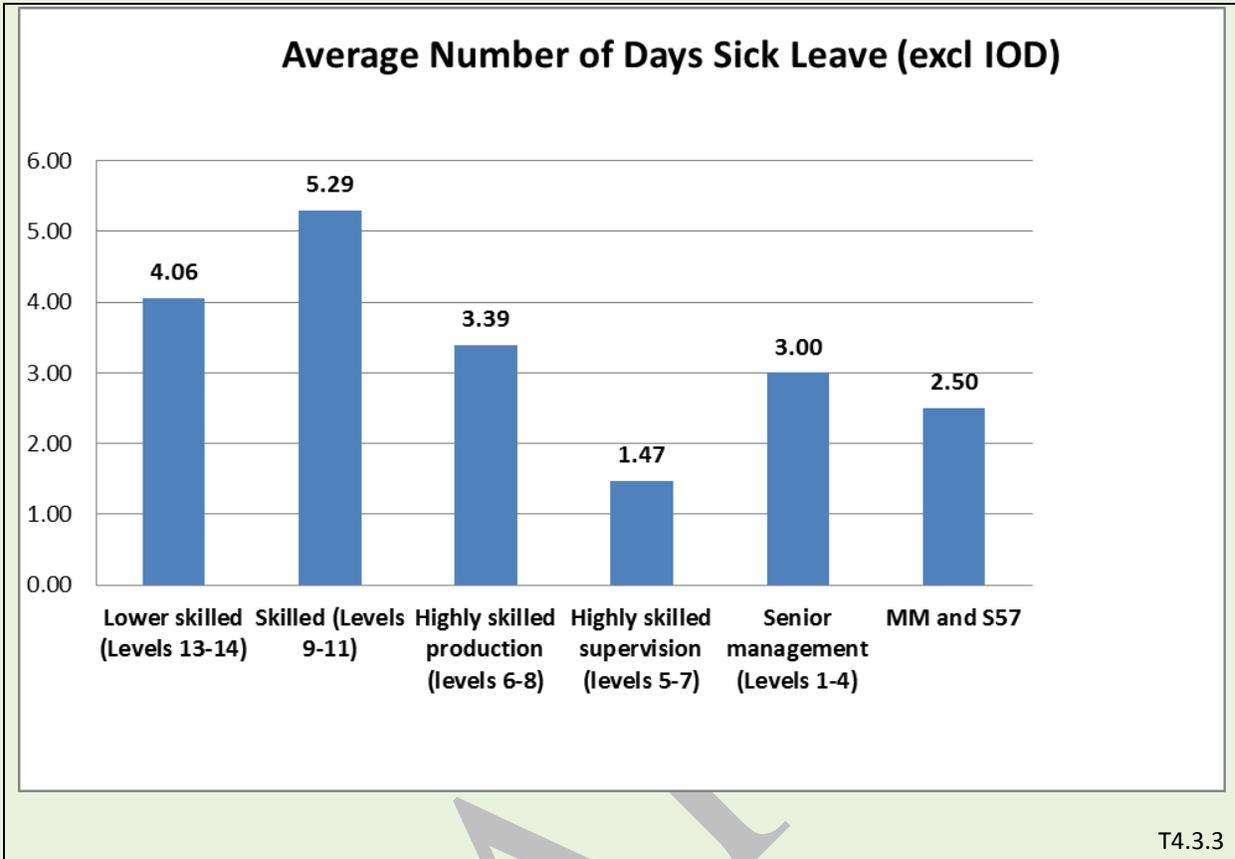
T4.2.1.1

Chapter 4

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	452	17	3.76%	26.59	169500
Temporary total disablement					
Permanent disablement					
Fatal					
Total	452	17	3.76%	90.4	169500
					T4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	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
Lower skilled (Levels 1-2)	390	35%	45	96	4.06	145
Skilled (Levels 3-5)	217	16%	15	41	5.29	109
Highly skilled production (levels 6-8)	128	8%	7	23	3.39	67
Highly skilled supervision (levels 9-12)	25	4%	5	17	1.47	13
Senior management (Levels 13-15)	15	0%	4	5	3	23
MM and S57	10	0%	2	4	2.5	29
Total	735	11%	78	186	3.95	386
* - Number of employees in post at the beginning of the year						
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						T4.3.2

Chapter 4



COMMENT ON INJURY AND SICK LEAVE:

Occupational Health and Safety is a function located within the Human Resources Section and currently the Municipality has only one Occupational Health and Safety Officer appointed to facilitate matters of Health and Safety. In order to minimise the number of accidents the organization has created awareness amongst its workforce through a system of maximum interaction with employees on Health and Safety matter.

Occupational Health and Safety Risks Assessments were not conducted and completed in the year 2012/13 in order to establish areas of noncompliance with the Occupational Health and Safety Act. This process should have been followed by the development of a programme of action in order to address identified risks. All departments were then familiarised with the Risk Assessment Reports in order to communicate all risks identified within all department and section.

The Health and Safety Committee was established and Health and Safety Representatives appointed and trained on their responsibilities. The Municipality is currently in the process of capacitating the Occupational Health and Safety Office to ensure effective monitoring and evaluation of risk areas.

The following approach was taken in order to ensure effective management of sick leave:

Chapter 4

- . Manager, supervisors and HR personnel were trained on how manager incapacity and ill-health in the organization.
- . Coordination of Medical Assessment for incapacity.
- . Disciplinary actions taken against employee who abuse sick leave without following proper procedures.
- . Employee Wellness Programme Interventions exhausted to minimize factors the causes sick leave.
- . Referral of employees for external professional help once conditions necessitated external help.
- . Referral for ARV treatment where necessary.
- . Internal movement/placement of employee on lighter duties following the need for alternative work as a result of ill-health.

_T4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Assistant Electrician	Failure to Conduct him with Honesty and Integrity	13/12/2013	Hearing started on 20/02/2014	29-Apr-14

T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Assistant Electrician	Fraud of R1007.14	Formal Hearing	29 April 2014

T4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Suspension matters are dealt with in terms of a consistent process directed by the Disciplinary Code and Procedure: Collective Agreement. The Umsobomvu municipality dealt with one case of

Chapter 4

suspension during the period 2013/14 as cited above. All the other labour matters relates to absconding, intoxication whilst on duty and insubordination, absent without leave, gross Insubordination, sleeping on duty, Gross negligence, etc.

Only one cases of financial misconduct occurred in the 2013/14 financial year. The implicated official was served with a letter of suspension with the intention to charge him formally. Concurrently the employee was charged criminally and the matter is still unresolved. The employee was dismissed and he lodged an appeal which was turned down. The matter was referred to the Bargaining Council for conciliation. The parties could not conciliate the matter and a certificate for arbitration was issued. The arbitration is scheduled in the next financial year.

T4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 13-14)	Female				
	Male				
Skilled (Levels 7-12)	Female				
	Male				
Highly skilled production (levels 4-6)	Female				
	Male				
Highly skilled supervision (levels 2-3)	Female				
	Male				
Senior management (Levels 0-1)	Female				
	Male				
MM and S54	Female				
	Male	4	4	277	100%
Total		4	4		
<i>Has the statutory municipal calculator been used as part of the evaluation process?</i>					Yes

T4.4.1

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COMMENT ON PERFORMANCE REWARDS:

All Section 54A and Section 56 managers were subjected in the 2013/14 financial year to two formal and two informal assessments. Formal assessments were carried out by an approve Performance Assessment Panel appointed by Council. In the 2013/14 financial year, the Municipal Manager signed a performance agreement with the Mayor and he subsequently signed performance agreements with the Section 56 managers. Performance rewards were paid out to Section 54A and Section 56 managers after submission of the 2012/13 Annual report to Council on 31 January 2014.

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The HR Section which is under the Corporate Support Services Department is responsible for developing the skills and capacity of all employee and Councillors within the municipality. The municipality ensures compliance with the Skills Development Act and the Skills Development Levies Act by generating and submitting the Workplace Skills Plan and Annual Training Report.

This compliance validates the fact that the municipality receives its mandatory and discretionary grants that can be claimed back from the LGSETA thereby ensuring that training is sufficiently funded for implementation. The following programs are in place to ensure that staff capacity building remains a reality: ABET, Learner-ships, Skills Programs and Short Courses, WSP, Councillor Training, Internal Bursary Scheme.

T4.5.0

Chapter 4

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 1	Number of skilled employees required and actual as at 30 June Year 1											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1
MM and s54	Female													
	Male													
Councillors, senior officials and managers	Female	2	2	2	2							2	2	2
	Male	2	2	2	2							2	2	2
Technicians and associate professionals*	Female	2		1	1								1	1
	Male	25		12	12								12	12
Professionals	Female	3	3	3	3							3	3	3
	Male	1	1	1	1							1	1	1
Sub total	Female	7	3	6								3	6	
	Male	28	4	15	15							4	15	15
Total		35	4	15	15	0	0	0	0	0	0	35	21	15

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

T4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer		1	0	1	1	1
Chief financial officer		1	0	1	1	1
Senior managers		3	0	3	2	2
Any other financial officials		0	0	0	1	1
Supply Chain Management Officials						
Heads of supply chain management units		0	0	0	0	0
Supply chain management senior managers		1	0	1	1	1
TOTAL		6	0	6	6	6

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

T4.5.2

Chapter 4

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S54	Female									
	Male									
Legislators, senior officials and managers	Female	2								
	Male	2								
Professionals	Female	3								
	Male	1								
Technicians and associate professionals	Female	2								
	Male	25								
Clerks	Female									
	Male									
Service and sales workers	Female									
	Male									
Plant and machine operators and	Female									
	Male									
Elementary occupations	Female									
	Male									
Sub total	Female	7								
	Male	28								
Total		35	0	0	0	0	0	0	0	0
%% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R

T4.5.3

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	1	1	1

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<i>Chief financial officer</i>	1	0	1	1	1	1
<i>Senior managers</i>	2	0	2	2	2	2
<i>Any other financial officials</i>	3	0	3	2	2	2
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	1	0	1	0	0	1
TOTAL	8	0	8	6	6	6

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

T4.5.2

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

The Municipality in ensuring funding for training it has provided for two votes which one vote is for estimated grant funding to be claimed from the LGSETA and the other vote is where the Municipality allocates internal funds for the purpose of training and development of employees and councillors.

Expenditure related to training and development is therefore managed by the HRM/D and final approval through Director Corporate Support Services. To ensure value for money all training provided is done through accredited training providers and all training is aligned with IDP, LG Scares and Critical Skills, NSDS, etc.

COMPLIANCE WITH THE MFMA COMPETENCY REGULATIONS

For the financial year 2013/14 the municipality has not been compliant at all levels and this necessitated the urgent actions to enrolled financial staff to acquire the relevant minimum competency levels. Senior managers were all trained and acquired the minimum competencies required.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

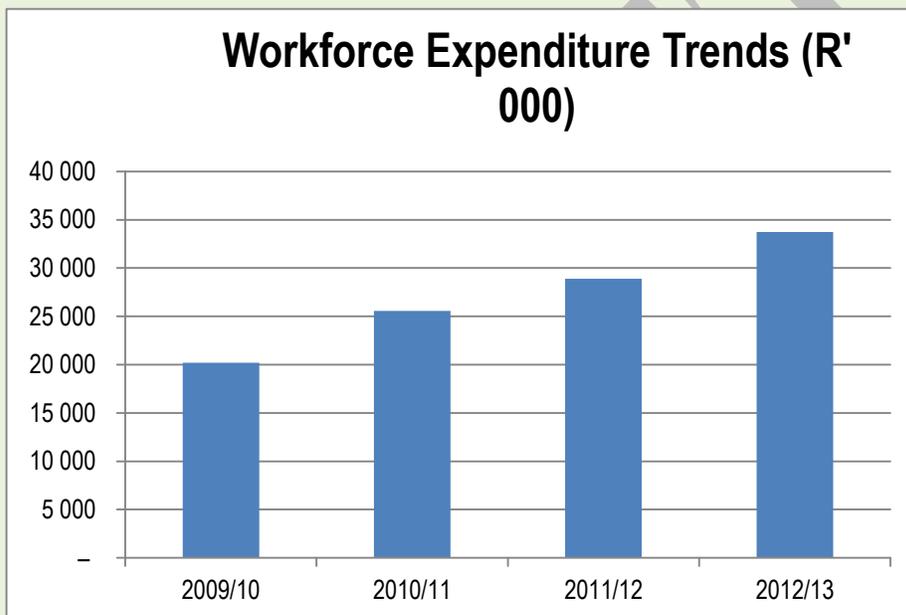
Chapter 4

INTRODUCTION TO WORKFORCE EXPENDITURE

For the financial year 2012/13 the municipal workforce expenditure was calculated at R 32 630 857.00 this amount includes the salaries of all Councillors and salaries and bonuses of the general staff employed by the municipality. An audit on all work functions within the municipality was conducted in order to determine the relevance and the need for employees to work overtime as a result of recognizing that overtime has tremendous impact of workforce expenditure. Overtime management systems were put in place to ensure that senior, middle management and supervisors are in the position to manage overtime properly.

T4.6.0

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T4.6.1

Chapter 4

COMMENT ON WORKFORCE EXPENDITURE:

The spending pattern in the actual and two previous years plus the budget year show a steady increase in employee expenditure. The driving factors behind the regular steep increases are the cost of living increases that are negotiated at central bargaining level above the annual inflation rate. These high annual increases put a tremendous strain on cash flow and the sustainable service delivery. These increases are reflected in the increases of rates and taxes above the inflation rate that has a detrimental effect on the economy of the various towns in the municipality.

T4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded

Beneficiaries	Gender	Total
Lower skilled (Levels 13-14)	Female	1
	Male	0
Skilled (Levels 9-12)	Female	0
	Male	0
Highly skilled production (Levels 5-9)	Female	0
	Male	0
Highly skilled supervision (Levels 2-4)	Female	0
	Male	0
Senior management (Levels 0-1)	Female	0
	Male	0
MM and S 54	Female	0
	Male	1
Total		2

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).

T4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0			

Chapter 5

INTRODUCTION

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

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

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

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

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

T5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Chapter 5

Financial Summary						
Description	R' 000					
	2012/2013	Current Year: 2013/2014			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	4 900	4 605	4 905	4 632	-1%	6%
Service charges	40 963	42 242	47 295	45 734	-8%	3%
Investment revenue	914	22	512	693	-3123%	-35%
Transfers recognised - operational	45 252	35 117	39 930	43 599	-24%	-9%
Other own revenue	14 159	6 395	8 165	10 102	-58%	-24%
Total Revenue (excluding capital transfers and contributions)	106 189	88 380	100 806	104 760	-19%	-4%
Employee costs	30 143	34 620	34 610	33 695	3%	3%
Remuneration of councillors	2 488	2 804	3 039	2 992	-7%	2%
Depreciation & asset impairment	28 037	27 587	27 588	36 499	-32%	-32%
Finance charges	127	364	342	466	-28%	-36%
Materials and bulk purchases	15 756	16 726	17 310	18 410	-10%	-6%
Transfers and grants	-	-	-	-	-	-
Other expenditure	51 909	34 596	46 365	32 717	5%	29%
Total Expenditure	128 458	116 698	129 254	124 780	-7%	3%
Surplus/(Deficit)	(22 270)	(28 319)	(28 448)	(20 020)	29%	30%
Transfers recognised - capital	40 621	59 150	64 585	42 682	28%	34%
Contributions recognised - capital & contributed assets						
contributions	18 352	30 831	36 137	22 663	26%	37%
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	18 352	30 831	36 137	22 663	26%	37%
Capital expenditure & funds sources						
Capital expenditure	44 448	71 017	56 792	50 429	29%	11%
Transfers recognised - capital	37 358	58 473	47 725	45 859	22%	4%
Public contributions & donations	3 125	-	5 100	-	#DIV/0!	100%
Borrowing	3 847	-	629	717	#DIV/0!	-14%
Internally generated funds	118	12 544	3 339	3 853	69%	-15%
Total sources of capital funds						
Financial position						
Total current assets	68 898	36 291	36 291	62 948	-73%	-73%
Total non current assets	482 742	549 826	549 826	504 023	8%	8%
Total current liabilities	43 985	728	728	33 212	-4463%	-4463%
Total non current liabilities	31 252	3 646	3 646	26 209	-619%	-619%
Community wealth/Equity	476 403	581 743	581 743	502 011	14%	14%
Cash flows						
Net cash from (used) operating	42 846	62 811	75 956	36 296	42%	52%
Net cash from (used) investing	(44 448)	(71 017)	(61 793)	(50 429)	29%	18%
Net cash from (used) financing	4 018	(452)	(452)	(330)	27%	27%
Cash/cash equivalents at the year end	34 410	16 550	39 308	19 947	-21%	49%
Cash backing/surplus reconciliation						
Cash and investments available	34 410	12 000	12 000	19 947	-66%	-66%
Application of cash and investments	17 149	(23 685)	(20 890)	(42 610)	-80%	-104%
Balance - surplus (shortfall)	17 261	35 685	32 890	22 663	36%	31%
Asset management						
Asset register summary (WDV)	462 544	549 826	549 826	502 295	9%	9%
Depreciation & asset impairment	28 037	27 587	27 588	27 711	0%	0%
Renewal of Existing Assets	5 000	8 000	-	-	100%	#DIV/0!
Repairs and Maintenance	2 108	2 226	2 167	2 486	-12%	-15%
Free services						
Cost of Free Basic Services provided	7 783	8 329	8 329	8 329	0%	0%
Revenue cost of free services provided	810	859	859	859	0%	0%
Households below minimum service level						
Water:	-	-	-	-	-	-
Sanitation/sewerage:	43	43	43	43	0%	0%
Energy:	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
This table is aligned to MBRR table A 1						

Chapter 5

Financial Performance of Operational Services							R '000
Description	2012-2013	2013-2014			2013-2014 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	22 844	19 801	23 483	26 800	26.12%	12.38%	
Waste Water (Sanitation)	6 386	8 594	7 954	8 809	2.44%	9.71%	
Electricity	32 562	22 161	27 935	26 588	16.65%	-5.06%	
Waste Management	11 854	5 740	5 947	(417)	1477.75%	1527.43%	
Housing	455	438	469	533	17.91%	12.11%	
Component A: sub-total	74 101	56 734	65 787	62 315	8.96%	-5.57%	
Waste Water (Stormwater Drainage)	-	-	-	-			
Roads	16 072	10 098	10 644	15 015	32.75%	29.11%	
Transport							
Component B: sub-total	16 072	10 098	10 644	15 015	32.75%	29.11%	
Planning							
Local Economic Development							
Component B: sub-total	-	-	-	-			
Planning (Strategic & Regulatory)							
Local Economic Development							
Component C: sub-total	-	-	-	-			
Community & Social Services	2 276	6 767	6 109	5 928	-14.15%	-3.05%	
Environmental Protection							
Health							
Security and Safety	2 572	1 695	2 186	2 442	30.60%	10.48%	
Sport and Recreation	1 240	1 204	1 219	1 130	-6.50%	-7.85%	
Corporate Policy Offices and Other	32 197	40 201	43 310	37 949	-5.93%	-14.13%	
Component D: sub-total	38 285	49 867	52 824	47 450	-5.09%	-11.33%	
Total Expenditure	128 458	116 698	129 255	124 780	6.48%	-3.59%	
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							

T5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

The operations budget has been almost spent 100%. The increase from the original budget to the adjustments budget was due to:

- Debt impairment that was adjusted due to the mid-year calculation that was done.
- The reason for the upward adjustment in bulk purchases is due to the increase in the consumption of electricity. The municipality has achieved 100% and more on the budgeted revenue.

T5.1.3

Chapter 5

5.2 GRANTS

Grant Performance							R' 000
Description	2012-2013	2013-2014		2013-2014 Variance			
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	31 619	33 724	33 474	33 224	-1%	1%	
Equitable share	29 319	30 684	30 684	30 684	0%	0%	
Municipal Systems Improvement	800	890	890	890	0%	0%	
Department of Water Affairs							
Energy Efficiency and Demand Management		500	250		-100%	100%	
Finance Management Grant	1 500	1 650	1 650	1 650	0%	0%	
Provincial Government:	715	1 393	1 386	1 386	-1%	0	
DEPT ART & CULTURE (LIBRARY)	715	715	708	708	-1%	0	
Housing							
Ambulance subsidy							
Sports and Recreation							
MIG PMU		678	678	678	0%	0%	
District Municipality:	-	-	-	-			
<i>[insert description]</i>							
Other grant providers:	-	-	3 600	1 870		48%	
<i>[insert description]</i>			3 600	1 870		48%	
Total Operating Transfers and Grants	32 334	35 117	38 460	36 479	4%	5%	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.2.1	

Chapter 5

COMMENT ON OPERATING TRANSFERS AND GRANTS:

All operating grants have been received and spent according to the conditions

T5.2.2

T5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The asset management unit in terms of the organisational structure and the higher demands and standards required, it was resolved to fill the position in the 2013/14 financial year. The management of immovable assets are particularly challenging in that it necessitates the expertise of engineering staff with an accounting background, a skill that is scarce. The municipality still relies on external service providers to update and manage the immovable portion of the assets as the programme to do so is sourced from a service provider.

T5.3.1

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2013-2014				
Asset 1				
Name	Upgrade of Water Treatment Works			
Description	Bulk Water infrastructure			
Asset Type	Infrastructure			
Key Staff Involved	T Mosompha			
Staff Responsibilities	Project Management			
Asset Value	Year -2	2012	2013	2014
		4 941 953	19 042 762	43 213 511.52
Capital Implications	R			67 198 226.52
Future Purpose of Asset	Water purification			
Describe Key Issues	Supply and delivery of water			
Policies in Place to Manage Asset	Asset Management policy			
Asset 2				
Name	Electrification of Ouboks			
Description	Ouboks Phase 1 and 2			
Asset Type	Electricity Infrastructure and House connections			
Key Staff Involved	T Mosompha			
Staff Responsibilities	Project Management			
Asset Value	Year -2	2012	2013	2014
		2 563 681	3 019 003	2 447 224.24
Capital Implications	R			8 029 908.24
Future Purpose of Asset	Supply of basic electricity services			
Describe Key Issues	Basic service delivery			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	2012	2013	2014
Capital Implications	R			-
Future Purpose of Asset				
Describe Key Issues	Basic service delivery			
Policies in Place to Manage Asset	Asset Management Policy			
				T5.3.2

Chapter 5

Repair and Maintenance Expenditure: 2014				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	2222	2167	2580	-16.11%
T5.3.4				

Asset management in terms of the Asset management policy has been reviewed during the year and the Auditor General had no findings on the asset management of the municipality

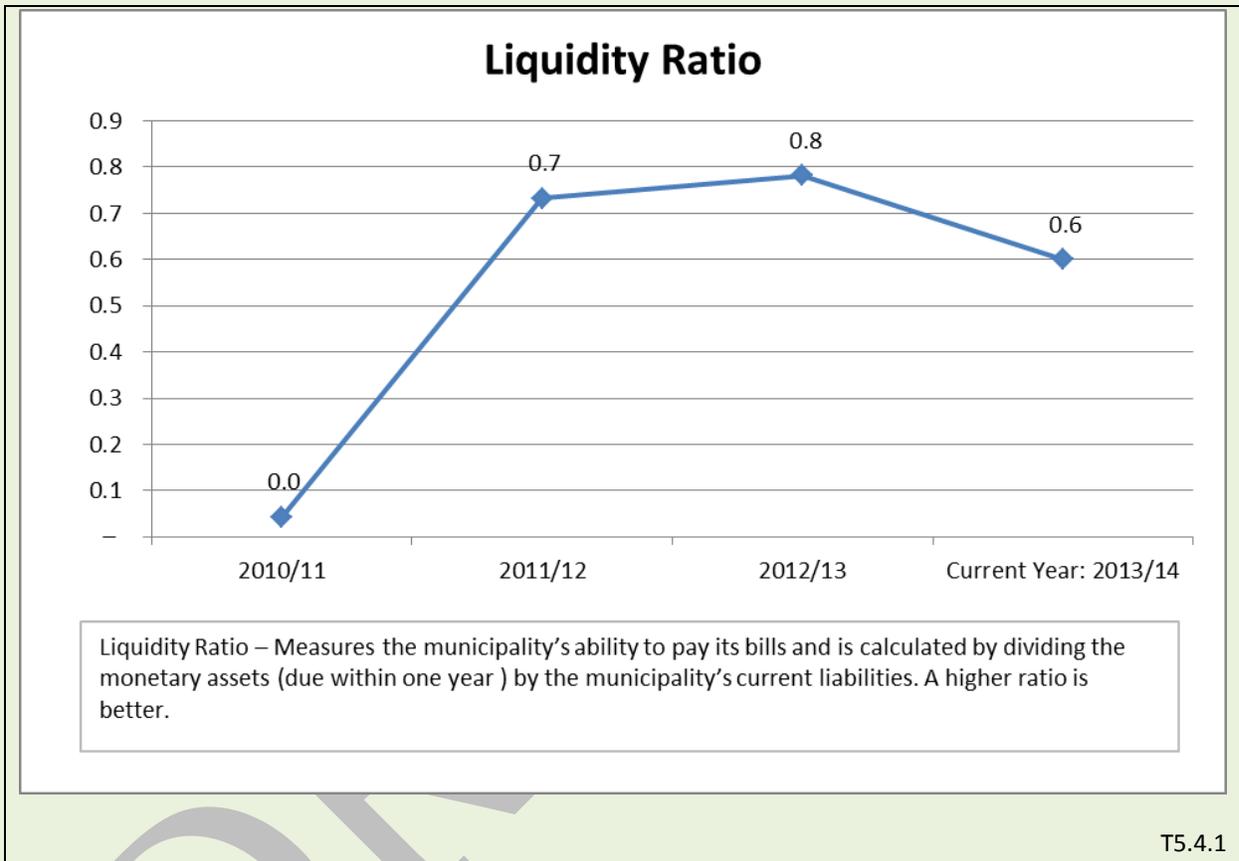
T5.3.3

Although the Repair and Maintenance budget of the municipality is not sufficient the budget was spent 99%

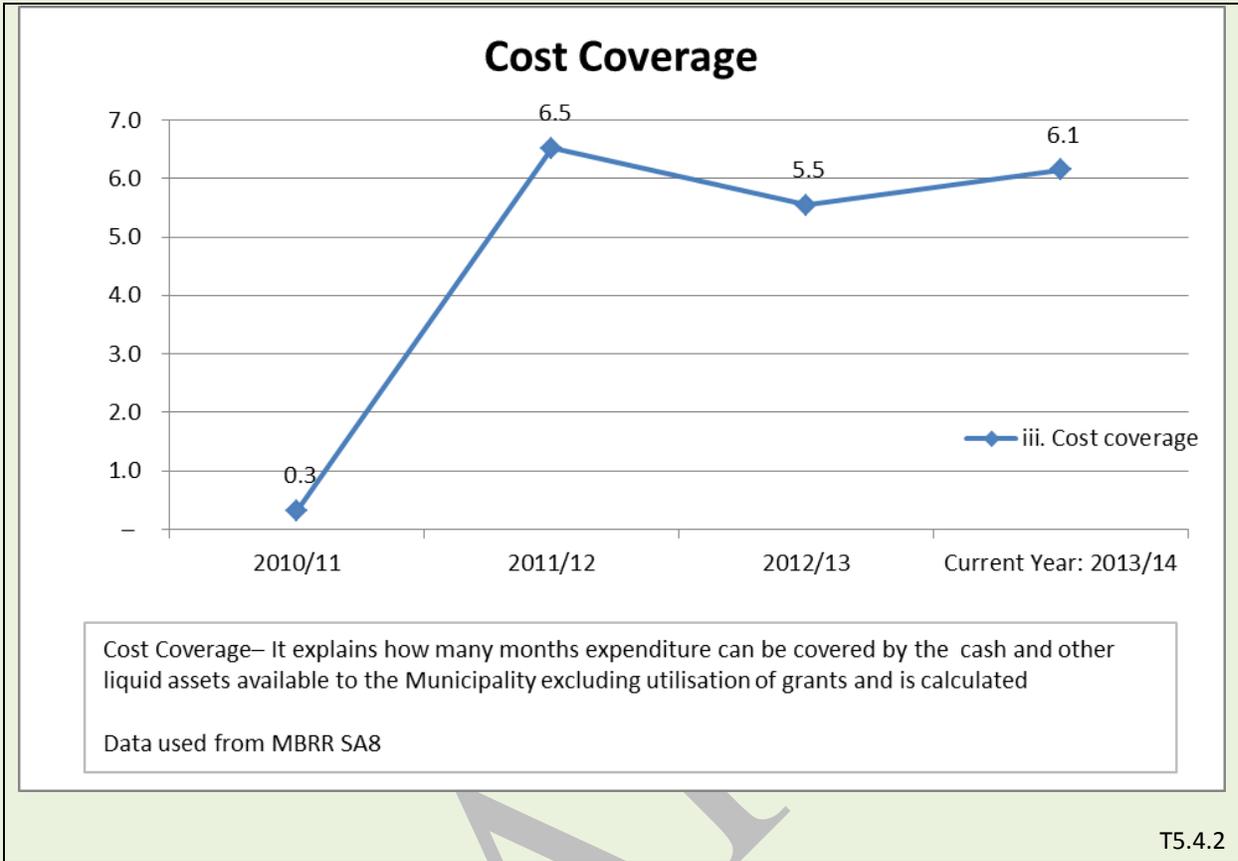
T5.3.4.1

Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

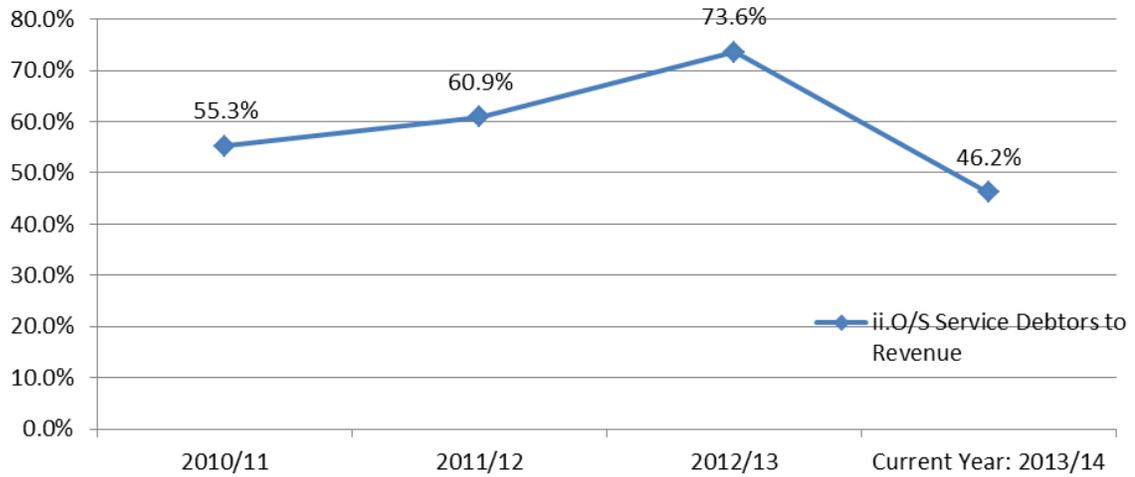


Chapter 5



Chapter 5

Total Outstanding Service Debtors

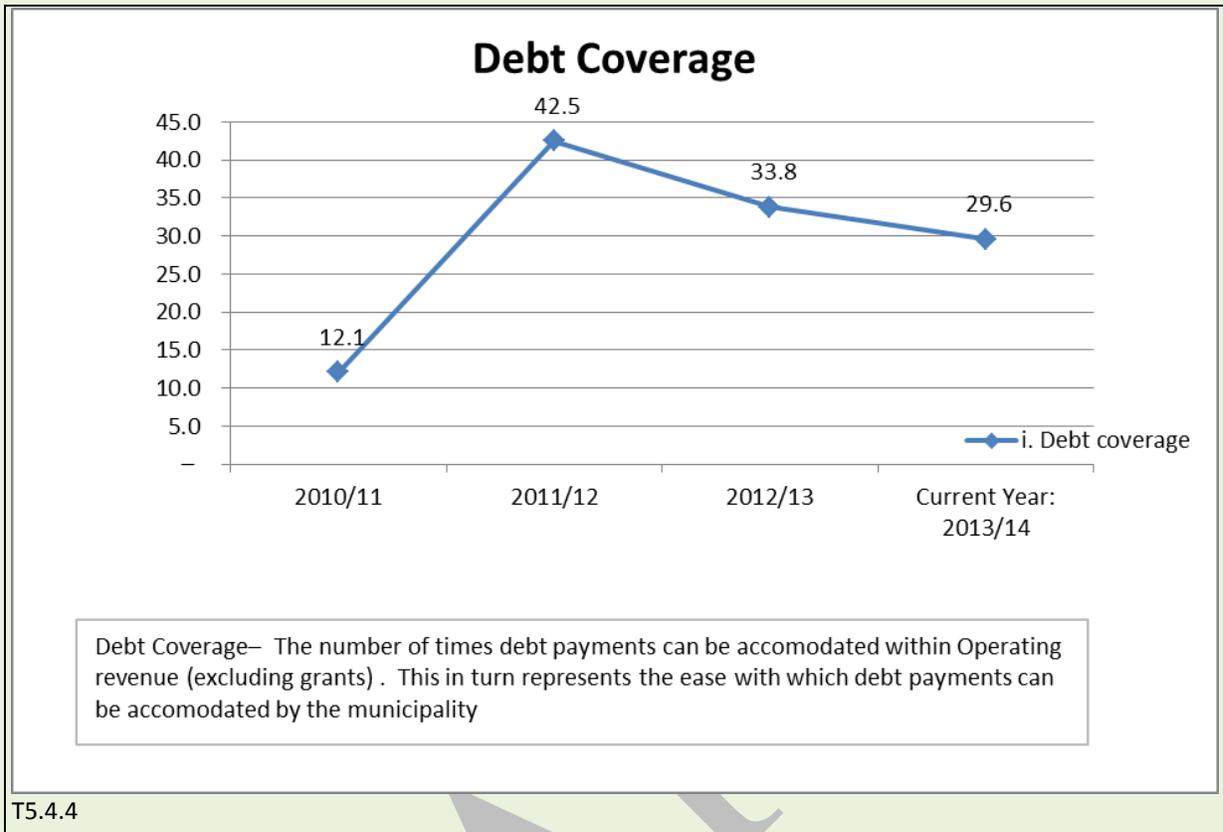


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

T5.4.3

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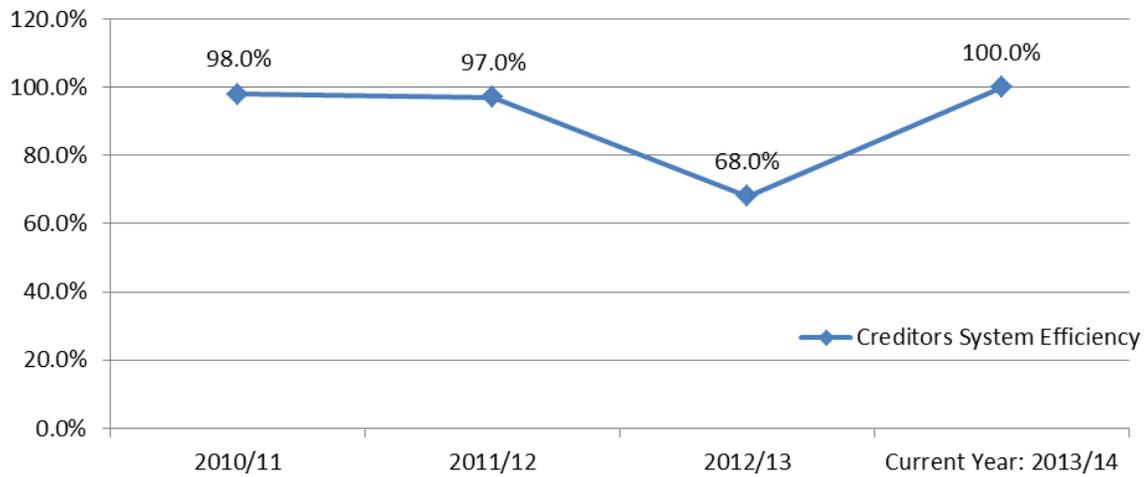
Chapter 5



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Chapter 5

Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

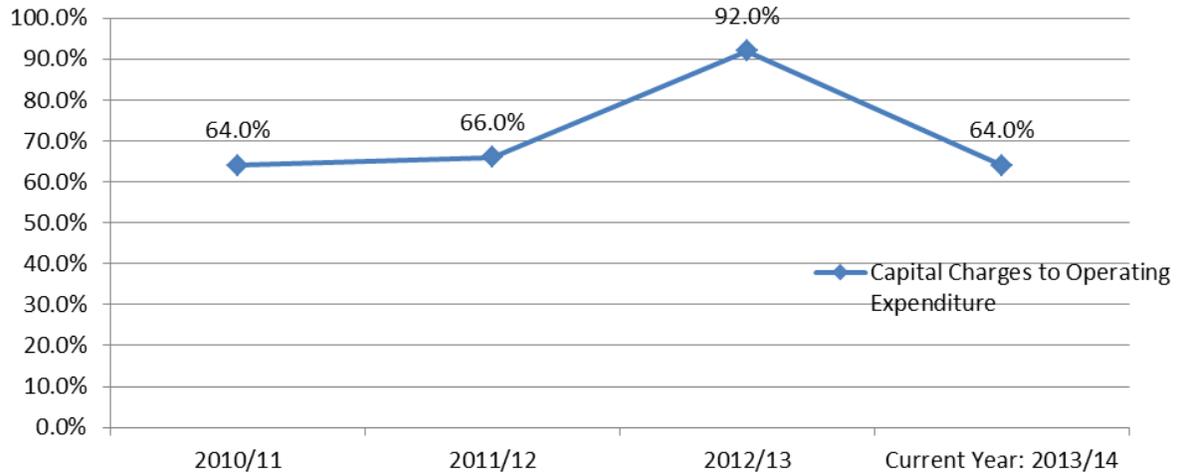
Data used from MBRR SA8

T5.4.5

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Chapter 5

Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

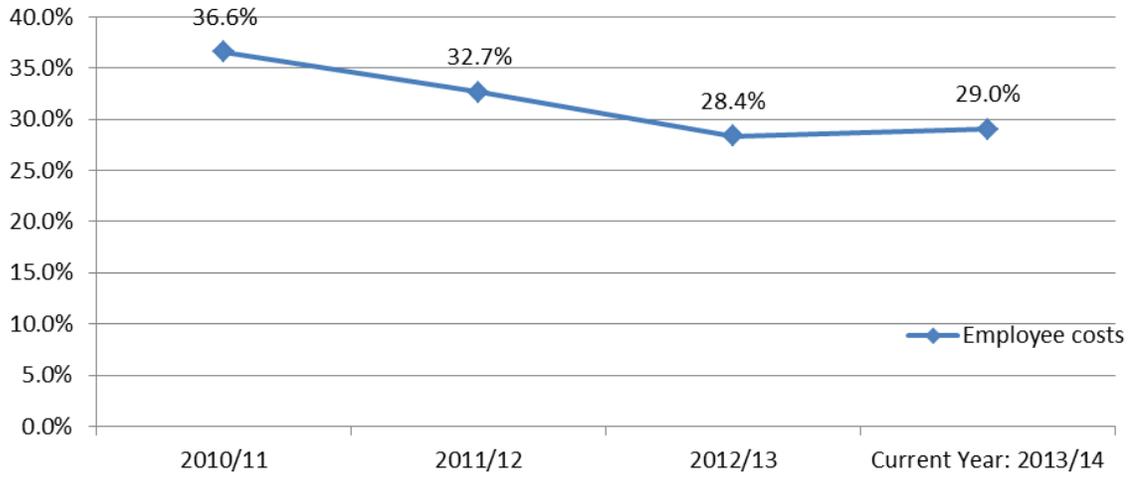
Data used from MBRR SA8

T5.4.6

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Chapter 5

Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

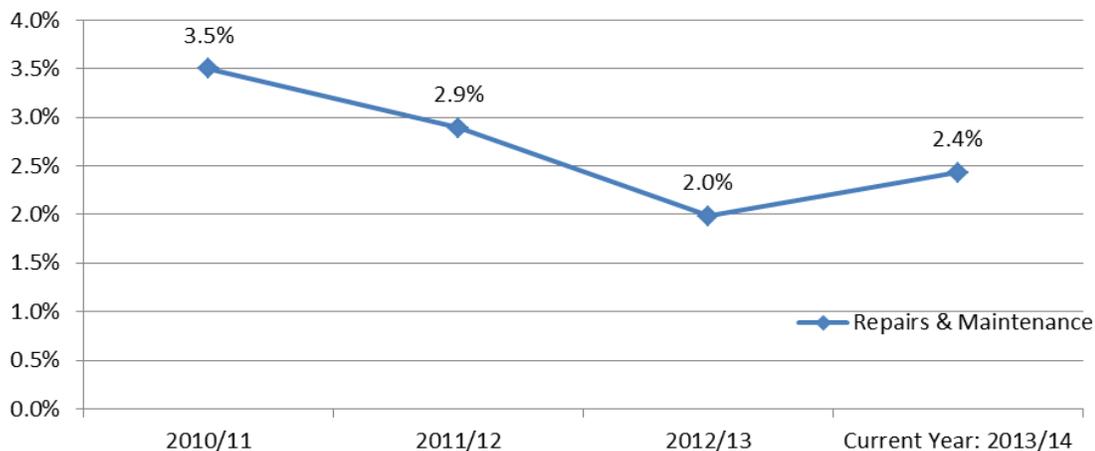
Data used from MBRR SA8

T5.4.7

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Chapter 5

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T5.4.8

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

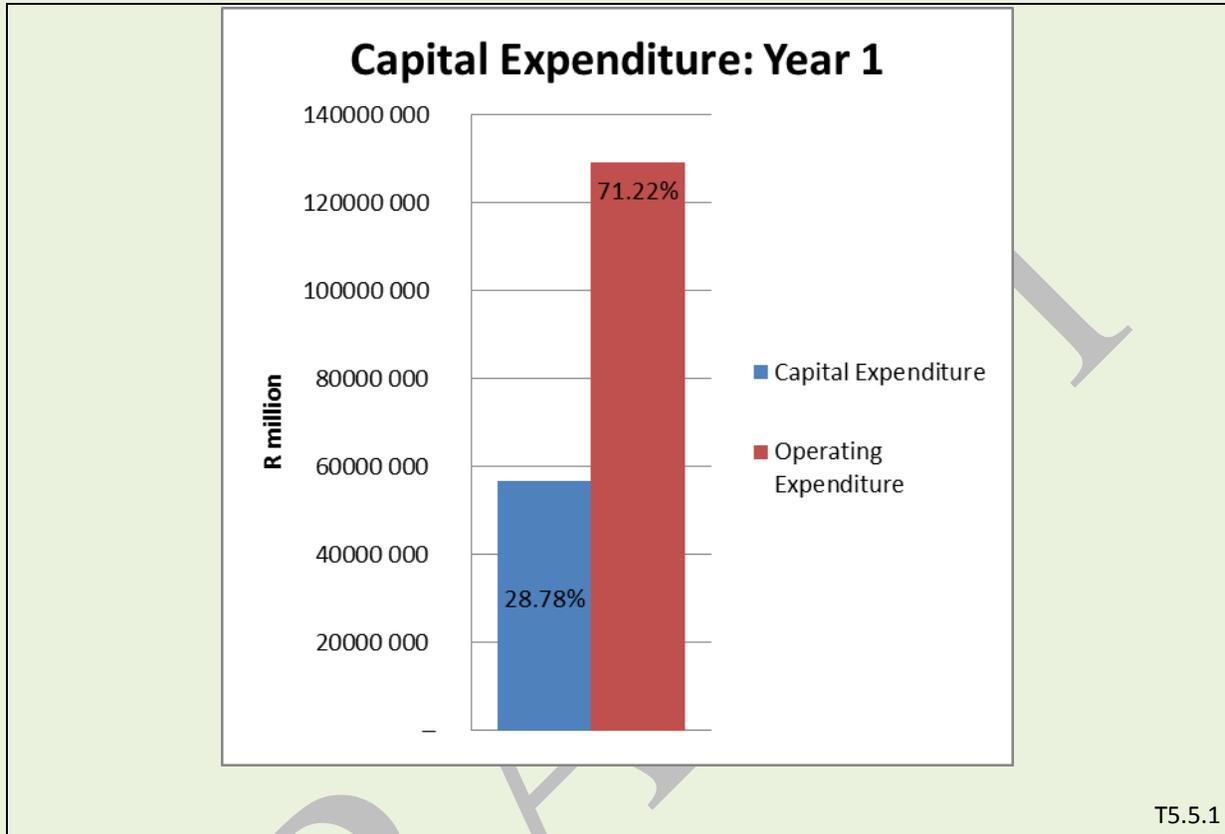
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

T5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

Chapter 5

Capital Expenditure - Funding Sources Year 0 to Year 1							R' 000
Details	Year 0	2013/14					
	Actual 2012/13	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	3 847		629	717	#DIV/0!	#DIV/0!	
Public contributions and donations	3 125		5 100	421	#DIV/0!	#DIV/0!	
Grants and subsidies	37 358	58 473	52 725	45 859	-9.83%	-21.57%	
Other	118	12 544	3 339	3 853	-73.38%	-69.28%	
Total	44 448	71 017	61 792	50 429	#DIV/0!	#DIV/0!	
Percentage of finance							
External loans	8.7%	0.0%	1.0%	1.4%	#DIV/0!	#DIV/0!	
Public contributions and donations	7.0%	0.0%	8.3%	0.0%	#DIV/0!	#DIV/0!	
Grants and subsidies	84.0%	82.3%	85.3%	90.9%	#DIV/0!	#DIV/0!	
Other	0.3%	17.7%	5.4%	7.6%	#DIV/0!	#DIV/0!	
Capital expenditure							
Water and sanitation	39 112	57 867	44 558	43 214	-23.00%	-25.32%	
Electricity	3 125	7 100	3 353	2 447	-52.78%	-65.53%	
Housing	-	-	-	-			
Roads and storm water	393	4 500	8 729	3 524	93.97%	-21.68%	
Other	1 818	1 550	5 153	1 244	232.45%	-19.74%	
Total	44 448	71 017	61 792	50 429	250.65%	-132.28%	
Percentage of expenditure							
Water and sanitation	88.0%	81.5%	72.1%	85.7%	-9.2%	19.1%	
Electricity	7.0%	10.0%	5.4%	4.9%	-21.1%	49.5%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	0.9%	6.3%	14.1%	7.0%	37.5%	16.4%	
Other	4.1%	2.2%	8.3%	2.5%	92.7%	14.9%	

T5.6.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Chapter 5

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A -	24 750 000	24 750 000	18 035 898	27%	0%
B -	38 483 878	19 241 939	2 789 420	93%	50%
C -	13 875 000	13 875 000	17 619 255	-27%	0%
D -	2 600 000	2 600 000	2 475 994	5%	0%
E -	-	5 000 000	59 670	99%	#DIV/0!

* Projects with the highest capital expenditure in Year 1

Name of Project - A	WTW Colesberg
Objective of Project	BASIC WATER
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - B	Noupoort Bulk Water supply Upgrade
Objective of Project	BASIC WATER
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - C	Orange River Abstraction and Pump Station
Objective of Project	BASIC WATER
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - D	Electrification Ouboks
Objective of Project	BASIC ELECTRICITY
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - E	Building of a new community hall: Masizakhe
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

T5.7.1

Chapter 5

A - Water treatment works	
Objective of Project	Supply Water
Delays	
Future Challenges	
Anticipated citizen benefits	Basic water
B - Waste Water treatment works	
Objective of Project	Provide sanitation services
Delays	
Future Challenges	
Anticipated citizen benefits	Basic sanitation
C - Ouboks Electrification	
Objective of Project	Electrification of houses
Delays	
Future Challenges	
Anticipated citizen benefits	Basic Electricity
D - Refuse trucks X2	
Objective of Project	Provide basic Sanitation - Refuse
Delays	
Future Challenges	
Anticipated citizen benefits	Basic refuse removal
E - Sanitation Vacuum Truck	
Objective of Project	Provide sanitation services
Delays	
Future Challenges	Basic sanitation
Anticipated citizen benefits	
<i>T 5.7.1</i>	

COMMENT ON CAPITAL

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

An estimated 1 000 household do not have adequate access to formal houses. Given the high unemployment rate the situation is likely to worsen. To address this backlogs effectively the municipality needs to deliver approximately 1 000 housing opportunities per annum for the next (5) years. Unfortunately and due to the fact that the Municipality's delivery capacity is determine largely by the total number of subsidies approved by Northern Cape Provincial Department of Co-Operative Governance, Human Settlement and Traditional Affairs per annum, compounded by the existing municipal lack of sufficient technical, planning, financial and social facilitation capacities, and scarcity of serviced erven for development, the present delivery rate has been approximately 500 housing opportunities per annum. Generally, the five key challenges facing the municipality include:

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- . Firstly, estimated 1 000 do not have adequate access to essential services and shelter;
- . Secondly, scarcity of serviced sites for housing development, the fragmented urban landscape remains largely unchanged, with new housing developments generally located on the municipality's periphery, far from work opportunities, amenities and facilities;
- . Thirdly, new and existing informal settlements situated on municipal owned land within and around the municipal jurisdiction;
- . Capacity to link existing infrastructure to the new and future housing programs

In an attempt to address the above challenges, the Directorate, has established very close links and good working relations with the Northern Cape Department of Department of Co-Operative Governance, Human Settlement and Traditional Affairs on implementation of the National Breaking New Grounds Plan on integrated Sustainable human settlements and is a member and fully participating to all activities of the Pixley ka Seme District Housing Forum. Essentially, this means that the Directorate supports and facilitate, together with CoGHSTA housing development, aiming at improving and developing integrated human settlement which is a fully integrated settlement rather than mere provision of shelter ("RDP" houses).

The directorate thus strives to create a balance between quantity (reducing the backlog) and quality (standards of housing and improving the overall living environment for communities). The focus is on the following objectives:

- . To aggressively drive the construction of quality houses in accordance with the BNG housing specification of 40m² per house (recently approved by Housing Minmec);
- . To mobilise financial resources and dedicate capacity for in situ upgrading of existing municipal areas and developable informal settlements.
- . To improve the functionality of the existing municipal residential property market and begun to explore the viability of instituting good property management principles as critical tools for the development and promotion of well-located land for integrated Sustainable Human Settlements;
- . To project and use housing as a key municipal strategy for poverty alleviation.

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Service Backlogs as at 2013/14				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	7841	100%		%
Sanitation	7841	%	43	0.55%
Electricity	7841	92%		%
Waste management	7841	100%		%
Housing	7841	100%		%

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.

T5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges	600	600	600	0.0%	0.0%	Grant to be spent within the financial year
Storm water	400	400	400	0.0%	0.0%	Grant to be spent within the financial year
Infrastructure - Electricity				%	%	
Generation	0.00	0.00	0.00	%	%	
Transmission & Reticulation	0.00	0.00	0.00	%	%	
Street Lighting	2 600	2 600	2 613	-0.5%	0.0%	Grant to be spent within the financial year
Infrastructure - Water				%	%	
Dams & Reservoirs	0.00	0.00	0.00	%	%	
Water purification	44 811	44 811	44 811	0.0%	0.0%	Grant to be spent within the financial year
Reticulation	0.00	0.00	0.00	%	%	
Infrastructure - Sanitation				%	%	
Reticulation	0.00	0.00	0.00	%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management	0.00	0.00	0.00	%	%	
Transportation	0.00	0.00	0.00	%	%	
Gas	0.00	0.00	0.00	%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	

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

T5.8.3

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COMMENT ON BACKLOGS:

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

T5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

It must be emphasised that cash flow management is crucial to any operation. During the year the cash flow of the municipality was under pressure.

T5.9.0

5.9 CASH FLOW

Chapter 5

Cash Flow Outcomes				
R'000				
Description	2012-2013	2013-2014		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	47 595	51 913	51 913	55 288
Government - operating	82 834	35 117	39 930	28 059
Government - capital		59 150	64 585	45 385
Interest	1 247	1 350	1 350	693
Dividends				
Payments				
Suppliers and employees	(75 784)	(84 354)	(81 457)	(92 663)
Finance charges	(165)	(364)	(364)	(466)
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	55 726	62 811	75 956	36 296
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(65 079)	(71 017)	(61 792)	(50 429)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(65 079)	(71 017)	(61 792)	(50 429)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	4 374			
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(1 419)	(452)	(452)	(330)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 955	(452)	(452)	(330)
NET INCREASE/ (DECREASE) IN CASH HELD	(6 399)	(8 657)	13 712	(14 463)
Cash/cash equivalents at the year begin:	2 760	25 596	25 596	34 410
Cash/cash equivalents at the year end:	(3 639)	16 938	39 308	19 947
Source: MBRR SA7				T5.9.1

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COMMENT ON CASH FLOW OUTCOMES:

Although there was a net increase in cash during the year, it is marginal in relation to the operations of the municipality. The deteriorating debtor's collection also had an effect on the cash flow from operating activities. The cash flow from investing activities was high taking into account the fleet that was acquired during the year. Information regarding cash flow may be sourced from **Table A7 of the MBRR.**

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

The municipality has entered into loan agreements with ABSA bank to purchase new refuse trucks, Vacuum trucks and a compactor. The total loan amounted to R4.3Million and is payable over a five year period. Detail of the assets is disclosed as part of the Capital budget.

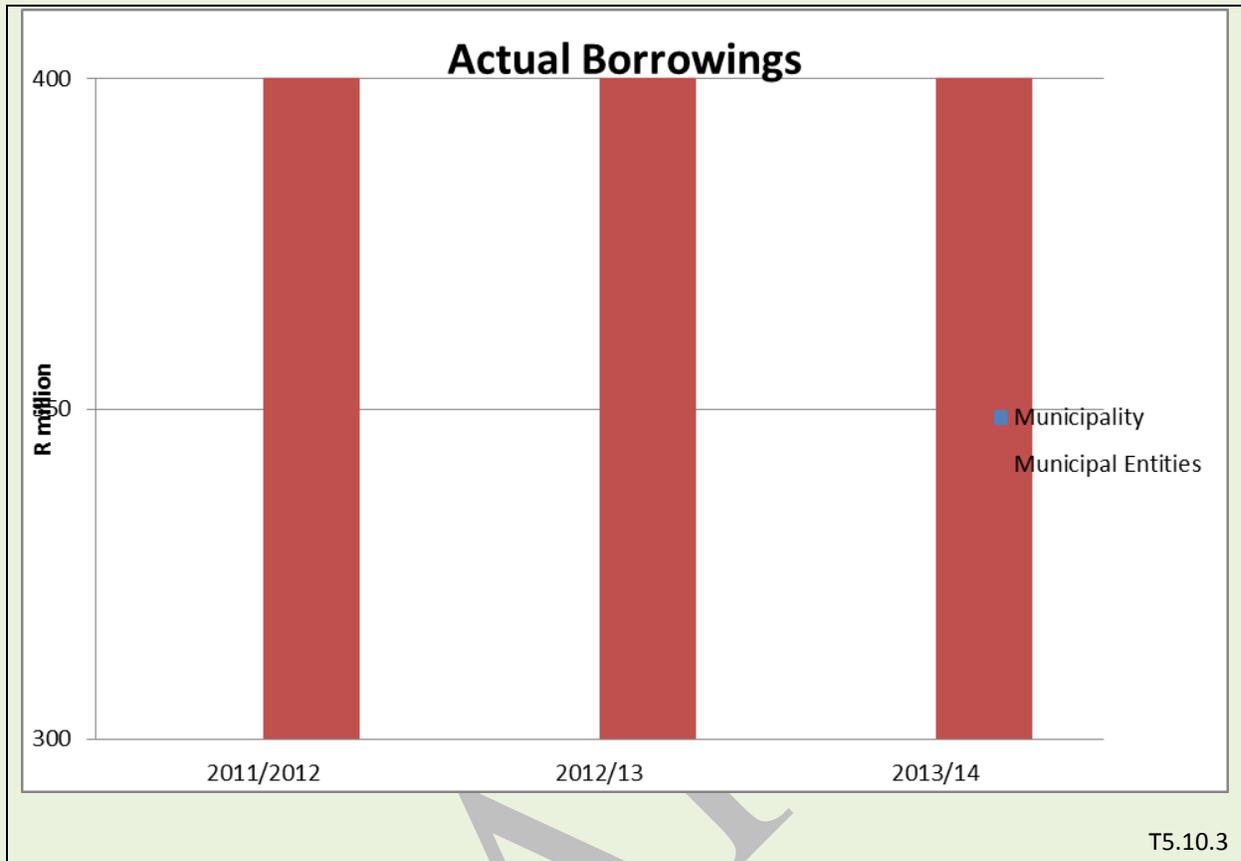
T5.10.1

Chapter 5

Actual Borrowings 2011/12 to 2013/14			
			R' 000
Instrument	2011/2012	2012/13	2013/14
Municipality			
Long-Term Loans (annuity/reducing balance)	294 563	4 259 351	4 072 848
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	294 563	4 259 351	4 072 848
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total			

T5.10.2

Chapter 5



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Chapter 5

Municipal and Entity Investments			
			R' 000
Investment* type	2011/2012	2012/13	2013/14
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	20 380	10 645	9 507
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	20 380	10 645	9 507
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	-	-	-
Consolidated total:	20 380	10 645	9 507
			T5.10.4

COMMENT ON BORROWING AND INVESTMENTS

T5.10.5

Chapter 5

5.11 PUBLIC PRIVATE PARTNERSHIPS

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The municipality has fully implemented the Supply Chain regulations and the policy is updated on an annual basis with the budget. The Auditor general has express a few issues with the compliance to the regulations and has the municipality implemented remedial action already. The SCM manager does not comply to the minimum competency levels but is scheduled to completed the required modules, however a competent official from asset management has been deployed to the SCM Section to assist.

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

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

Umsobomvu Local Municipality has fully implemented the standards of Generally Recognised Accounting Practice and has reported in terms of these accounting standards for the year ended 2011/12. The on-going compliance with particularly the standard on Property, Plant and Equipment has been a challenge to the municipality. The municipality does not have sufficient staff or the expertise in terms of engineering knowledge to manage the infrastructure asset register and has to rely on external service providers, which is costly. However, progress has been made to address procedural aspects to ensure that the managing of the asset register is not over complicated.

Chapter 5

The accounting standards that apply to municipalities are in transition. The MFMA requires municipalities to comply with the Standards of Generally Recognised Accounting Practice (GRAP), in line with international practice.

Key changes in migrating to GRAP included the recognition of depreciation of assets as an expense, and conditional grants as revenue when it is utilised. PPE is unbundled and each significant component is recognised and accounted for individually. PPE are measured at cost, though in cases where it is impracticable to establish the cost (e.g. where there are no reliable records, or records cannot be linked to specific assets), the cost is deemed to be the fair value of PPE. In cases where there is an active market for assets, valuation is on a market basis, whereas specialised buildings (such as community facilities) and infrastructure (such as a water supply network) are valued using a depreciated replacement cost (DRC). Subsequently the cost model may be applied, or alternatively significant changes in the value of property, plant and equipment over time may be reflected through periodic revaluation if the revaluation model is applied.

As a low capacity municipality, Umsobomvu was required to convert to GRAP from 1 July 09. When the GRAP standards were implemented, all asset balances were adjusted retrospectively according to the Accounting Standard on Changes in accounting policies, Changes in estimates and errors, unless it was impracticable to do so. In applying the retrospective treatment the asset balances were adjusted as if the accounting standard always applied.

T5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The financial statements were audited by the Auditor-General in terms of section Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA).

The results are therefore included below:

_T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

Chapter 6

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: Year -1	
Audit Report Status*:	Unqualified
Non-Compliance Issues	Remedial Action Taken

Auditor-General Report on Service Delivery Performance: Year -1	
Audit Report Status:	Unqualified with other matters
Non-Compliance Issues	Remedial Action Taken
Strategic targets not defined	Reviewed strategic objectives

COMPONENT B: AUDITOR-GENERAL OPINION 2013/2014 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT 2013/2014

Auditor-General Report on Financial Performance Year 2013/2014	
Audit Report Status*:	Unqualified with other matters
Non-Compliance Issues	Remedial Action Taken
Procurement	Prevent irregular expenditure by implementing the SCM regulationsP
Expenditure Management	Prevent irregular expenditure
<p><i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i></p>	

T6.1.1

Chapter 6

Auditor-General Report on Service Delivery Performance: Year 2013/2014	
Audit Report Status:	Unqualified with other matters
Non-Compliance Issues	Remedial Action Taken
Predetermined objectives	Aligned IDP with the SDBIP and Performance Plan
	T6.1.2

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2013/2014

The municipality received an unqualified opinion with matters from the Auditor General for the 2013/14 financial year

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION 2012/2013:

This is the second year that the municipality receives an unqualified opinion with matters from the Auditor General. The number of matters declined and judged against that there has been a real improvement to achieve our goal to receive an unqualified audit opinion. There is still hard work ahead to clear the remaining issues to achieve a clean audit.

COMMENTS ON AUDITOR-GENERAL'S OPINION 2013/2014:

This is the third year that the municipality receives an unqualified opinion with matters from the Auditor General. The number of matters declined and judged against that there has been a real improvement to achieve our goal to receive an unqualified audit opinion. There is still hard work ahead to clear the remaining issues to achieve a clean audit.

T6.2.4

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

Signed (Chief financial Officer)..... Dated

T6.2.5

GLOSSARY

GLOSSARY

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

GLOSSARY

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

GLOSSARY

Performance Indicator	<p>Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)</p>
Performance Information	<p>Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.</p>
Performance Standards:	<p>The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.</p>
Performance Targets:	<p>The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.</p>
Service Delivery Budget Implementation Plan	<p>Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.</p>
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"> <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

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APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
N.L. Hermans	FT	None	Party	90.00%	10.00%
N.B. Mdala	PT	Technical Services	Ward	100.00%	N/A
E. Humphries	PT	Financial Services	Ward	100.00%	N/A
M.A. Sestile	PT	Technical Services, MPAC	Ward	90.00%	10.00%
A. Fritz	PT	MPAC	Party	100.00%	N/A
S. Nglimani	PT	Financial Services, Oversight, MPAC	Ward	100.00%	N/A
S.G. Mlenzana	PT	Corporate Services	Ward	100.00%	N/A
S. Siko	PT	MPAC	Party	70.00%	30.00%
C. Gronum	PT	Oversight, MPAC	Party	70.00%	30.00%
N. Reyners	PT	Corporate Services, Oversight	Party	100.00%	N/A

*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*

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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Naming and Re-Naming Committee	Naming and Re-Naming of Places
MPAC Committee	Municipal Public Accounts
Rules Committee	Rules of Order in Council
Audit Committee	Evaluation of Financial Processes , Procedures and Audit Outcomes
Oversight Committee	Evaluation of Annual Report
Local Labour Forum	Labour Related Matters
Performance Evaluation Committee	Performance assessment of Section 54A and Section 56 Personnel
	T B

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Corporate Services	Section Head: Corporate Services: Me. V. Mokhothu
	Section Head: Community Development: Mr. G. Mgcineni
Technical Services	Technician: Mr. S. Nchinthiso
	Technician: Mr. F. Swartz
	Technician: Mr. T. Mthimkulu
Mayor's Office	Manager: Mayor's Office: Mr. X Teki
Municipal Manager	N.V. Hondo
	M.S. Toto
Financial Services	N. Thiso
	L. Sonwabo
	N.S. Khapha
	M. Mostert

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Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).

TC

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Fire Fighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
MUNICIPAL FUNCTIONS	
Function Applicable to Municipality (Yes / No)*	
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes

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Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

** If municipality: indicate (yes or No); * If entity: Provide name of entity*

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward No. 1	Councillor M.A. Sestile	Yes	6	6	0
	A.S. Heroldt				
	G.N. Mfazwe				
	L. Majuba				
	T.Thibane				
	S. Smith				
	N. Ngwatyu				

Contents

	F. Koela				
	N. Teki				
	A. Barendse				
	N. Maseti				
Ward No.2	Councillor A. Fritz	Yes	2	2	1
	L.J. Bebeza				
	G.M. Gontsana				
	L.S. Dyokile				
	M.Z. Afrika				
	B. Khethwa				
	N. Mdunyelwa				
	B. Bokland				
	M.T. Nofemela				
	L. Van Bilo				
	M.V. Stofile				
	W. Minnie				
	R. Reed				
Ward No.3	Councillor S.G. Mlenzana	Yes	6	6	7
	N. Ngonyanma				
	M.S. Jafta				
	N.E. Qoko				
	L.M. Phukela				
	N.E. Hermans				
	G.A. Ntlebi				
	J. Gabo				
	M. Asiya				
	N. Xotongo				
	S. Ntozizni				
	M. Tamani				
Ward No.4	Councillor E. Humphries	Yes	1	2	3
	N.L. Manoto				
	G. Louw				
	T. Benade				
	T.J. Nazo				
	W. Pienaar				
	S. Booi				
	T. Bononda				
	E. Reed				

Contents

	M. Steenbok				
	F. Minnaar				
	S. Mafa				
	X. Micheals				
Ward No.5	Councillor N.B. Mdala	Yes	5	4	2
	K. Mayekiso				
	M. Molelekoa				
	T. Retyu				
	J.N. Taljaard				
	J.G. Roux				
	B. Nqoro				
	J.P. Matthee				
	A. Badenhorst				
	A. Kula				
	G. Ndonga				
	N. Matshikiza				
					T E

APPENDIX F – WARD INFORMATION

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

Names:

Ward 1	Number of Meetings Attended
A.S. Heroldt	1
G.N. Mfazwe	2
L. Maiuba	4
T.Thibane	4
S. Smith	4
N. Ngwatvu	2
F. Koela	2
N. Teki	2
A. Barendse	3
N. Maseti	2
Ward 2	
L.J. Bebeza	1

Contents

G.M. Gontsana	1
L.S. Dvokile	1
M.Z. Afrika	1
B. Khethwa	0
N. Mdunvelwa	0
B. Bokland	1
M.T. Nofemela	2
L. Van Bilo	2
M.V. Stofile	2
W. Minnie	2
R. Reed	0
Ward 3	
N. Ngonvanma	12
M.S. Jafta	5
N.E. Qoko	8
L.M. Phukela	3
N.E. Hermans	7
G.A. Ntlebi	111
J. Gabo	10
M. Asiva	9
N. Xotongo	3
S. Ntozizni	0
M. Tamani	2
Ward 4	
N.L. Manoto	0
G. Louw	1
T. Benade	0
T.J. Nazo	0
W. Pienaar	0
S. Booi	0
T. Bononda	0
E. Reed	0
M. Steenbok	0
F. Minnaar	0
S. Mafa	0

Contents

X. Micheals	0
Ward 5	
K. Mavekiso	11
M. Molelekoa	1
T. Retvu	2
J.N. Taliaard	4
L. Mvnhardt	3
J.G. Roux	5
B. Naoro	0
J.P. Matthee	4
A. Badenhorst	0
A. Kula	4
G. Ndonga	4
N. Matshikiza	1

TF.3

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/2013

To be included once the annual report received from the Internal Audit committee for the 2012/2013 year

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 1	Recommendations adopted (enter Yes) If not adopted (provide explanation)
10-Jul-13	Audit Committee requested Management to see that Council approve and disclose the performance agreements accordingly and also to provide Internal Audit with feedback and evidence to allow them to resolve this matter.	Yes

Contents

	Leave not captured: management must ensure that the leave be captured timeously	Yes
	Leave taken exceeds leave accrued:	
	Management to indicate closure of December in advance and communicate with officials to allow them to take leave accordingly.	Yes
	Leave credits exceeding 48 days:	
	- Management to follow-up on forfeited leave and implementing it accordingly as the leave policy also indicate a cut-off date.	Yes
	Leave approved afterwards:	
	Application for leave should be communicated to the head of department or supervisor 1 week prior or as prescribed by the leave policy.	Yes
	Screening process not done:	
	- The recruitment policy must be updated.	Yes
	All resolutions be implemented by 30 September 2013	Yes
	Deviations with regards to SCM	
	- Management should ensure that each and every purchase deviating from processes should be attached by a deviation form; otherwise no payment should be made.	Yes
	- Delegations list need to be updated and procurement to be centralising to SCM.	Yes

Contents

	- Agreements to be obtained by 30 September 2013.	Yes
	- Management must come up with a proposal by 30 September 2013.	Yes
	- SCM to communicate the proposal for amendment by 30 September 2013.	Yes
	Other income: No agreements for rental income	
	Management to obtain agreements by 30 September 2013	Yes
5-Jul-13	DEVIATIONS WITH REGARDS TO S&T	
	Management commented that all officials listed were at a graduation ceremony and the same supporting document was attached to all S&Ts. However, all deviations were rectified in the meantime. Matter to be followed-up.	yes
	DEVIATIONS WITH REGARDS TO SALARY ADVANCES	
	Management should limit staff advances to a minimum and to be done under exceptional circumstances.	Yes
	AUDITING ON PERFORMANCE INFORMATION (AOPI)	
	Management to focus on aspects of the management of performance information and develop a policy for management of performance information during the first quarter of the New Year	Yes
23-Jan-14	Screening process not done	
	Deviations with regards to SCM	

Contents

	Internal Audit to audit Bid Committees as well.	Yes
	Internal Audit to make recommendations on tender processes	Yes
	That the Declaration of Interest be completed, signed and submitted by Audit Committee members	Yes
	That the Audit Committee Charter 2013/2014 be approved	Yes
	The contracts of the Audit Committee members that come to an end	
	Chief Financial Officer to start immediately with the recruitment process to ensure the effective operations of an audit committee.	Yes
	INTERNAL AUDIT FUNCTIONS:	
	That the certificate of Independence for 2013/2014 be noted	yes
	That the Operational Plan for 2013/2014 be noted	yes
	That the Quality Assurance Program for 2013/2014 be noted.	yes
	That the Annual Plan for 2013/2014 be noted	yes
	That the Risk Assessment for 2013/2014 be approved	yes
	That the Internal Audit Charter for 2013/2014 be noted	yes
	That the training program for 2013/2014 be noted.	yes

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APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

The council does not have long term contracts with any service provider and did not enter into any public private partnership during the 2013/2014 financial year

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The municipality does not make use service providers to provide basic services.

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 1 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
Mayor	N.L. Hermans	Member of Woman in Property and Facilities Management cc
Councillor	N.B. Mdala	Nil
	S. Ngalimani	Member of Vukuzenzele Tuck Shop cc
	A. Fritz	Nil
	E. Humphries	Nil
	M.A. Sestile	Member of Kwazamuxolo Building and Maintenance Construction cc
	S.G. Mlenzana	Member of Amachule Akwantu Art and Craft
	S. Siko	Nil
	C. Gronum	Nil
	N. Reyners	Nil
Municipal Manager	A.C. Mpela	Director of Mthombo Sediba Development Agency (Article 21) and Member of Pride and Grace Trading and Projects cc
Chief Financial Officer	D.T. Visagie	Nil
Other S56 Officials	P.T.R. Mosompha	Member of World Focus 684 cc
	B.J. Kapp	Birtus Kapp Beleggings CC ; Kapp Family Trust

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

T J

APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	2012/2013	2013/2014			2013/2014 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
EXECUTIVE & COUNCIL	29 319	30 684	30 684	30 684	100%	100%
FINANCE & ADMIN	10 975	11 593	12 451	9 175	79%	74%
COMMUNITY SERVICES	7 796	1 206	6 506	1 934	160%	30%
TECHNICAL SERVICES	98 720	104 047	115 750	105 650	102%	91%
Total Revenue by Vote	146 810	147 530	165 391	147 442	0	0
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						T K.1

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

APPENDICES

Revenue Collection Performance by Source							R '000
Description	2012/2013	2013/2014			2013/2014 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	4 735	4 446	4 746	4 632	4.01%	-2.47%	
Property rates - penalties & collection charges	165	159	159	170	6.62%	6.62%	
Service Charges - electricity revenue	19 804	21 060	25 758	22 240	5.31%	-15.82%	
Service Charges - water revenue	9 649	9 180	9 180	11 030	16.77%	16.77%	
Service Charges - sanitation revenue	6 143	6 804	6 935	7 017	3.03%	1.17%	
Service Charges - refuse revenue	4 934	5 198	5 422	5 447	4.57%	0.46%	
Service Charges - other	(0)	-	-	-			
Rentals of facilities and equipment	414	308	375	407	24.38%	7.89%	
Interest earned - external investments	914	22	512	693	96.90%	26.10%	
Interest earned - outstanding debtors	1 813	1 328	1 325	1 634	18.72%	18.93%	
Dividends received	-	-	-	-			
Fines	1 392	13	1 500	684	98.16%	-119.15%	
Licences and permits	473	373	593	531	29.74%	-11.55%	
Agency services	-	84	84	-			
Transfers recognised - operational	84 392	35 117	39 930	45 880	23.46%	12.97%	
Other revenue	10 067	4 289	4 289	6 675	35.75%	35.75%	
Gains on disposal of PPE				-			
Environmental Protection							
Total Revenue (excluding capital transfers and contributions)	144 896	88 380	100 806	107 040	17.43%	5.82%	

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

T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

APPENDICES

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant				%	%	
				%	%	
				%	%	
Public Transport Infrastructure and Systems Grant				%	%	
				%	%	
				%	%	
				%	%	
<i>Other Specify:</i>				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	
<p><i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i></p>						TL

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APPENDICES

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

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
Description	R '000						
	2012/2013	2013/2014			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	40 434	61 467	48 145	49 235	39 000	45 000	32 000
Infrastructure: Road transport - Total	-	1 000	5 100	3 524	6 000	5 000	-
<i>Roads, Pavements & Bridges</i>		1 000	5 100	3 524	6 000	5 000	
<i>Storm water</i>							
Infrastructure: Electricity - Total	3 125	2 600	2 920	2 447	1 500	5 000	3 000
<i>Generation</i>							
<i>Transmission & Reticulation</i>	3 125	2 600	2 600	2 447	1 500	5 000	3 000
<i>Street Lighting</i>			320				
Infrastructure: Water - Total	28 861	57 867	38 625	43 214	31 500	35 000	29 000
<i>Dams & Reservoirs</i>							
<i>Water purification</i>	28 861	57 867	38 625	43 214	31 500	35 000	29 000
<i>Reticulation</i>							
Infrastructure: Sanitation - Total	8 448	-	1 500	50	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>	8 448		1 500	50			
Infrastructure: Other - Total	-	-	-	-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community - Total	49	-	-	-	-	-	-
<i>Parks & gardens</i>							
<i>Sportsfields & stadia</i>	49						
<i>Swimming pools</i>							
<i>Community halls</i>							
<i>Libraries</i>							
<i>Recreational facilities</i>							
<i>Fire, safety & emergency</i>							
<i>Security and policing</i>							
<i>Buses</i>							
<i>Clinics</i>							
<i>Museums & Art Galleries</i>							
<i>Cemeteries</i>							
<i>Social rental housing</i>							
<i>Other</i>							

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Capital Expenditure - New Assets Programme*								R '000
Description	2012/2013	2013/2014			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
Capital expenditure by Asset Class								
Heritage assets - Total	-	-	-	-	-	-	-	
Buildings								
Other								
Investment properties - Total	-	-	-	-	-	-	-	
Housing development								
Other								
Other assets	3 957	-	8 647	1 194	-	-	-	
General vehicles	1 742	-	1 647	661				
Specialised vehicles	1 713	-	-					
Plant & equipment		-	2 000					
Computers - hardware/equipment	393	-	-					
Furniture and other office equipment	109	-	-	334				
Abattoirs		-	-					
Markets		-	-					
Civic Land and Buildings		-	5 000	198				
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
Agricultural assets	-	-	-	-	-	-	-	
List sub-class								
Biological assets	-	-	-	-	-	-	-	
List sub-class								
Intangibles	8	1 550	-	-	1 550	-	-	
Computers - software & programming	8	1 550			1 550			
Other (list sub-class)								
Total Capital Expenditure on new asset	44 448	63 017	56 792	50 429	40 550	45 000	32 000	
Specialised vehicles	1 712	-	-	-	-	-	-	
Refuse	1 712							
Fire								
Conservancy								
Ambulances								
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1	

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Capital Programme by Project: Year 1						R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %	
Water						
"Project A"	82	85	92	8%	11%	
"Project B"	82	85	92	8%	11%	
"Project C"	85	90	95	5%	11%	
Sanitation/Sewerage						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
Electricity						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
Housing						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
Refuse removal						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
Stormwater						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
Economic development						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
Sports, Arts & Culture						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
Environment						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
Health						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
Safety and Security						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	
ICT and Other						
"Project A"	82	85	92	8%	11%	
"Project B"	85	90	95	5%	11%	

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APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

All schools and clinics in the municipal area have adequate basic services

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

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	Nil	N/A
Housing:	Colesberg - 1500 units	Backyard dwelling and establishment of informal settlement areas
	Noupoort - 500 units	Backyard dwelling and establishment of informal settlement areas
	Norvalspont - 150 units	Backyard dwelling and establishment of informal settlement areas
Licencing and Testing Centre:	Nil	
Reservoirs	Noupoort	Insufficient storage capacity in times of prolonged water interruptions
	Norvalspont	Insufficient storage capacity in times of prolonged water interruptions
Schools (Primary and High):	Norvalspont: High School	Scholars to migrate to other centra for high school facility
	Lowryville: High School	Scholars to migrate to other centra for high school facility
Sports Fields:	Noupoort	No recreational facilities leading to juvenile delinquency
Libraries	Colesberg, Noupoort and Norvalspont	Limited access to books, internet and task resources
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APPENDICES

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

No loans and grants was made by the Umsobomvu municipality during the 2013/2014 year

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

All returns have been submitted on due date.

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APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

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APPENDICES

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Basic services are being provided to a significant high percentage of residence. Informal areas lack basic services such as electricity, but are being provided with paraffin, matches and candles. All residents of informal areas have access to water and sanitation.	80.00%
Output: Implementation of the Community Work Programme	Six EPWP projects have been funded and executed in the municipality. Some projects runs over two consecutive financial years.	100.00%
Output: Deepen democracy through a refined Ward Committee model	All ward committees established and members elected. Ward meeting and general ward meeting conducted on regular basis. Ward matters are being forwarded to administration for discussion in Council meetings	100.00%
Output: Administrative and financial capability	Financial and administrative capacity is relative high and the municipality is able to fullfill in the needs of financial and administrative capacity	100.00%
* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.		

VOLUME II: ANNUAL FINANCIAL STATEMENTS

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