

2014/15



ECONOMIC POWERBASE AND MUNICIPALITY OF EXCELLENCE

**DRAFT
ANNUAL
REPORT
Volume I**

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

FOREWORD BY THE EXECUTIVE MAYOR: CLLR BRUTUS MAHLAKU

It is once more a great pleasure and a privilege for me as the Executive Mayor to present this Annual Report of Metsimaholo Local Municipality for the 2014/15 financial year to the Council, the broader community as well as our many stakeholders and partners.

The Annual Report seeks to portray a picture of the efforts our municipality made to address the needs of its more than 200 000 inhabitants spread through our municipal area namely, Sasolburg, Zamdela, Deneysville, Viljoensdrift, Oranjeville and Metsimaholo.

This report further outlines our achievements for the past financial year, reflecting concrete steps taken to realize our vision and plans for our community’s future. The intention of this report, which covers the past financial year, is to provide an easily readable and summarized statement of Metsimaholo’s progress towards the targets set in its Integrated Development Plan.

We believe that the Annual Report for the 2014/15 financial year highlights a large number of the positives that exist in Metsimaholo, that viewed collectively, should give our people a sense of hope and optimism that we are serious about achieving our vision, sooner rather than later. The Municipality has been persistent in its efforts to garner support from other levels of Government; we have continued to invest in the infrastructure needed to ensure Metsimaholo continues to provide appropriate services, facilities, business and employment opportunities to meet the growing needs of our community.

Metsimaholo Local Municipality has focused its energy and delivered on sustainability through a range of initiatives in water and sewer networks, houses, roads and electricity. Metsimaholo has also established partnership agreements with the business community and private sector, such as Sasol and Anglo Coal, and always work together. We really appreciate the support and the assistance from them, including our national and provincial Government.

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The municipality has done a lot, but we still acknowledge that much more needs to be done. If we continue to work together, and learn from our past experiences we can move even faster to realize the goal of a better life for all.

As Metsimaholo Local Municipality we are a learning organization and we believe that the lessons learned will be able to impact on the work that we do and ensure a better quality of life for all our people.

CLLR. BRUTUS MAHLAKU

EXECUTIVE MAYOR

T1.0.1

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The financial year 2014/15 presented serious challenges to our Municipality whereby we encountered among others serious labour unrest challenges. With consented effort and unity from both our Councillors and Officials alike we were able to rise to the challenge. It is against this background that I am honoured once again to present the Municipality's Annual Report for 2014/15. This report outlines challenges and achievements we went through in 2014/15 financial year and great strides we undertook in trying to win the battle against poverty and lack of service delivery to our community. Gratefully it is also notable that amidst all the challenges we were faced with, our community stood by us and supported us as the Municipality and was patient with us when this labour unrest occurred. We are truly proud to be serving this community that is supportive in times of challenges.

We will continue to devise better ways and means in order for us to take concrete steps to realize our vision and achieve our plans for the future and betterment of our community. In this report we will provide a summarized statement of Metsimaholo Local Municipality's progress towards the set targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for the financial year under review.

We have appointed service provider for the electrification of Amelia. We are working tirelessly to eradicate bucket system in our townships and we hope to have addressed this challenge within the next two coming financial years in Refenggotso (Themba Khubeka section). In the meantime a service provider for the removal of night soil in both Refenggotso and Metsimaholo has been appointed in order to ensure that our people still have dignity. In 2014/15 financial year we were able to complete construction of Sanitation project at Oranjeville extension 6. We are still busy with the Gortin Phase 4 Sanitation project for Construction of Sewerage station, Rising Mains and sewer networks and we are aiming to complete this project in December 2015.

The year also presented certain financial challenges in that the municipality had to incur unforeseen expenditure emanating from the labour unrest which also affected service delivery to the community and disrupted normal work. This had a negative impact on our cash flows and collections. Revenue for the year totalled R965 million. Expenditure for the year totalled R815 million. The actuarial gains and fair value adjustments, totalled R1.7 million. The net surplus for the year was R152 million. The increasing tariffs are being felt by the community and our debt impairment increased from R85 million to R115 million in the current year.

The situation has returned to normal and we are in the process of consolidation financially. Improving liquidity, debt management and cash flow management will be a priority going forward.

We have committed ourselves to improving our work and accelerate our service delivery plans in order to improve the lives of our people hence we want to move from having an unqualified audit opinion to a clean audit. An action plan that seeks to address all the audit issues has been developed and this also highlights the quick wins that can be achieved in the financial year 2015/16.

S.M MOLALA

MUNICIPAL MANAGER

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Local Municipality of Metsimaholo is situated in the northernmost corner of the Free State Province, which forms part of the Vaal Triangle (Vanderbijlpark, Vereeniging and Sasolburg region(s)). The Local Municipality of Metsimaholo lies at an altitude of approximately 1500 meters above sea level. The average annual rainfall is 638 mm while the average maximum summer temperature is 26.9°C and the average minimum winter temperature is 16°C.

The Metsimaholo Local Municipality covers an area of “1`219`090 km²” and includes Deneysville, Metsimaholo, Oranjeville, Refengkgotso, Sasolburg, Vaalpark and Zamdela. It is inhabited by approximately 174`306 (2015) people & 54`470 households with more than 90% living in the urban areas of the Municipal region.

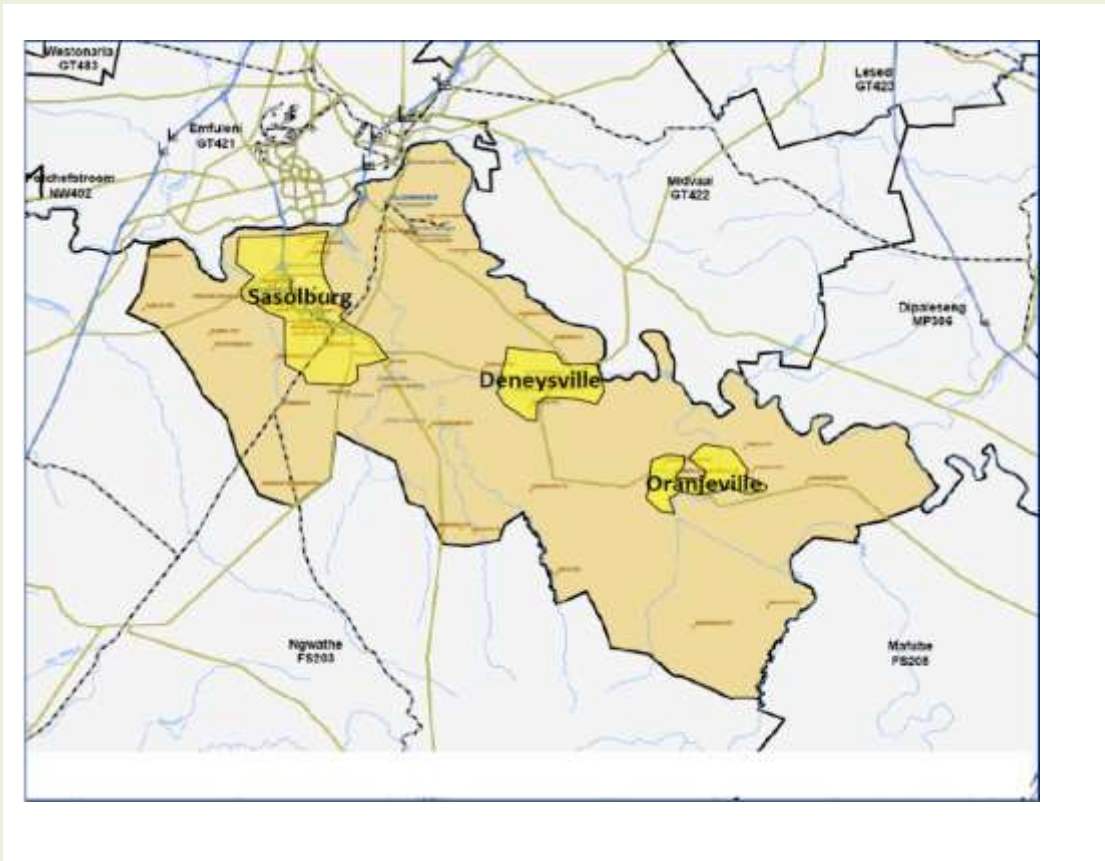
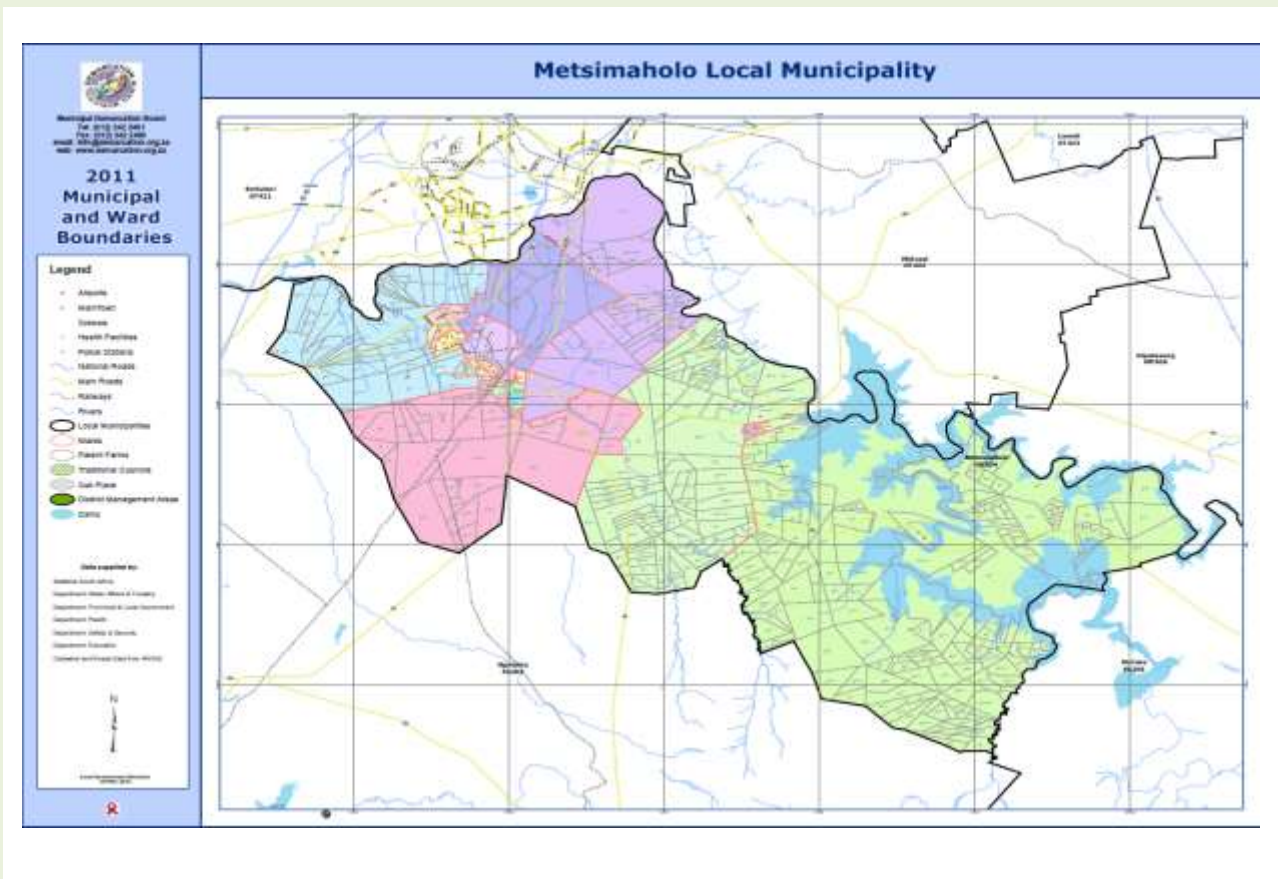


Figure 1: Map of Metsimaholo Local Municipality

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A large percentage of houses in Deneysville are holiday homes, which implies that the actual permanent inhabitants of the community may be less than estimated. The majority of the rural population is active in the agricultural sector. A total of 1 753 farms are located within the Metsimaholo municipal area and several small holdings and small farms (468 in total) are, however, located adjacent to the Vaaldam- and –River between Oranjeville, Deneysville and Sasolburg (refer to the Deneysville SDF).

The new Municipal boundaries and Ward delimitation by the Municipal Demarcation Board for the 2011 Local Government Elections are reflected in the map below.¹



Demarcation Act, 1998 (Act 27 of 1998) indeed amended the Municipal outer boundaries of Metsimaholo Local Municipality to include portions of the Farms Rusplaas; Oranje; Morgenzon; Mara; Blydschap and Branddraai to Mafube Local Municipality (FS 205).

Table 1: Number of registered voters per ward

Ward	1	2	3	4	5	6	7
No. of registered voters	3 698	3 155	3 773	3 152	2 859	3 189	3 257
Ward	8	9	10	11	12	13	14

¹The number of wards increased from 18 to 21 after the delimitation process

²Municipal Demarcation Board. Delimitation of municipal wards in terms of the Local Government: Municipal Structures Act, 1998. 2011 Local Government Elections. Province: Free State. Municipality: Metsimaholo Local Municipality (FS204)

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No. of registered voters	3 676	2 881	2 956	3 564	3 160	3 813	3 741
Ward	15	16	17	18	19	20	21
No. of registered voters	3 722	3 532	3 694	3 583	3 230	2 945	2 995

Demographic and Socio-Economic Profile of the Municipality

The official statistics according to *Statistics South Africa's Census 2001, Community Survey 2007, Census 2011* and Municipal Preferred data in 2014 and 2015 were used.

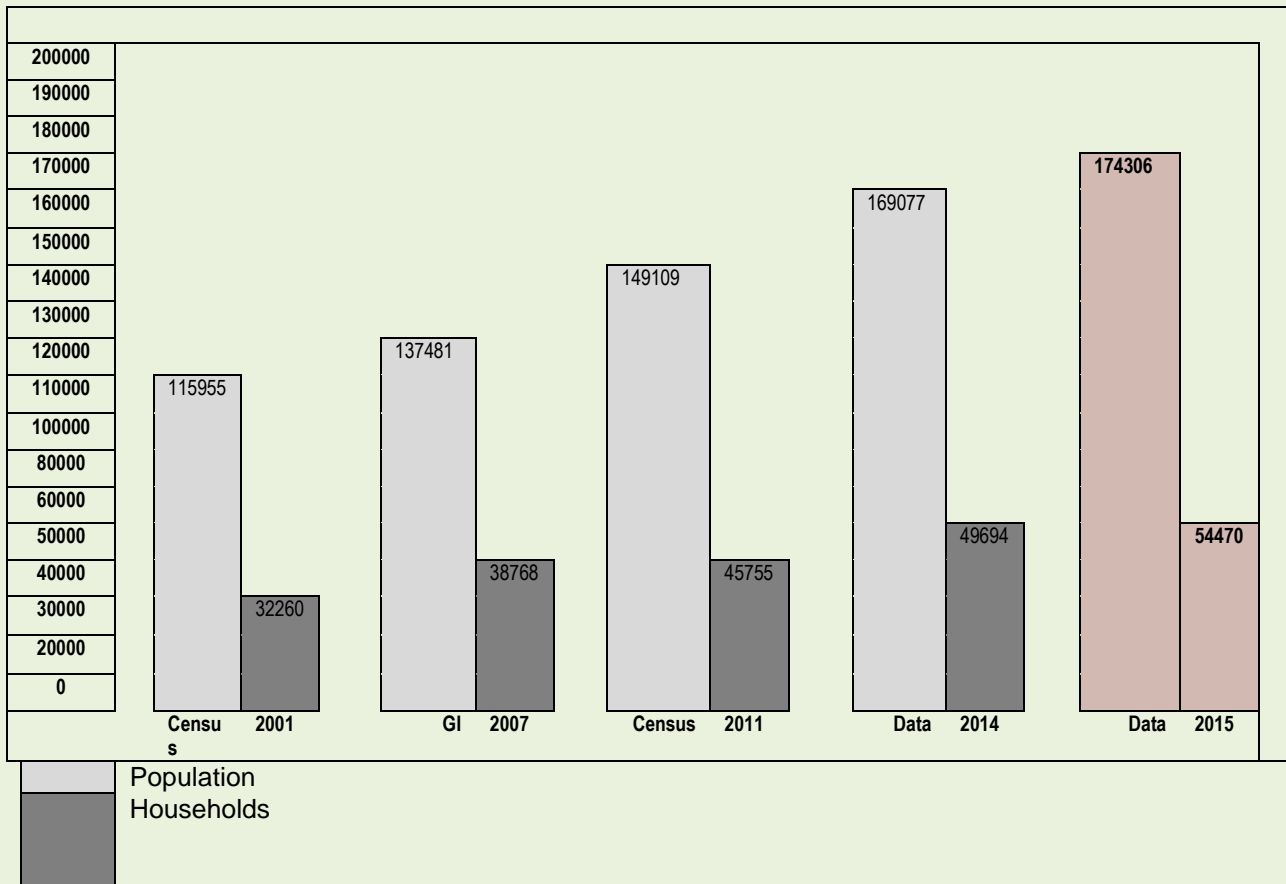


Table 2: Population and household statistics

	Census 2001	Global Insight (GI) 2007	Census 2011	Preferred data 2014	Preferred data 2015
Population	115 955	137 481	149 109	169 077	174 306
Households	32 260	38 768	45 755	49 694	54 470
Average Household Size	3.6	3.5	3.2	3.3	3.2

The Housing Development Agency (A Division of Dept. Human Settlements) quantified a backlog of an estimated 7 679 human settlement households for METSIMAHOLO without formal serviced erven. and families have been identified, - with the focal point on Residents lacking in adequate income or means to

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live comfortably, who reside on un-developed or developed municipal erven or open spaces, identifiable as the most needy of households, eligible for housing and the very poorest in the local community and that policies are aimed at providing as much assistance as possible or to provide in the urgent need for land on which to settle in a less formal manner.

Directions for future urban expansion therefor need to be timeously identified. These spatial proposals are deemed essential to, amongst other:

- Ensure the timely identification of developable land,
- Prepare requests to governmental role-players to financially assist the municipality,
- Consider future provision of raw and bulk services,
- Identify suitable areas for regional and local urban amenities such as cemeteries, landfill sites and the like.

<u>RESIDENTIAL AREA</u>	<u>RESIDENTIAL ERVEN OCCUPIED</u>	<u>RESIDENTIAL ERVEN UNOCCUPIED</u>
Zamdela:		
Amelia Extension 16 (Formal town)	3 257	
Moidraai Extension (Informal town)		2 995
Refenggotso:		
Mooiplaats Extension (informal town)	2 526	
TOTAL	6053	2 995

It follows that enormous pressure is placed on road networks, services and other urban amenities. Complicating the latter is the extreme scarcity in developable land for neighborhood expansions, impacting severely on the delivery of housing in the municipality. Influx to the area, and the inability to timely address the human settlement needs, ultimately resulted in informal settlements and land invasion on properties not earmarked for residential purposes, gradually increasing in the Municipality.

The continuous shortages experienced in land and developable hinterlands for these residential precincts, exemplifies the municipality's predicament. Moreover, the Metsimaholo Municipality is located in an area extremely rich in shallow laying coal. The latter resulted in:

- Vast areas being undermined, not suitable for the placement of housing structures; especially due to shallow underground mining activities,
- Areas of strategic importance, earmarked for similar underground mining in future (in some instances opencast mining), also not suitable for the placement of housing structures,
- Land parcels suitably located for long-term extension, but negated for urban development due to unsafe conditions.
- The recent extensions of Amelia and Moidraai already being located on rich coal deposits but, came to pass following negotiations with mining companies.

The Directorate is aware of the fact that alternative studies and research work, such as the North West University, confirmed contrasting population data and even `declining prospects for Metsimaholo`s growth`.

However: the Directorate Economic Development and Planning preferred to utilize internal data based on informal settlements and the daily `demand for land and services which far exceeded the supply thereof`.

Contents

This approach has been supported by research work released by Cabinet identifying METSIMAHOLO as one of the twenty (20) fastest growing municipalities in South Africa with a growth rate of 28,57% over ten (10) years and / or 3% per annum.

Municipal data till June 2015 confirmed:

- 41`787 formal erven and /or portions of land established within townships;
- 35`436 residential erven created;
- 5`032 high density units (flats / hostels) developed; and
- with the identified backlogs of 7`679 families it implicated at least 50`000 to 55`000 households by June 2015

- with an expected population growth to 230`000 people and / or 70`000 households by 2025

It follows that Metsimaholo is not exempted from challenges on land availability, township establishment and human settlement delivery processes.

Key to the mentioned challenge, Metsimaholo Local Municipality is constitutionally obligated to ensure economic growth by creating favorable conditions for sustainable economic activities within its locality. Owing to this factor provision of core infrastructure for day to day economic activities are primary objectives of the municipality. The core infrastructure and the payment of services will serve to provide the municipality with the needed revenue base.

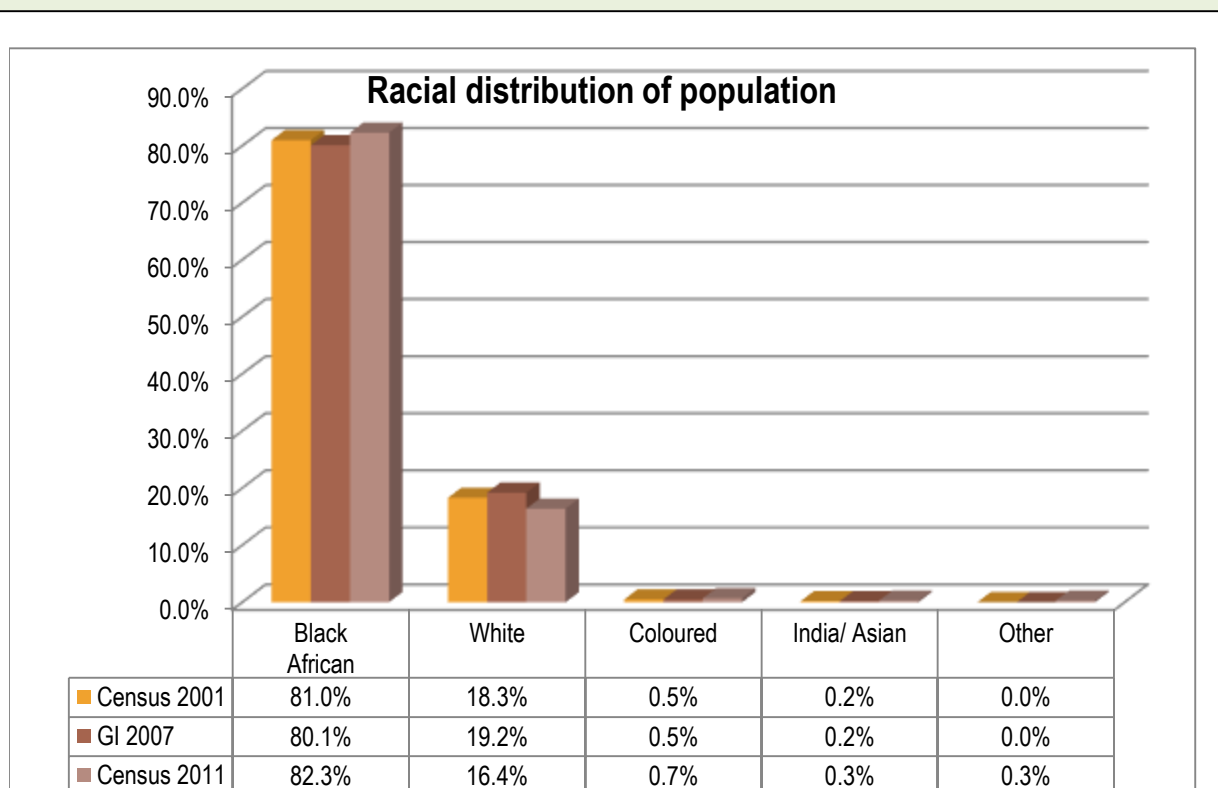
The other key factor to local economic growth is strengthening of the agricultural sector paying, special attention to facilitating the entry of previously disadvantaged groups into this market in line with BEE principles through land acquisition and other methods.

The dominant position of Metsimaholo in the Northern Free State is apparent with 67% of the Provincial economic output generated therein. Approximately 95% of all manufacturing output is produced in Metsimaholo.

It follows that Metsimaholo can be regarded as a significant contributor to the output of the other sectors.

Table 3: Gender distribution of population

	Census 2001	Global Insight (GI) 2007	Census 2011
Males	51.1%	53.1%	52.1%
Females	48.9%	46.9%	47.9%



Contents

Table 4: Age distribution of population

	Census 2001		Global Insight (GI) 2007		Census 2011	
0 – 4 years	10 106	8.7%	11 742	8.5%	15 401	10.3%
5 – 14 years	22 020	18.9%	23 330	17.0%	23 836	16.0%
15 – 34 years	45 869	39.6%	53 039	38.6%	58 096	39.0%
35 -64 years	33 702	29.1%	43 964	32.0%	45 267	30.4%
65 years and older	4 281	3.7%	5 406	3.9%	6 509	4.4%

Table 4: HIV and AIDS prevalence

Global Insight (GI)	HIV+ estimates			AIDS estimates		
	National	Free State	Metsimaholo	National	Free State	Metsimaholo
2001	3 255 169	248 090	10 917	93 960	7 084	300
2007	4 588 779	318 769	15 612	198 772	14 015	663
2009	4 739 504	320 883	16 053	221 903	15 397	742
2010	4 799 024	321 179	16 201	241 151	16 606	807
2011	4 849 853	321 335	16 326	255 021	17 410	852
2012	4 886 985	320 659	16 391	266 644	18 041	887
2013	4 917 369	319 768	16 431	275 293	18 452	912
2014	4 941 798	318 680	16 450	281 408	18 684	923
2015	4 962 054	317 370	16 446	285 455	18 776	934

Table 5: Labour force

	Census 2001	Global Insight (GI) 2007	Global Insight (GI) 2009
Employed	31 486	42 189	43 528
Unemployment rate	24.5%	17.1%	16.9%
Economically Active Population	49 998	49 885	50 061
EAP as a % of the total population	43.1%	36.3%	35.7%

Definitions:

Employed: Employed population *working* in the municipal area.

Unemployed: Unemployed people *living* in the municipal area.

Economically Active Population: Employed and unemployed people who are *living* in an area. It is the number of people who are able and willing to work, who are between the ages of 15 and 65. (Includes both employed and unemployed, but excludes discouraged work seekers who have not recently taken active steps to find employment, people who do not wish to work, students, early retirees, housewives, etc.)

Poverty indicators

Contents

Table 6: Poverty indicators

<i>Global Insight</i>	% of people living in poverty					No. of people living with less than \$1(R9,36) per day	No. of people living with less than \$2 (R18,72) per day
	African	White	Coloured	Indian	Total		
1996	37.3%	2.5%	22.5%	6.3%	27.0%	2 808	7 527
2001	47.0%	3.1%	31.1%	23.9%	36.7%	5 259	13 783
2006	40.9%	0.9%	36.3%	23.0%	32.9%	2 481	7 944
2009	38.0%	0.5%	38.6%	23.2%	31.1	936	5 794

Functional literacy: Population older than 20 years who completed grade 7 or higher

Table 7: Functional literacy

<i>Global Insight</i>	Literate	Illiterate
1996	47 763 (73.3%)	17 417 (26.7%)
2001	56 122 (73.0%)	20 810 (27.0%)
2006	68 308 (78.0%)	19 316 (22.0%)
2009	74 094 (80.1%)	18 409 (19.9%)

Spatial statistics

Table 8: Spatial statistics

<i>Global Insight</i>	Population density ³	Urban population	Urbanisation rate ⁴
1996	63.68	91 057	83.1%
2001	72.23	114 940	92.5%
2006	78.95	132 003	97.2%
2009	81.55	138 692	98.9%

Table 9: Overview of Neighborhoods

PREFERRED DATA FROM THE DIVISION HOUSING AND PROPERTY MANAGEMENT – BASED ON

- FORMAL TOWNSHIPS ESTABLISHED
- VILLAGES AND AVAILABLE DATA

³Number of people per km²

⁴% of people living in urban areas

Contents

- THE NUMBER OF ERVEN CREATED PER TOWN, ETC.
- GENERAL PLAN DATA
- VALUATION ROLL AND DEEDS REGISTRY DATA
- THE NUMBER OF ERVEN IN PROCESS OF CREATION
- THE NUMBER OF STRUCTURES IDENTIFIED (FORMAL AND INFORMAL)
- EXTERNAL (INDEPENDENT) SURVEYS EXECUTED BY HOUSING DEVELOPMENT AGENCY
- INTERNAL REGISTERS AND OCCUPATIONAL DATA (MUNICIPAL AND PRIVATELY OWNED ERVEN IN TOWNSHIPS)
- NUMBER OF FORMAL HOUSES BUILT
- SATELITE IMAGES (TO CONFIRM LAND INVASION AND NUMBER OF SCHACKS / STRUCTURES)
- OCCUPATIONAL AND INTERNAL DATA
- INTERNAL DATA ON FILES (FAMILY COMPOSITIONS, ETC.)
- RESIDENT MOVEMENT DATA, FREQUENCY AND NUMBER OF LAND INVASION, ETC.

Estimated Population

Area	Population 2001	Population 2007	Population 2008	Population 2009	Population 2010	Population 2011	Population 2012	Population 2013	Population 2014	Estimated Population 2015	Estimated Population 2016
Free State	2706775						2`7 Mil				
Fezile D	459294						488036				
Metsimaholo	115 955	131 025	134 040	137 164	140 889	144 932	149 108	158 409	169 077	174 306	193 030
(households)	30 515	34 480	35 274	36 095	37 076	38 140	39 239	45 037	49 694	54 470	59 700

Based on the above, it implicated a population growth rate of at least the following:

- (1) 149`108 = 2011
- (2) 153`498 = 2012
- (3) 158`017 = 2013
- (4) 169`077 = 2014
- (5) 167`459 = 2015 (54`470 households) = 2015**
- (6) 172`389 = 2016
- (7) 177`465 = 2017
- (8) 182`689 = 2018
- (9) 188`068 = 2019
- (10) 193`606 = 2020

Household sizes consist of approximately 3 to 5 persons per household.

Metsimaholo consisted of an estimated 85% (34`900) erven for residential- and 5509 high density (flats / hostel units) residential land uses.

Cabinet during 2012 confirmed a population growth rate for METSIMAHOLO as follows:

Contents

Table

Target area (The norm is 1,5% growth)	Population		% Growth Over 10 years	Annual % Growth
	2001	2011		
FS 204: Metsimaholo	115977	149108	28,57	2,86

Growth rates are confirmed where Metsimaholo and since first amalgamation of municipalities during 1994 created a large number of formal erven to eradicate the ever growing demand in serviced erven.

To provide for further growth and to cover new needs created by in-migration, natural growth, and an increase in households as family units shrink the municipality will have to plan for and create at least **13'000 serviced erven before 2025** if the current growth rate remains constant:

Since amalgamation of municipalities during 1994, the Council was forced to create a large number of formal erven to eradicate backlogs and to provide for annual growth:

2015 Population Table:

Number Of Extensions (CBD included)	Township Name	Infor- mal In process of establis hment	TOTAL Erven Created Till 2015	Residen tial Erven Created 2015	Residen tial Erven Develop -ed 2015	Residen tial Erven Develop -ed with RDP's 2015	Number of High Density Residen tial Units	House- holds (Sizes)	PO- PULA- TION FEB 2015	BACK- LOGS FEB 2015 (3/hse)
3 Extension	ORANJEVILLE	1137	2050	1744	308		7	239 (3,9)	945	4
7 Extensions	METSIMAHOLO		1480	1394	74	1106		1318 (3,5)	4614	75
6 Extensions	DENEYSVILLE		1729	1482	564		111	665 (3,5)	2328	5
6 Extensions	REFENGGOTSO	2610	6006	5817	394	2797	6	7115 (3,5)	24905	570
76 Extensions	SASOLBURG	2765	8088	6084	5270	56	1788	5787 (3,6)	21342	145
4 Extensions	VAALPARK / ROODIA		2819	2361	2212		735	2481 (3,5)	8841	15
19 Extensions	ZAMDELA	3698	25618	22281	2327	14359	2114	28468 (3,5)	99639	3327
VILLAGES	(8 RURAL)		1027	60	975		1534	2166 (1,3)	2915	907
SECTIONAL TITLE	RURAL / HIGH DENSITY		1214		809		1214	1110 (1,5)	1718	0
RURAL	FARMS		1750		230		(1613)	1220 (1,50)	1830	2631
TOTAL	(Metsimaholo Region)	10210	49696 (4438)	41223	13163	18318	7509 (1613)	50'569 (3,3)	169'077	7679

Contents

The following summary (*Preferred Data*) confirmed the status on land availability for METSIMAHOLO:

Table: Land Availability Summary

AREA	Number of Residential Erven Created / To be Created in Area of Jurisdiction	Number of High Density (Flats / Hostels) Residential Erven Created in Area of Jurisdiction	Number of households living in Area of Jurisdiction	No Ha acquired / accessible and suitable for Human Settlement (Low Cost)	No Ha acquired / accessible and suitable for Human Settlement (Middle to High Cost)	No of Municipal Residential Erven Earmarked for disposal (Non-Exempted Tenders)	Human Settlement EXISTING Backlog Data (2015)	Further Land / Erven Required by 2025 (Based on a growth rate of 3% per annum)
Vaalpark	2765	891	2481				50	(200 High cost)
(Undeveloped)	(133)					45		
Sasolburg	5852	1782	5787				475	0
(Government)	(82)			(74 erven) 1,0 Ha	(8 erven) 0,6 Ha		0	40 Social Housing Flats
(Rietfontein)	(2705)				(2705 erven) 137,35 Ha		0	(Mixed development)
Zamdela	18513	1829	28468				3327	5'000
(CRU's – Hostel 4)		(380)		(380 rentals) 3,0 Ha				
(Hostel 2 Infill)		(60)		(60 rentals) 0,3 Ha				
(Hostel 3 – CRU)		(389)						(600 CRU's)
(Mooirdraai)	(3033)			(2235 erven) 89,4 Ha				
Deneysville	1570	73	665				30	(2637)
(Undeveloped)	(28)					28		
Refenggotso	3202	6	7115					1'000
(Themba Khubeka)	(2583)			(2583 erven occupied) 198.26			2770	
14 x Erven Refenggotso.				3,5658 Ha				(100 CRU's)
(Vaaldam Settlement)	(2000)			(2000 erven planned) 162,0 Ha				2000
Oranjeville	880	6	239				24	
Metsimaholo	1470		1318				96	500
Other / Rural	984	834	3621				907	(4'500)
TOTAL	35236 (10'564)	5032 (440)	49'694	(4'749 erven) 457.53 Ha	(2713) 137,95 Ha	73	7'679	±13'000 erven (740 Flats)

The focal point is to bring to the attention on challenges faced by the Municipality on daily basis and the institution at large of illegal occupants.

Specific Identified Areas with Key Challenges are:

WARD	Metsimaholo Larger Settlements Areas Identified by HDA	Estimated Number of Households	Comments from Municipality (Identified)
12	Zamdela Internal (Hostel 1)	10	14 <i>Re-Counted</i>
	Stand 2314 (Malakabeng school area)	80	79
	Zamdela (Hostel 4) Emergency	0	139 <i>(Not qualifying for CRU – to be re-located)</i>
1	Zamdela Ext 6 (Somers Post – Erf 9845)	0	310 <i>Erf 9845 Somers Post</i>
	Stand 16370 (Phase 3)	0	300
19	Zamdela X 16 (Amelia) Erven 21798 – R57 Prov road, 21820, 21819, 21910, 21911, 19981, 19982, 19983 and 19974 are invaded and since establishment settlements increased way above 2500 (some accommodated on erven in Amelia)	300 (R57)	450
1 & 13	Zamdela X 11-14 Sakubusha Secondary school area	850	Should be at least = 808
	Zamdela Ext 15 (Ward 13)	200	<i>(Erf 16370 =178</i> <i>Erf 15816 (Pan) =75</i> <i>Erf 14881 (Pan) =290</i> <i>265</i>
9	Zamdela (Thembaletu)	0	60 (To be re-located)
(0)	Zamdela (Backyards and other)	0	1167
			3327
3	Refenggotso	72	Refenggotso = 570
20	Refenggotso (Themba Khubeka)	2500	<i>(2200)</i> <i>(Informal Area)</i>
1	Kragbron, Farms, etc.	0	907
SUB-TOTAL		4381	3677
Other Regions			7004
TOTAL ESTIMATED			675
			7679

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

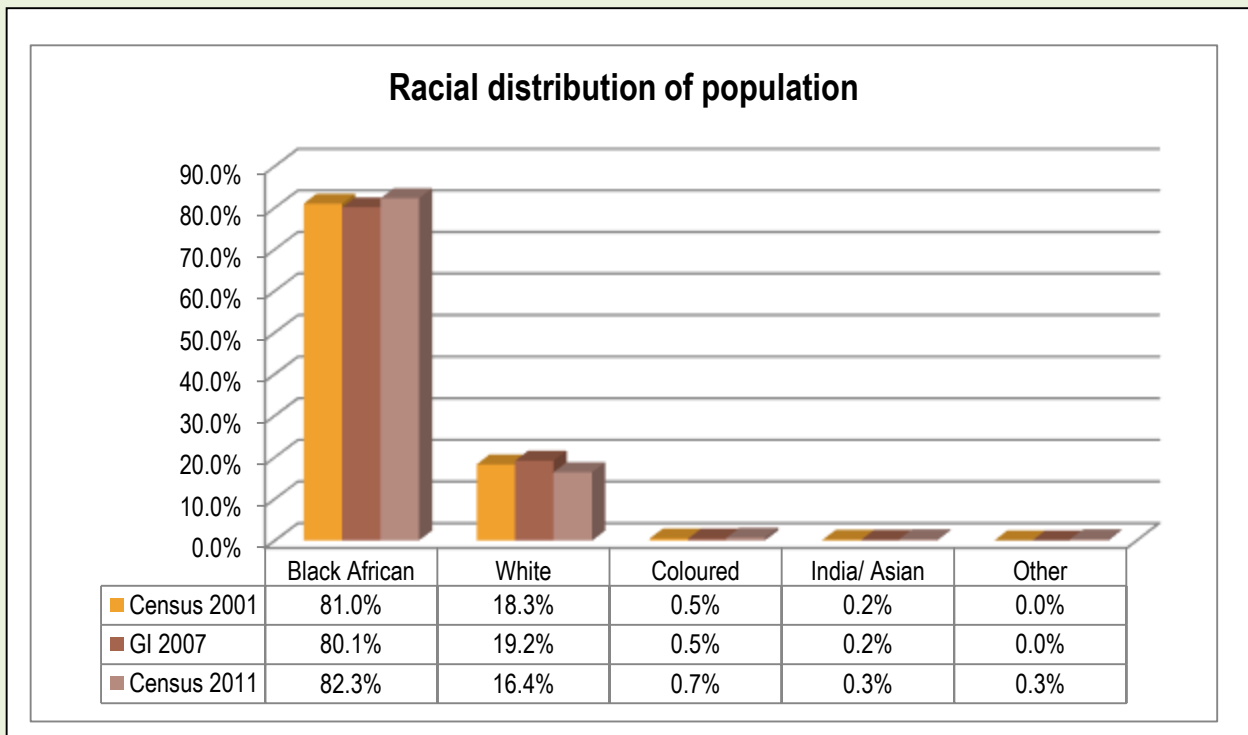
The Municipality is doing relatively well in terms of access to water and electricity, whilst access to sanitation and refuse removal remains below the national targets set by government. Various service delivery targets have been set in the municipality's five-year IDP to ensure that access to basic services is realised in line with the National government's target dates.

Free basic services are provided to indigent households according to the Municipality's indigent policy. This includes 10kl of water, 50kWh electricity, R 50 subsidy on assessment rates, free sanitation and refuse removal per month. A total number of 8 336 households were recorded in the indigent register at the end of the 2014/15 financial year.

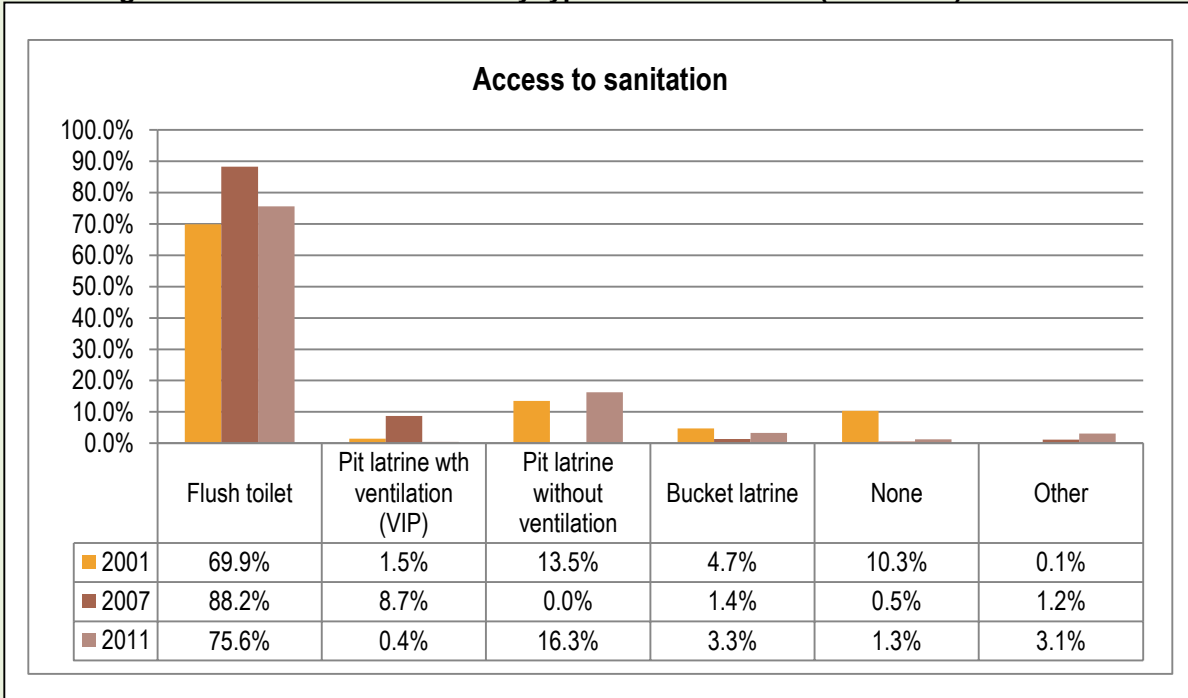
T 1.3.1

Access to Municipal services

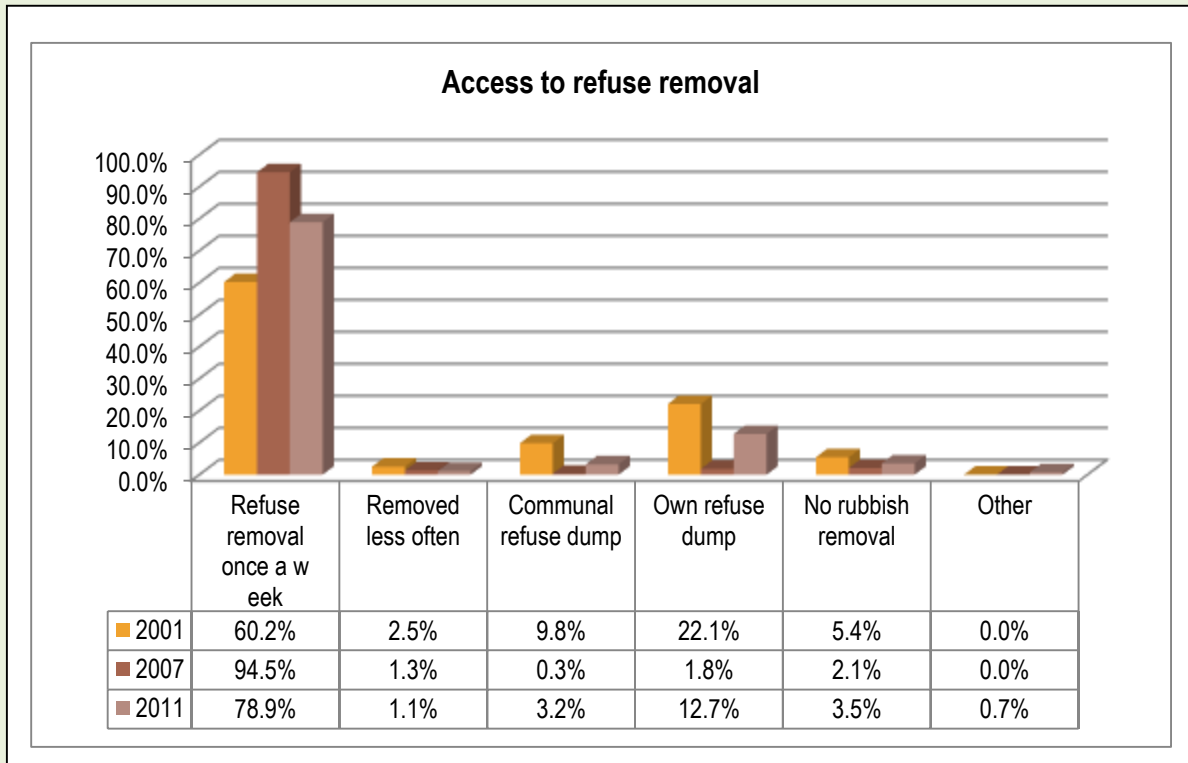
Percentage distribution of households by water source



Percentage distribution of households by type of toilet facilities (sanitation)

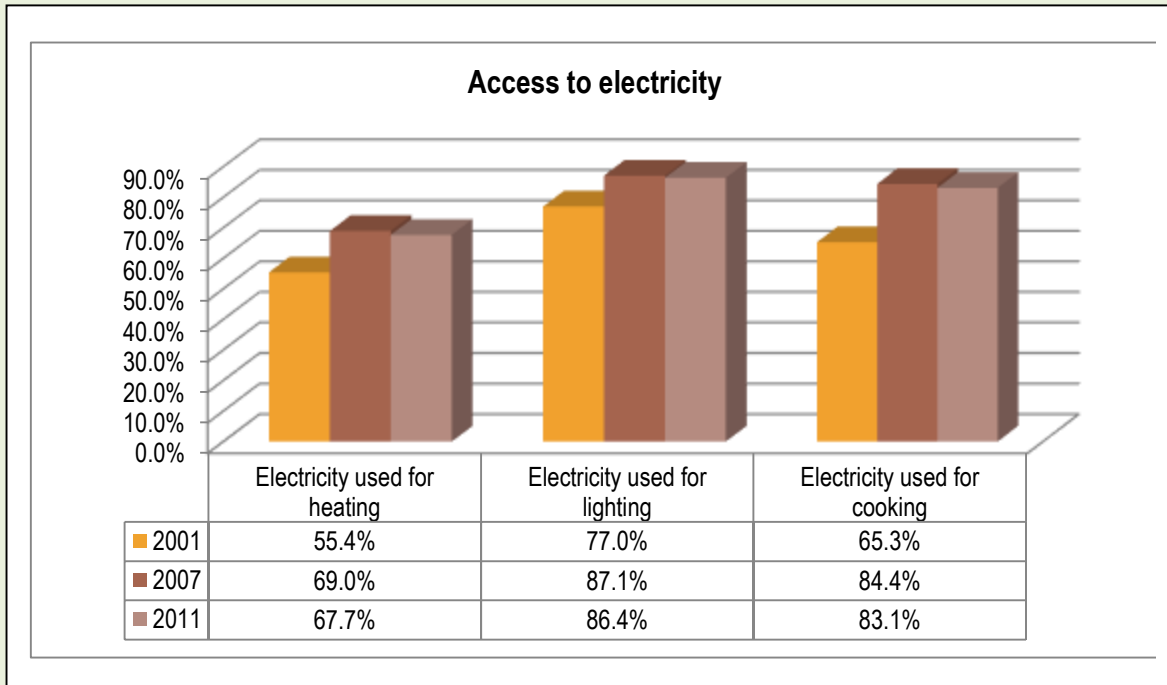


Percentage distribution of households by type of refuse removal



Actual Service Delivery Information: see chapter 3 (Performance information)

Percentage distribution of households by type of energy



Actual Service Delivery Information: see chapter 3 (Performance information)

1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

See Chapter 3 Service Delivery Performance information

T1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

See Chapter 5 Financial Performance information

T1.4.1

Table 10: Financial Overview – 2014/15

Financial Overview: 2014/15			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants			
Taxes, Levies and tariffs			
Other			
Sub Total			
Less: Expenditure			
Net Total*			
<i>* Note: surplus/(deficit)</i>			T 1.4.2

Table 11: Operating Ratios

Operating Ratios	
Detail	%
Expenditure items as a % of total expenditure	
Bulk purchases	
Employee related cost	
Debt impairment	
Depreciation and amortisation	
Grants utilised towards subsidising indigents (Free Basic Services)	
Top 5 major items as a % of total expenditure	
Contracted services	
Repairs and maintenance (excluding internal labour cost)	
Remuneration of councillors	
Average collection rate for the year	
Income as a % of Total Revenue	
Service charges	
Property rates	
Internally generated revenue	
Government grants and subsidies	
Top 3 major items as a % of total revenue	

T 1.4.3

COMMENT ON OPERATING RATIOS:

To be updated

T1.4.3

Table 12: Total Capital Expenditure

Total Capital Expenditure: 2013/14 to 2014/15			R'000
Detail	2013/14	2014/15	
Original Budget	163 587		
Adjustment Budget	126 197		
Actual	70 910		
			T 1.4.4

T1.4.5

COMMENT ON CAPITAL EXPENDITURE:

To be updated

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW**ORGANISATIONAL DEVELOPMENT PERFORMANCE**

The Municipality had 1 250 approved posts on its Organisational Structure with 762 employees and a vacancy rate of 31.5% at the end of the 2014/15 financial year. The turnover rate stood at 8.05%.

The most of workforce-related policies were approved by Council during the financial year under review. The average injury leave per employee during 2014/15 was 547 days for 29 employees. A total number of sick leave days taken is 3 794.75 at an estimated cost of R1617744.96. Injury leave taken during the 2013/2014 financial year has increased due to an employee in Social Service who used 101 days. The

use of sick leave is monitored and is often used by a high percentage of lower skilled level employees in Social Services. The Human Resource does comply with the Basic Conditions of Service. Workforce training and development learning interventions were implemented not as effectively planned due to the limited grants received from Local Government Sector Education and Training Authorities after the Municipality submitted the workplace skills plan for the year 2014/15 that was no compliant, as the registered trade unions did not sign the document.

T1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2014/15 (CURRENT YEAR)

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE METSIMAHOLO LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the financial statements of the Metsimaholo Local Municipality set out on pages 07 to 97, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR-GENERAL'S RESPONSIBILITY

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

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Metsimaholo Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

EMPHASIS OF MATTERS

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

Restatement of corresponding figures

8. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2014-15 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

Irregular expenditure

9. As disclosed in note 48 to the financial statements, the municipality incurred irregular expenditure of R51 562 932 (2014: R65 034 263) during the year under review mainly due to non-compliance with supply chain management requirements.

Material impairments

10. As disclosed in note 5 to the financial statements, a provision for the impairment of debtors amounting to R121 760 402 (2014: R105 858 827) had been made with regard to irrecoverable receivables from non-exchange transactions. In addition, as disclosed in

note 6 to the financial statements, a provision for impairment of debtors amounting to R430 760 556 (2014: R347 118 850) has been made with regard to irrecoverable receivables from exchange transactions.

Going concern

11. Note 43 to the financial statements indicate that the municipality has unfavourable indicators in respect of trade payables and receivables. These conditions indicate the existence of an uncertainty that may cast doubt on the municipality's ability to operate as a going concern.

ADDITIONAL MATTERS

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

Unaudited disclosure notes

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

Unaudited supplementary information

14. The supplementary information set out on pages 98 to 105 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for the selected key performance areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

16. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2015:
 - KPA 1: service delivery and infrastructural development (on pages 67 to 99)
17. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned key performance area. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material findings in respect of the selected key performance area is as follows:

KPA 1 SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT

USEFULNESS OF REPORTED PERFORMANCE INFORMATION

21. I did not identify material findings on the usefulness of the reported performance information for the selected key performance area KPA 1: service delivery and infrastructural development.

RELIABILITY OF REPORTED PERFORMANCE INFORMATION

22. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for 36,9% of the targets to assess the reliability of the reported performance information. The auditee's records did not permit the application of alternative audit procedures. This was due to limitations placed on the scope of my work by the absence of information systems.

ADDITIONAL MATTER

23. I draw attention to the following matter:

ACHIEVEMENT OF PLANNED TARGETS

24. Refer to the annual performance report on page(s) 63 to 248 and 249 to 269 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected key performance area reported in paragraph 21 of this report.

COMPLIANCE WITH LEGISLATION

25. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

26. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

27. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.
28. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Budgets

29. The total unforeseen and unavoidable expenditure incurred exceeded R15 million, in contravention of Municipal Budget and Reporting Regulation 72.

Procurement and contract management

30. Quotations were accepted from prospective providers who are not registered on the list of accredited prospective providers and do not meet the listing requirements prescribed by the SCM policy in contravention of SCM regulation 16(b) and 17(b).
31. Contracts were extended or modified without the approval of a properly delegated official, as required by SCM Regulation 5.
32. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.

INTERNAL CONTROL

33. I considered internal control relevant to my audit of the financial statements, the performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the performance report and the findings on compliance with legislation included in this report.

LEADERSHIP

34. The occurrence of material irregular expenditure during the year under review indicates that integrity and ethical values were not adequate to prevent irregular expenditure and to set the standard for sound corporate governance, as they were not prevented by management.

35. Internal policies and procedures for performance information management were not developed, approved and implemented due to a slow response by management on the recommendations in the previous audit report.

FINANCIAL AND PERFORMANCE MANAGEMENT

36. The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the municipality's design and implementation of internal controls for financial management and financial reporting, and weaknesses in the information systems.
37. The municipality did not have a proper system of record management to maintain information that supports the reported performance due to a lack of capacity in the performance information unit.

Other reports

INVESTIGATIONS

38. An independent consulting firm performed an investigation at the request of the municipality, which covered the period 1 July 2012 to 30 June 2014. The investigation was initiated based on an allegation of alleged irregular journal adjustments and write-offs, illegal water connections, possible theft of electrical equipment and other irregularities, alleged irregular processing of transactions on the salary system. The investigations concluded on 2 September 2015 and resulted in disciplinary procedures being instituted against seven employees. These proceedings are currently in progress.

Auditor - General

Bloemfontein

30 November 2015



T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

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

COMMENT ON THE ANNUAL REPORT PROCESS:

To be updated

T1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance structures and processes in the Municipality are aligned to the relevant legislative provisions in the Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act. The interface between Political and Administrative structures are managed by the Executive Mayor and Municipal Manager, the Municipality participated effectively in the various Inter-governmental structures, public accountability and participation are managed by the Speaker's Office and the Executive Mayor in terms of their respective responsibilities and a number of corporate governance arrangements have been institutionalized to ensure legislative compliance and best practices.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Note: The Constitution section 151 (3) states that the Council of a Municipality has the right to govern on its own initiative, the Local Government affairs of the Local Community.

The Council is vested with the responsibility to oversee the performance of the administration through Council and Committee meetings. The Executive Mayor provides the link between the Council and Administration and is responsible for regular monitoring and for tabling of reports before Council. The Administration, headed by the Municipal Manager, is responsible for the day-to-day operations of the Municipality.

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

Section 151 of the Constitution, 1996 states that the executive and legislative authority of a Municipality is vested in its Municipal Council. This is complemented by the Municipal Structures Act and Municipal Systems Act. In terms of section 160(2) of the Constitution, 1996, the following powers may not be delegated by a Municipal Council and must therefore be exercised by Council: passing of by-laws, approval of budgets, imposition of rates and taxes, levies and duties and the raising of loans. The Speaker is appointed by Council and performs functions in terms of section 37 of the Municipal Structures Act, such as presiding at Council meetings and overseeing the work of Council Committees.

The Council appointed an Audit and Performance Audit Committee which performs its functions in accordance with section 166(2) of the MFMA and the approved Audit Committee Charter. This Committee reports directly to Council and make recommendations to Council in terms of its functions.

The Executive Mayor exercises his responsibilities in terms of the Municipal Structures Act, Municipal Systems Act, and Municipal Finance Management Act and in accordance with any powers and functions so delegated by the Council. The Executive Mayor is assisted by a Mayoral Committee who has been appointed in terms of section 60(1)(a) of the Municipal Structures Act. Members of the Mayoral Committee have been assigned specific areas of responsibility and chair the various Portfolio Committees (See **Appendix B** for committees and committee purposes). The Portfolio Committees consist of Councillors and reports directly to the Mayoral Committee.

The Municipality has established MPAC, comprised of non-executive Councillors, with the specific purpose of providing your Council with comments and recommendations on the Annual Report. The Oversight Committee Report on the 2013/14 Annual Report was published separately in accordance with MFMA guidance.

T2.1.1

EXECUTIVE MAYOR

Cllr: B.T MAHLAKU



FUNCTION:

Overall political responsibility for sound governance and service delivery

SPEAKER

Cllr: S.Z MATENA



FUNCTION:

Public participation, ward committees and managing Council and Committee

COUNCIL WHIP

Cllr: T.L SOETSANG



FUNCTION:

Ensures discipline among Councillors; Managing relations between political Parties and representation on Committees

Photos (optional)

MAYORAL COMMITTEE

Ms S L Tshongwe	<i>Finance</i>
Ms N J Kubheka	<i>Technical Services</i>
Mr. R J Mabefu	<i>LED, Tourism and Agriculture, Urban Planning and Housing</i>
Ms A.N Radebe	<i>Sports, Arts and Culture</i>
Mr LS Semonyo	<i>Corporate Communication, ICT, IDP, PMS, Risk, Audit Monitoring and Evaluation</i>
T K Mabasa	<i>Special Programmes</i>
M W Khonto	<i>Public Safety and Emergency</i>
K J Makhoba	<i>Social Services, Cleansing, Parks and Graves</i>

T2.1.1

COUNCILLORS

The Municipality has 42 Councillors of which 21 are Ward Councillors and 21 PR Councillors. A full list of Councillors can be found (including Committee allocations and attendance at council meetings) in **Appendix A**. Further note that **Appendix B** sets out Committees and Committee purposes.

T2.1.2

POLITICAL DECISION-TAKING

Political decisions are taken through the Council meeting by way of voting and consensus, 100%

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA section 60(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 Municipal Manager is the Accounting Officer of the Municipality and the Head of the Administration and reports directly to the Executive Mayor and Council. Directors (section 56 Managers) report directly to the Municipal Manager and their performance is managed by the Municipal Manager in terms of the annually signed performance agreements and plans.

Directors are responsible for the management of their respective functions/departments, which include the management of service delivery programmes and targets, personnel and budgets.

The Municipal Manager ensures accountability by departments through weekly and monthly management meetings and quarterly performance reviews of Directors.

T2.2.1

Photo	TOP ADMINISTRATIVE STRUCTURE	Function
	TIER 1 MUNICIPAL MANAGER Mr. S.M Molala	Accounting Officer and Head of the Administration
Photo Executive Directors Directors Optional	TIER 2 CHIEF FINANCIAL OFFICER Mr A Lambat	Revenue, Expenditure, Asset and Liability Management; Budgeting and Reporting Supply Chain Management
	DIRECTOR: Technical Services Mr. S Mokgatle	Water, Sanitation, Electricity, Roads, Storm Water and Project Management Unit
	DIRECTOR: Corporate Services Mrs M.J.M. Maseola	Human Resources, Auxiliary and Legal Services, Council Support
	DIRECTOR: Social Services Mr. S.L. Lempe	Waste Management, Sport & Recreation, Arts & Culture, Public Safety and Parks
	DIRECTOR: Economic Development and Planning Ms S.J. Monyaki	Housing, Asset & Rental Stock Management, Urban Planning, Local Economic Development & Marketing, Tourism, Heritage Sites & Resorts T2.2.2
Appendix 'C' indicates all the third tier posts under each Director as per the approved organizational structure		

COMPONENT B: INTERGOVERNMENTAL RELATIONS**INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

Note: MSA section 3 requires that Municipalities exercise their executive and legislative authority within the constitutional system of Co-operative Governance envisaged in the Constitution section 41.

In current financial year the Municipality has participated actively in the various structures such as National, Provincial and District IGR platforms.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS**NATIONAL INTERGOVERNMENTAL STRUCTURES**

To be updated

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

To be updated

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

To be updated

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

To be updated

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

Note: MSA section 17 (2): requires a Municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of Municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a Municipality to supply its community with information concerning Municipal governance, management and development.

T 2.4.0

2.4 PUBLIC MEETINGS**COMMUNICATION, PARTICIPATION AND FORUMS**

Public meetings relating to IDP and Budget consultations and the review/updating of Community needs were held during 2014/15. All Community Sectors and stakeholders such as Business and NGOs were engaged through meetings of the IDP Representative Forum.

T2.4.1

WARD COMMITTEES

The Municipality has 21 wards; in each ward there is a ward committee which has 10 community members. Currently Ward 21 is without a Ward Committee, the Speakers Office is in the process of electing new ward committee members.

T2.4.2

Table 13: Public Meetings

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	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Public Meeting	30 July 2014	1	0	100	Yes	
Block Meeting	3 July 2014	1	0	63	Yes	
Block Meeting	14 October 2014	1	0	30	Yes	
Block Meeting	11 September 2014	1	0	63	Yes	
Block Meeting	18 September 2014	1	0	43	Yes	
Block Meeting	2 October 2014	1	0	40	Yes	
Public Meeting	3 September 2014	1	0	51	Yes	

Public Meeting	7 October 2014	3	0		No	
Public Meeting	24 August 2014	1	0	30	Yes	
Public Meeting	5 October 2014	1	0	152	Yes	
Public Meeting	8 December 2014	3	0	141	No	
Block Meeting	2 July 2014	1	0	95	Yes	
Public Meeting	29 September 2014	1	0	34	Yes	
Public Meeting	18 March 2015	1	0	104	Yes	
Block Meeting	17 February 2015	1	0	71	Yes	
Block Meeting	18 February 2015	1	0	122	Yes	
Block Meeting	19 February 2015	1	0	82	Yes	
Block Meeting	25 February 2015	1	0	57	Yes	
Block Meeting	26 February 2015	1	0	139	Yes	
Public Meeting	11 February 2015	1	0	68	Yes	

Public Meeting	9 March 2015	1	0	182	No	Next Public Meeting
Public Meeting	24 June 2015	2	0	246	Yes	
Public Meeting	1 February 2015	1	0	206	Yes	
Public Meeting	January 2015	1	0	175	Yes	
Block Meeting	2 June 2015	1	0	112	No	Next Block Meeting
Public Meeting	21 May 2015	2	0	129	Yes	
Block Meeting	30 April 2015	1	0	27	Yes	
Block Meeting	16 April 2015	1	0	39	Yes	
Block Meeting	26 March 2015	1	0	64	Yes	
Public Meeting	5 February 2015	1	0	70	No	Next Public Meeting
Public Meeting	22 June 2015	1	0	71	Yes	
Public Meeting	9 March 2015	1	0	169	No	Response will be within 30 days
Public Meeting	4 June 2015	1	0	69	No	Next Public Meeting
Public Meeting	4 June 2015	1	0	63	No	Next Public Meeting
Block Meeting	2 June 2015	1	0	67	Yes	
Block Meeting	3 June 2015	2	0	56	Yes	
Block Meeting	9 April 2015	1	0	87	Yes	

Public Meeting	12 April 2015	1	0		Yes	
Public Meeting	22 February 2015	1	0	36	No	Next Public Meeting
Public Meeting	8 February 2015	1	0	115	Yes	
Public Meeting	5 March 2015	1	0	139	No	Next Public Meeting
Public Meeting	24 February 2015	1	0	293	No	Next Public Meeting

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

To be updated

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the Municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the Budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

T2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The Municipality endeavors to comply with the regulatory frameworks and best practices regarding corporate governance. This includes the establishment of a Risk Management function, Internal Audit Unit and independent Audit Committee and the implementation of fraud and anti-corruption policies and measures.

T2.6.0

2.6 INTERNAL AUDIT

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

For the year ended 30 June 2015

We are pleased to present our report for the financial year ended 30 June 2015.

Audit Committee Members and Attendance:

The Audit Committee consisted of the members listed hereunder. During the current year, five meetings were held.

Member who served until 31 March 2015:

Name of Member	Meetings Attended	Apologies
Mr S.Radebe (Chairperson)	1	1
Ms D.S. Lebeko	2	0

Mr Z Fihlani	2	0
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Audit Committee Member from 01 April 2015:

Name of Member	Meetings Attended	Apologies
Mr Z Fihlani (Chairperson)	2	0
Ms D.S. Lebeko	2	0
Mr Z Fihlani	2	0

All members of the Audit Committee are independent, with no interest in the management or conduct of the business of the Municipality.

Audit Committee Responsibility

The committee reports that it has complied substantially with its responsibilities arising from section 166 (2) of the Municipal Finance Management Act (MFMA) in terms of its defined responsibilities as an advisory body to the municipality.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA, Internal Audit provides

the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Audit, the Audit Report on the Annual Financial Statements and management letter of the Auditor-General. It was noted that there were instances of weaknesses in controls. However the Audit Committee is pleased to report that there has been significant improvement in the general controls and management has put mechanisms and action plans in place to deal with identified weaknesses. Management has further undertaken to report to the Audit Committee on a regular basis on progress made in this regard.

The Audit Committee is, satisfied with the quality of in-year management reports as per section 71 of the Municipal Finance Management Act which were duly prepared and submitted to the Provincial Treasury.

Evaluation of Financial Statements

The Audit Committee has

- Reviewed and discussed the audited annual financial statements to be Included in the annual report with the Accounting Officer;
- Reviewed the Auditor-General's management letter and management responses thereto
- Reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.
- Discussed report on status of compliance matters, action plan on auditor general findings and financial year end procedures - 2014/2015

Risk Management

- The Audit Committee is relatively satisfied with the risk management processes within the institution.

Conclusion

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

.....

Mr. Zola Fihlani CA (SA)

Chairperson of the Audit & Performance Audit Committee

2.6 RISK MANAGEMENT

RISK MANAGEMENT

2.6. RISK MANAGEMENT

2.6. RISK MANAGEMENT

Risk Management is one of management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. Risk management is as much about identifying opportunities as avoiding or mitigating losses. Thus, risk management is a logical and systematic process of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organisation to minimise losses and maximise opportunities. Having a clear understanding of all risks allows the municipality to measure and prioritize them and take the appropriate actions to reduce losses.

The drive for local government transformation with limited resources has tended to force municipalities into taking a less conservative approach to service delivery with a proportional increase in their risk exposure. Ongoing local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability. Risk management trends and components already overlap with those of internal auditing, performance management, project management, financial management, organisational development and change management, customer care, communication, etc. and require incremental inclusion in current and future plans of the entire organisation. The management of risk by implication is a managerial function, even so individual sections, departments and directorates differ in their exposure and reaction to risks and thus departments, sections and individuals form a vital part of the overall risk management process within the Municipality. In our continuously changing governance environment it is imperative that Council remains updated on key changes and challenges and how these effect the operation of business in today's environment. This will not be achieved without an effective, efficient, soundly funded and managed risk strategy that seeks to maximise its impact on the organisation with minimum resources

at its disposal. National Treasury Public Sector Risk Management Framework affirms that —no organisation has a luxury of functioning in a risk-free environment and public institutions are especially vulnerable to risk associated with fulfilling their mandates.

Top Risks to the Municipality

1. Vandalism of Infrastructure
2. Ageing of Electricity, water, and sewer networks
3. Payments of creditors not done within 30 days.
4. Failure to recruit skilled and adequate staff (performance) and retain competent staff and placement/redeployment of skill (Lack of internal capacity)
5. Inability to install connections in newly proclaimed areas and unzoned areas
6. Water distribution loss
7. Encroachment of roads, reserves, servitudes and building lines.
8. Overflowing of Sanitation.
9. Non-compliance with section 116 of the MFMA (Contract and Contract Management)
10. Fruitless and wasteful expenditure
11. Inadequate system in place to identify Irregular expenditure.
12. Absence of sector plans
13. Fraud and corruption (non-reporting of fraud and corruption cases)
14. Failure to recover data and systems efficiently and effectively in the event of disruptions
15. Department operating in silos
16. Inconsistency of KPI's in the IDP and SDBIP
17. Delay by Province to approve applications for development
18. Unrealistic rate by sector department
19. Labour unrest
20. The absence of Disaster Management Plan

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Metsimaholo Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. Consequently Metsimaholo Municipality is committed to fight fraudulent behaviour at all levels within the organisation.

Thus, section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be forced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

The strategy listed in the table below has been adopted and is implemented by Council

Name of strategy	Date Adopted
Fraud Prevention Plan (including anti-fraud policy and response plan as well as the whistle blowing policy)	28 January 2015

Council have approved the use of the National Anti-Corruption Hotline number **0800 701 701** to report all cases of fraud and corruption which relates to the Metsimaholo Municipality. There are three cases which were reported of which one was resolved and two of the cases are still under investigation.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be forced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

2.8 SUPPLY CHAIN MANAGEMENT

<p><u>OVERVIEW SUPPLY CHAIN MANAGEMENT</u></p>

2.9 BY-LAWS

Table 14: By-laws introduced

By-laws Introduced during 2014/15					
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

**Note: See MSA section 13. T 2.9.1*

<p>COMMENT ON BY-LAWS:</p> <p>T2.9.1.1</p>

2.10 WEBSITES

Table 15: Municipal Website

<p>Municipal Website: Content and Currency of Material</p>

Documents published on the Municipality's / Entity's Website	Yes / No	Date Published
Current Annual and Adjustments Budgets and all budget-related documents	Yes	
All current Budget-related policies	Yes	
The previous Annual Report (2013/14)	Yes	
The Annual Report (2013/14) published/to be published	Yes	
All current Performance Agreements (2014/15) required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	
All Service Delivery Agreements (2014/15)	Yes	
All long-term borrowing contracts (2014/15)	Yes	
All Supply Chain Management contracts above a prescribed value (give value) for 2014/15		
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 2013/14		
Contracts agreed in 2014/15 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-Private Partnership agreements referred to in section 120 made in 2014/15		
All Quarterly reports tabled in the council in terms of section 52 (d) during 2014/15		No
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

To be updated

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

The municipality last conducted a socio-economic ward profile study in 2010. This was done through face to face interviews with systematically selected respondents from the sampled households. A total of 1960 households were systematically selected where interviews were to be held with one member of the household. However, only 1785 interviews were realized.

The main objectives of the study were as follows:

-To collect household data on the demographic profile of all wards: population estimates, number of households in each ward, age profile, gender and race profile, disabilities.

-To collect household data on the socioeconomic profile of wards: education profile, household income categories and sources, employment status (employed, unemployed, not economically active), and tenure status, etc

-To collect household data on access to services of wards: access to water, sanitation, electricity, refuse removal, roads, housing, community halls, libraries, health services e.g. clinics or hospitals, recreational facilities, sports facilities, ambulance and fire rescue services, etc.

T2.11.1

Table 16: Satisfaction Surveys Undertaken

Satisfaction Surveys Undertaken during: 2010/11				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:	Face-to-face interviews	Nov-Dec. 2010	1 785	
(a) Municipality (municipal experiences)				85%
(b) Municipal Service Delivery				23.5%
(c) Mayor				N/a
Satisfaction with:				
(a) Refuse Collection				53%
(b) Road Maintenance				43%
(c) Electricity Supply				41%
(d) Water Supply				57%
(e) Information supplied by municipality to the public				N/a
(f) Opportunities for consultation on municipal affairs (participation in ward committees)	53%			
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T 2.11.2

COMMENT ON SATISFACTION LEVELS:

A follow-up survey, depending on availability of funding, to determine whether there has been an improvement in community satisfaction levels.

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

INTRODUCTION

The following are the completed projects:

- ZAMDELA Amelia Sanitation Phase 3
- ZAMDELA Amelia 11kv Substation (in Leirim)
- Metsimaholo ext 6 Sanitation for 368 stands

The following are the ongoing projects:

- ZAMDELA Gortin Sanitation Phase 4
- ZAMDELA Amelia 88kv Substation (in Leirim)
- Refenggotso WWTW
- ZAMDELA CRU (Community Residential Unit Human Settlement Project)
 - Phase 1 Units completed (ready for occupation Aug 2015) = 96
 - Phase 2 Units in working progress (ready for occupation Sept 2015) = 32
 - Phase 3 Units planned (practical completion Dec 2016) = 296
- Sasolburg Ext 1
 - (Emergency BNG houses Human Settlement Project Completed) = 74
 - (Emergency BNG houses Human Settlement Project In working progress) = 70

The following are new projects:

- Metsimaholo Sports Facility
- ZAMDELA Amelia Electrification
- REFENGGGOTSO Themba Khubeka infrastructure (FSHS)
- Water Conservation and Management – water loss project

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

The Municipality has well serviced records for sanitation, water and electricity. The Municipality went through a major strike from June 2014 till March 2015 with labour levels being down to 15% within this period but is recovering to meet the demands within an ever existent cash flow shortage financial environment

In general the pressing need in our municipality is the poor roads conditions that affects the socio-economic life negatively. The condition of our surfaced roads in towns deteriorates rapidly and lack of funding to upgrade gravel roads in our townships is more concerning to our approach to intensify and create self-sustaining human settlement.

Electricity is supplied to the municipality by Eskom with cable theft being a never ending phenomena

T3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The management of the Water Provision services to approximately 48000 households are done in two categories the one being the bulk supply being done by RANDWATER Water Board (Sasolburg zone) and the other being water being extracted from VAALDAM and purified (Deneysville and Oranjeville zones). There is no challenge as to the supply of water to the Municipality. The Municipality was rated at 89.3% on the Blue drop assessment. The purification works at Deneysville were expanded to see to the increased consumption and growth within the area. The informal areas are being provided with communal water taps where needed and networks being installed within the allowable funds from MIG.

T3.1.1

Table 17: Total use of Water by Sector

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2012/13	0	0	5 123 359	7 641 246	7.10%
2013/14	0	0	5 199 731	8 352 490	5.19%
2014/15	0	0			

T 3.1.2

COMMENT ON WATER USE BY SECTOR:

No official water supply as to agriculture and forestry are done. Industries also use raw water (direct from the Vaal River) during their chemical processes that eases the burden on the provision of potable water. Only minimal treatment of this water is done within the industrial processes.

T3.1.2.2

Table 18: Water Service Delivery Levels

Water Service Delivery Levels				
Description	2011/12	2012/13	2013/14	Households 2014/15
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)				
Piped water inside dwelling	42 490	42 490	42 534	39840
Piped water inside yard (but not in dwelling)	0	0	0	6365
Using public tap (within 200m from dwelling)	0	0	0	2610
Other water supply (within 200m)	40	40	40	40
Minimum Service Level and Above sub-total	42 490	42 490	42 534	48855
Minimum Service Level and Above Percentage	100%	100%	100%	89.9%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	5 700	5 700	6 000	4899
Other water supply (more than 200m from dwelling)	0	0	0	
No water supply	0	0	0	
Below Minimum Service Level sub-total	5 700	5 700	6 000	4899
Below Minimum Service Level Percentage	17%	17%	17%	9.1%
Total number of households*	48 230	48 230	48 574	53754
* - To include informal settlements				T 3.1.3

Table 19: Households – Water Service Delivery Levels below minimum

Households - Water Service Delivery Levels below the minimum						
Description	2011/12	2012/13	2013/14	2014/15		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
Households						
Formal Settlements						
Total households	0	0	0	0	0	0
HHs below minimum service level	0	0	0	0	0	0
Proportion of HHs below minimum service level	0%	0	5%	0	0	0
Informal Settlements						
Total households	0	7 431	9 522	7509	0	0
HHs below minimum service level	0	7 431	9 522	7509	0	0
Proportion of HHs below minimum service level	0%	100%	100%	100%		

* 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

T3.1.5

Table 20: Water Service Policy Objectives taken from IDP/SDBIP

Lead Department: Technical Services (DTIS)

Strategic Priority (SP2): Broaden access to and improve the quality of Municipal services

Key Performance Area (KPA1): Basic Service Delivery and Infrastructure Investment

PROGRAMME (P1): WATER

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under performance	Corrective measures taken or to be taken
To ensure sufficient bulk supply of purified water	1.1 No of total HHs with access to potable water in formalised areas (yard metered connection)	46 255	48 792	Target not Achieved (0)	FSHS is the implementing agent not MLM	FSHS implementing the project from June 2015
	1.2 No. of HHs provided with new metered yard connections	500	2 537	Target not Achieved (0)	FSHS is the implementing agent not MLM	FSHS implementing the project from June 2015

	1.7 % of maintenance plan developed and submitted for approval	100%	100%	Target not Achieved (0)	Plan not developed due to prolonged labour unrests	Plan to be developed for 2015/16
	1.8 % of water distribution loss maintained	14%	14%	Target not achieved (10%) estimates	Not all metered stands are accounted for including communal taps	Implementation of WDCM project as from June 2015
Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under performance	Corrective measures taken or to be taken
To ensure the effective and efficient management of water resources	1.9 % of reported water leaks repaired within an average of 48 hours	95%	100%	Target not achieved (40%)	No labour to run help desk. Therefore there are no proper records kept.	Labour to be appointed to execute work on backlog due to strike Records also to be effectively kept July 2015.

	1.10 % compliance with the blue drop water quality accreditation system ⁵	97%	98%	Target not achieved (Latest available score is 89.4%)	Awaiting outcome of assessment done by DWS	Awaiting outcome of assessment done by DWS
	1.11 % of WSDP developed and approved	90%	90%	Target not achieved (Phase 1 completed – complete plan 25% complete)	Needs assistance from PSP to complete phases 2,3 & 4	In process of appointing PSP, being contracted to DWS at present, for completing WSDP.
	1.12 % of water demand management plan developed and approved	75%	100%	Target not achieved (20%)	Phase 1 was completed	Execution of planned work of phase 2 to start during July 2015

Table 21: Employees – Water Services

Please note: In cases where the number of employees is higher than the number of posts, that is caused by salary disparity and re employed employees who were appointed to different positions contractual to incumbent.

Employees: Water Services					
Job Level	2013/14		2014/15		
	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	2	3	4	1	33
7 - 9	4	7	9	2	28
10 - 12	8	110	13	97	88
13 - 15	7	16	2	14	87
16 - 18	14	16	19	3	18
Total	36	153	47	117	76%

*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.*

Table 23: Financial Performance – Water Services

Table 23: Financial Performance – Water Services Financial Performance 2014/15: Water Services					
R'000					
Details	2013/14		2014/15		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget %
Total Operational Revenue	230 278	331 272	317 238	302 677	(9.45%)
Expenditure:					
Employees	(8 771)	(10 116)	(9 116)	(7 226)	(40.00%)
Repairs and Maintenance	(2 051)	(2 677)	(3 957)	(5 476)	51.11%
Other	(185 716)	(196 072)	(199 140)	(216 025)	9.24%
Total Operational Expenditure	(196 538)	(208 865)	(212 213)	(228 727)	8.68%
Net Operational Expenditure	33 740	122 407	105 024	73 950	(65.53)

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Table 22: Capital Expenditure – Water Services please provide names of projects

Capital Expenditure 2014/15: Water Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	14 900	3 710	5 254	(9 646)	
Others					
<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:

- 1/ Augmentation of bulk water supply to Refengkgotso - was not budgeted for in 2014/15
- 2/ Water treatment Works – was incorrectly budgeted for, the money from DWA was R 6m for waste water treatment works
- 3/ Water Vaalpark stands – project was not budgeted for and was relying on a DBSA loan
- 4/ Water and Electric meter system - project was not budgeted for and was relying on a DBSA loan

T3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The management of the Sanitation Provision services are done in two categories the one being the treatment being done under contract by Sasol Chemical Industries (Sasolburg zone) and the other being treated by two Municipal plants (Deneysville and Oranjeville zones). The challenge as to the treatment of sewer effluent lies in the needed enlargement of the treatment plants of the Municipality being assessed and to be included in the sanitation sector plan. PSPs for the compilation of the master and sector plan will be sought during the next financial year, dependant on funding. The Municipality was rated at 72.15% on the Green Drop assessment in 2013/14. The informal areas are being provided with a temporary bucket system where needed and permanent networks being installed within the allowable funds from MIG.

T3.2.1

Table 23: Sanitation Service Delivery Levels

Sanitation Service Delivery Levels				
Description	2011/12	2012/13	2013/14	*Households 2014/15
	Outcome No.	Actual No.	Actual No.	
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	29 723	29 723	29 723	43611
Flush toilet (with septic tank)	3 617	3 617	3 617	800
Chemical toilet				
Pit toilet (ventilated)	9 190	9 190	9 234	485
Other toilet provisions (above minimum service level)				
Minimum Service Level and Above sub-total	42 530	42 530	42 574	44896
Minimum Service Level and Above Percentage	70%	70%	70%	81.7%
Sanitation/sewerage: (below minimum level)				
Bucket toilet				2610
Other toilet provisions (below min.service level)				
No toilet provisions	5700	5700	6 000	4822
Below Minimum Service Level sub-total	5700	5700	6 000	7432
Below Minimum Service Level Percentage	12%	12%	12%	13.5%
Total households	48 230	48 230	48 574	54938
*Total number of households including informal settlements				T 3.2.2

Table 24: Households – Sanitation Service Delivery Levels below the minimum

Households - Sanitation Service Delivery Levels below the minimum						
Description	2011/12	2012/13	2013/14	2014/15		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	
	No.	No.	No.	No.	No.	
Formal Settlements						
Total households	42 530	42 530	42 574	0	0	
Households below minimum service level	9 190	9 190	9 234	0	0	
Proportion of households below minimum service level (%)	22%	22%	22%	0	0	
Informal Settlements						
Total households	5 700	5 700	6 000	7432		
Households below minimum service level				7432		
Proportion of households below minimum service level (%)	13%	13%	14%	100		
						T 3.2.3

Table 25 Sanitation Service Policy Objectives taken from IDP/SDBIP:

Lead Department: Technical Services (DTIS)

Strategic Priority (SP2): Broaden access to and improve the quality of Municipal services

Key Performance Area (KPA 1): Basic Service Delivery and Infrastructure Investment

Programme (P2): Sanitation

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To provide decent sanitation to all households	2.1 No HHs with access to decent sanitation	43 055	46 055	Target not achieved (0)	Funding only approved for the 15/16 Financial year.	Project under construction
	2.2 No. of households provided with sewer house connections	3 187	3 000	Target not achieved (0)	Funds are not available for sewer house connections	Gortin and Amelia still awaiting Human Settlement to fund the Sewer.

To ensure sufficient bulk infrastructure	2.3 % WWTW capacity augmented in O/Ville and D/Ville	0%	40%	Target not achieved (0)	Only Deneysville is under construction	Business plan submitted for Oranjeville awaiting for approval
Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure the effective and efficient management of the sanitation system and network	2.4 No. of kms of outfall sewer line replaced	0km	2km	Target not achieved (200 meters)	No funding to do the whole project. Work is done as pipes collapse	Pipes to be replaced as and when sections collapses
	2.5 % of maintenance plan developed and submitted for approval	100%	100%	Target not achieved (0)	Plan not developed due to strike leading to labour shortage. Employees only returned in March 2015.	Plan for 2015/16 being developed

	2.6 % of reported sewer blockages attended to within an average of 48 hours	92%	93%	Target not achieved (0)	No proper records were kept, due to the shortage of staff.	Records to be effectively kept July 2015
	2.7 % compliance with the green drop quality accreditation system ⁶	70%	80%	Target not achieved 72.15%	Not enough and proper reporting systems and trained operators	Systems within Green Drop to be developed and operators to be registered and properly trained

Table 26: Employees – Sanitation Services

Employees: Sanitation Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	1	100
4 - 6	3	4	2	2	50
7 - 9	3	3	3	0	0
10 - 12	5	6	10	4	66
13 - 15	8	13	2	11	84
16 - 18	17	35	18	17	48
Total	37	62	36	35	56%

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.

T 3.2.7

Table 27: Financial Performance – Sanitation Services

Financial Performance 2014/15: Sanitation Services					
Details	R'000				
	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget %
Total Operational Revenue	36 230	60 182	71 442	35 666	(68.74%)
Expenditure:					
Employees	(7 427)	(10 332)	(11 213)	(5 909)	(74.85%)
Repairs and Maintenance	(1 755)	(2 901)	(11 878)	(11 213)	74.13%
Other	(38 981)	(40 247)	(31 575)	(33 579)	(52.62%)
Total Operational Expenditure	(48 163)	(53 480)	(54 666)	(50 701)	(5.48%)
Net Operational Expenditure	(11 932)	6 702	16 776	(15 035)	(144.59)

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 28: Capital Expenditure – Sanitation Services

Capital Expenditure 2014/15: Sanitation Services						
						R' 000
Capital Projects	2014/15					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	27 619	40 551	32 763	5 142		
Others						
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						<i>T 3.2.9</i>

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

- Human Settlement Sewer house connections – there was a letter form FSHS committing funding for Amelia for sewer house connections however funds were never made available.
- Sanitation VaalPark Stands– the project was not budgeted and was relying on a loan from DBSA.
- Metsimaholo ext.6 sewer network 368 stands – project is on retention of R 700 000, which is not a saving

T3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The Municipality is compelled and mandated in terms of legislation to provide electricity to all consumers in the demarcated Municipal area in a reliable and cost effective manner. The entire electrical system must be installed and maintained according to the requirements of the Occupational Health and Safety Act. With the development of new areas the Municipality applies and receive grants from the Department of Energy for the construction of new electrical networks in order to provide consumers with new electrical connections. The network must be maintained by competent officials and must be supervised by a qualified Responsible Person in terms of Section 16 (2) of the Occupational Health and Safety Act.

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

T3.3.1

T 3.3.2

Table 29: Electricity Service Delivery Levels

Electricity Service Delivery Levels				Households
Description	2011/12	2012/13	2013/14	2014/15
	Actual No.	Actual No.	Actual No.	
Energy: (above minimum level)				
Electricity (at least minimum service level)				
Electricity - prepaid (minimum service level)				
Minimum Service Level and Above sub-total	34 730	34 730	34 730	
Minimum Service Level and Above Percentage				
Energy: (below minimum level)				
Electricity (<min.service level)	N/A	N/A	N/A	
Electricity - prepaid (< min. service level)				
Other energy sources				
Below Minimum Service Level sub-total	7 000	7 000	7 000	
Below Minimum Service Level Percentage				
Total number of households	41730	41276	41730	

T 3.3.3

Table 30: Households – Electricity Service Levels below the Minimum

Households - Electricity Service Delivery Levels below the minimum						
Description	2011/12	2012/13		2014/15		
	Actual	Actual	Actual	Original	Adjusted	
	No.	No.	No.	Budget	Budget	
	No.	No.	No.	No.	No.	
Formal Settlements						
Total households						
Households below minimum service level	3 954	3 954	7000			
Proportion of households below minimum service level						
Informal Settlements						
Total households						
Households below minimum service level	N/A	N/A	N/A			
Proportion of households below minimum service level						
						T 3.3.4

Table 31: Electricity Service Policy Objectives taken from IDP/SDBIP

Lead Department: Technical Services (DTIS)

Strategic Priority (SP2): Broaden access to and improve the quality of Municipal services

Key Performance Area (KPA 1): Basic Service Delivery and Infrastructure Investment

PROGRAMME (P3): ELECTRICITY

Objectives	Performance indicators	Baseline : 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure sufficient bulk supply of electricity	3.1 % of HHs with access to basic electricity in formal areas	43 175	(Amelia & Gortin) 46 675	Target not achieved (0)	Funding only approved for the 15/16 Financial year.	Funds are secure for Electrification at Amelia for 3 333 stands
	3.2 No. of HHs provided with new metered stand connections in formal areas	1 453	3 500	Target not achieved (0)	Funding only approved for the 15/16 Financial year.	Funds are secure for Electrification at Amelia for 3 333 stands
	3.5 % of maintenance plan developed and submitted for approval	100%	100%	Target achieved (100%)	Not applicable	Not applicable

Objective s	3.6 % of electricity master plan developed and approved	75%	100%	Target not achieved (0)	Unable to secure funding to develop the plan	Secure funding and appoint a Professional Service Provider (PSP) in 2015/16
ensure sufficient bulk supply of electricity	3.7 % electricity distribution losses maintained	13%	12%	Target not achieved (10%)	Data not cleaned	Target will remain at $\pm 10\%$ but data must be cleaned at Finance
	3.8 Average response time maintained for reported outages for households	2hrs	2hrs	Target achieved (2hrs)	Not applicable	Not applicable
	3.9 Average response time maintained to reported outages by industrial consumers	24hrs	24 hrs.	Target achieved (24hrs)	Not applicable	Not applicable
	3.10 Average response time maintained for faulty street- and high mast lights	3 months	2 months	Target achieved (2 months)	Not applicable	Not applicable

Table 32: Employees – Electricity Services

Employees: Electricity Services
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Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.			
0 - 3	2	2	2	0	100
4 - 6	5	10	6	4	40
7 - 9	9	12	9	3	25
10 - 12	2	7	4	3	42
13 - 15	8	12	7	5	41
16 - 18	10	18	10	8	44
19 - 20	0	0	0	0	0
Total	36	61	36	23	37%

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.

T 3.2.7

Table 33: Financial Performance – Electricity Services

Financial Performance 2014/15: Electricity Services					
					R'000
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget %
Total Operational Revenue	257 536	258 727	261 438	238 378	(8.54%)
Expenditure:					
Employees	(12 175)	(15 613)	(14 033)	(10 032)	55.63%
Repairs and Maintenance	(1 398)	(3 684)	(2 741)	(1 409)	61.75%
Other	(211 582)	(269 535)	(270 042)	(233 156)	15.60%
Total Operational Expenditure	(225 155)	(288 832)	(286 816)	(244 597)	18.08%
Net Operational Expenditure	32 381	(30 105)	(25 378)	(6 219)	384.08%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 34: Capital Expenditure – Electricity Services

Please note that DoE work was done in previous years and repay money after grants was received. As well withheld of grant

Capital Expenditure 2014/15: Electricity Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	17 100	11 252	7 126	(9 974)	
<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 ELECTRICITY SERVICES PERFORMANCE OVERALL:

The service delivery of the Department Electrical and Mechanical Engineering is hampered by the shortage of staff, vehicles and equipment and the time delay in procuring material. Limited stock to none is carried in the Division Stores and during emergencies and breakdowns material must be sourced from willing suppliers to assist the Department. In general the Department is continuing to provide an effective service to the community despite problems and will try and continue to strive to improve the service delivery.

The completion of the bulk supply substation, the electrification of Amelia and Themba Kubheka is important and remains a priority. Shortage of qualified staff remains problematic and maintenance is seriously hampered and the necessary safety standard cannot be maintained.

- There was additional funding of R 1m from DOE.

T3.3.9

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

INTRODUCTION TO WASTE MANAGEMENT

Strategic objectives of Waste Management.

To provide quality, sustainable waste management services to ensure a clean and healthy environment.

Functions of Waste Management

Waste Management main functions are general waste collection service to households and businesses, cleansing services (incorporating street sweeping, litter picking, removal illegal dumping on municipal public open spaces) as well as operates general waste landfill sites and transfer stations.

T3.4.1

Table 35: Waste Management Service Delivery Levels

Waste Management Service Delivery Levels				
Description	2011/12	2012/13	2013/14	Households 2014/15
	Actual No.	Actual No.	Actual No.	
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	40 000	40 000	42 500	50 000
<i>Minimum Service Level and Above sub-total</i>	40 000	40 000	42 500	50 000
<i>Minimum Service Level and Above percentage</i>				
*Refuse removed at a base of once a week from Themba Khubeka, Iraq and Amelia to a total of ±7,500 Households				
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
<i>Below Minimum Service Level sub-total</i>	10 500	10 500	8 000	500
<i>Below Minimum Service Level percentage</i>				
Total number of households	50 500	50 500	50 500	50 500

T 3.4.2

Table 36: Households –Waste Management Service Delivery Levels below the Minimum

Households - Waste Management Service Delivery Levels below the minimum						
Description	2011/12	2012/13	2013/14	Households		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
2014/15						
2014/15						
2014/15						
Formal Settlements						
Total households	50 500	50 500	50 500			
Households below minimum service level	10 500	10 500	8 000			500
Proportion of households below minimum service level						
Informal Settlements						
Total households						
Households to below minimum service level						
Proportion of households to below minimum service level						
						T 3.4.3

Table 37: Waste Management Service Policy Objectives taken from IDP/SDBIP

Lead Department: Social Services (DSS)

Strategic Priority (SP 2): Broaden access to and improve quality of Municipal services

Key Performance Area (KPA 1): Basic Service Delivery and Infrastructure Investment

PROGRAMME (P 10) – WASTE MANAGEMENT

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To provide affordable, effective, efficient, economical and accessible waste management services to all communities.	10.1 No. of households having access to basic refuse removal services (<i>removal at least once a week</i>)	47 000	48 000	Target Achieved (48 000)	Not applicable	Not applicable
	10.2 No of formal businesses receiving a daily refuse removal service	100%	100%	Target Achieved (100%)	Not applicable	Not applicable

	10.3 IWMP reviewed annually and submitted to Council for approval	100%	100%	Target Achieved (100%)	Not applicable	Not applicable
Objectives	10.4 % of Approved Integrated Waste Management Plan (IWMP) implemented	25%	50%	Target Achieved (50%)	Not applicable	Not applicable
To provide affordable, effective, efficient, economical and accessible waste management services to all communities.	10.5 Functional waste management information system reported (<i>NKPI: 1)monthly</i>)	12	12	Target Achieved (12)	Not applicable	Not applicable
	10.6 Existing landfill site closed	25%	100%	Target Achieved (100%)	Not applicable	Not applicable
	10.8 % of new landfill site established	25%	25%	Target Achieved (25%)	Not applicable	Not applicable

Lead Department: Social Services (DSS)

Strategic Priority (SP 2): Broaden access to and improve quality of Municipal services

Key Performance Area (KPA 3): Community Development and Social Cohesion

PROGRAMME (P 12) – CLEAN COMMUNITIES

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To develop and promote a clean and environmentally-friendly town & communities	12.1 Annual clean & green-ward competition organised <i>in identified wards</i>	5 wards	6 wards	Target Not Achieved (0)	Lack of support from the Province	To budget for the programme in 2015/16 FY
	12.2 Number of waste management education and awareness programmes implemented	4	4	Target Achieved (100%)	Not applicable	Not applicable
	12.3 Number of illegal dumps removed	40	20	Target Achieved (20)	Not applicable	Not applicable

Table 38: Employees – Waste Management Services

Employees: Waste Management Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	2	2	2	0	0
4 – 6	4	5	5	0	0
7 – 9	1	2	1	1	50
10 - 12	0	0	1	1	0
13 - 15	15	21	23	2	9
16 - 18	87	150	119	31	20
19 - 20	0	0	0	0	0
Total	109	180	151	35	19%

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

T 3.2.7

Table 39: Financial Performance – Waste Management Services

Financial Performance 2014/15: : Waste Management Services					
					R'000
Details	2013/14	2014/15			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	44 509	58 885	53 861	47 702	-23.44%
Expenditure:					
Employees	(18 002)	(18 718)	(18 218)	(15 130)	23.71%
Repairs and Maintenance	(1 638)	(1 864)	(1 491)	(974)	91.38%
Other	(26 182)	(38 176)	(29 921)	(24 736)	54.33%
Total Operational Expenditure	(45 822)	(58 758)	(49 630)	(40 840)	43.87%
Net Operational Expenditure	(679)	127	4 231	6 862	98.15%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 40: Capital Expenditure – Waste Management Services

Capital Expenditure 2014/15: : Waste Management Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A Rehabilitation: Dumping site-Sasolburg	1 000	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>					<i>T 3.2.9</i>

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

THE WASTE MANAGEMENT SERVICE IS RENDERED ALMOST 95% TO ALL AREAS. ONLY 5% RECEIVE PICK-UP SERVICE.

T3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The housing backlog continues to increase and Cabinet during 2012/13 confirmed a population growth rate for METSIMAHOLO at 3% per annum or 28.57 % over ten (10) years, putting more pressure on the municipality to deliver on a range of housing programs. To provide for further growth and to cover new needs created by in-migration, natural growth, and an increase in households as family units shrink the municipality will have to plan for and create at least 13`000 serviced erven before 2025 if the current growth rate remains constant.

Indicators from municipal data confirmed:

1. That the largest component of the population namely 42`136, are centralized in the age group 20 to 34 years (By 2015 approximately in the 35 to 44 years age category)
2. That approximately 47`559 persons are below the age of 19 (regarded or referred to as children)
3. That approximately 87`888 persons could potentially be active in the economy
4. That approximately 5990 persons are above the age of 65 years (referred to as senior citizens)
5. That households during 2010 was already estimated to be in the region of 38`998 and based on a population of 167459 by 2014/5 it implicated that approximately 50`569 households must be accommodated (3,3 persons/household)
6. That it should be correct to assume that approximately 16`000 persons are dependent from "rental accommodation" in one or other form
7. That backlogs of approximately 7679 households / individual have been recorded

Analysing the current rate of delivery clearly shows that the mandate may not be achieved if government continued with the same delivery models. This can be achieved via a revised human settlement master plan and `accredited` municipalities and the Free State MEC responsible for Cooperative Governance, Human Settlements and Traditional Affairs, on March 20th, 2013, in her 2013/14 Budget Speech, announced: "...That the Free State Provincial Government committed itself to continue to support five (5) local municipalities and METSIMAHOLO included in attaining readiness for level 1 & 2 accreditation implementation..." The Capacity & Compliance Assessment Panel (CCAP) represented by the National- & Provincial Department's Human Settlements and SALGA during 2014/15 recommended to apply for:

1. Level one (1) Accreditation, namely as the `foundation level` by January 2016
2. Level two (2) Accreditation:
 - 2.1 stage 1, the `Developmental` stage by July 2016;
 - 2.2 stage 2, the `Optimum stage` by July 2017;
 - stage 3, the `Sustained stage` by July 2018; and then
2. to apply for Level 3 "Assignment" by 2019

Table 41: Percentage of Households with Access to Basic Housing

Percentage of Households with Access to Basic Housing (Area of Jurisdiction)			
Year end	Total households (including in formal and informal settlements – Themba Khubeka included)	Households in formal settlements (Estimated)	Percentage of HH's in formal settlements
2011/12	46154	38530	83%
2012/13	47581	38640	81%
2013/14	49052	38790	79%
2014/15	54470	38990	72%

NOTE: Cabinet identified METSIMAHOLO as one of the twenty (20) fastest growing municipalities in South Africa with a growth rate of 28,57% over ten (10) years and / or 3% per annum on informal settlements

Table 42: Housing Service Policy Objectives taken from IDP/SDBIP

Lead Department: Economic Development and Planning (DEDP)

Strategic Priority (SP3): Build united, non-racial, integrated and safer communities

Key Performance Area (KPA 1): Basic Service Delivery and Infrastructure Investment

Programme (P5) - Human settlements

Objectives	Key Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To provide sustainable human settlements and improved quality of household life through accelerated delivery of housing opportunities and access to basic services	5.1 All beneficiaries identified as per approved housing allocations(as per MEC announcement)	100%	100%	Target achieved (100%)	Not applicable	Not applicable

Objectives	Key Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	5.2 % of subsidy applications received submitted to Province within 3 months of receipt of approved allocations	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	5.3 Housing sector plan reviewed and submitted to Council for approval	100%	100%	Target not achieved (20%)	Service provider not appointed due to lack of funds.	Budget made available for service provider to be appointed. Terms of reference finalised and to be sent for tender

	5.4 Housing accreditation application submitted to Province (Level 1& 2)	0%	50%	Target achieved (50%)	Not applicable	Not applicable
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Objectives	Key Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	5.5 No. of informal areas formalized <i>(Themba Khubeka & Moidraai)</i>	0	1	Target not achieved (0)	Late submission of the survey diagrams by the service provider to the Surveyor General for approval	Request proof of submission from the service provider and monitor progress until the register is opened.

Table 43: Employees – Housing Services

Employees: Housing Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	2	2	0	2	100
4 – 6	4	5	3	2	40
7 – 9	1	2	5	3	150
10 - 12	0	0	0	0	0
13 - 15	15	21	0	0	0
16 - 18	87	150	0	0	0
19 - 20	0	0	0	0	0
Total	109	180	8	7	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.

T 3.2.7

Table 44: Financial Performance – Housing Administration Services

Financial Performance 2014/15: : Housing Services					
					R'000
Details	2013/14	2014/15			Variance to Budget %
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	4 229	8 500	8 500	100 192	91.52%
Expenditure:					
Employees	(6 758)	(6 614)	(6 614)	(6 193)	6.80%
Repairs and Maintenance	(2)	(258)	(157)	(3)	
Other	(2 825)	(3 725)	(3 937)	(7 988)	53.37%
Total Operational Expenditure	(9 585)	(10 597)	(10 708)	(14 184)	25.29%
Net Operational Expenditure	(5 356)	(2 097)	(2 208)	(86 007)	97.56%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 45: Capital Expenditure – Housing Services

Capital Expenditure 2014/15: : Housing Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	N/A				
NB: Competence of Provincial/National Dept.					
Project B					
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 3.2.9					

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

1. `Housing` is still a competence of the Department Human Settlements (Prov Gov. / National)
2. The emergency project at Nic Ferreira Street Sasolburg Ext 1 and erection of 74 houses are in working progress
3. The Directorate LED is in negotiation with Provincial Government (Education / Public Works):
 - 3.1 to accede to the disposal of an identified portion of School Erf 1448 Sasolburg Extension 1 in favour of the municipality; and
 - 3.2 an interim concessionary use, for entrance upon, occupation and development of the identified portion of School Erf 1448 Sasolburg Extension 1 before transfer
4. Phase 1 of the CRU Project Zamdela namely 96 units = completed and ready for occupation by August 2015. Phase 2 namely 30 additional units in working progress. Phase 3 to follow as soon as the residents from Hostel 4 are re-located

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic services are provided to indigent households according to the municipality's indigent policy. This includes 10kl of water, 50kWh electricity, R50 subsidy on assessment rates, free sanitation and refuse removal per household per month. A total number of 8 336 households were recorded in the indigent register at the end of the 2014/15 financial year.

T3.6.1

Table 48 FREE BASIC SERVICES

	2012/13	2013/14	2014/15
Free water:			
- all residents	6kℓ	6kℓ	6kℓ
- indigent residents	10kℓ	10kℓ	10kℓ
Free Electricity:			
- all residents	50kWh	50kWh	50kWh
- non Municipal supply	Agreement with Eskom	Agreement with Eskom	Agreement with Eskom
Sewerage			
Basic sewerage – all residents	Free	Free	Free
Additional sewerage - indigents	Free	Free	Free
Free Refuse removal - indigents	Free	Free	Free
Indigent subsidy (property rates)	R50.00	R50.00	R50.00
Income level for registration of indigents	R 2750.00 per month	R3000 per month	R3500
Number of registered indigents	8 530 [#]	8 575	8 575

T3.6.2

Table 46.1: Cost to Municipality of FBS Delivered

Financial Performance 2012/13: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2013/14	2014/15			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	24 352	23 789	24 053	24 395	1.4%
Waste Water (Sanitation)	2 498	8 809	7 754	6 859	(13.05%)
Electricity	14 146	8 578	9 578	6 887	(39.07%)
Rates	10 077	10 449	10 449	11 129	6.11%
Total	51 073	51 625	51 834	49 270	(5.21%)

T 3.6.4

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

We envisage placing an advert in the local newspaper to call for Indigent registration.

Table 47: Free Basic Services Policy Objectives taken from IDP/SDBIP

Lead Department: Finance (CFO)

Strategic Priority (SP1): Build our local economy to create more employment, decent work and sustainable livelihoods

Key Performance Area (KPA2): Local Economic Development

PROGRAMME (P9)–SUSTAINABLE LIVELIHOODS

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure that poor households have access to free basic municipal services	9.1 Place an advert annually in the newspaper calling for IGG registrations	0	1	Target not achieved (0)	No advert placed to promote indigent registration and verification delay due to no capacity in the section	Place the advert / Continue with verification drive with the assistance of temp fieldworkers
	9.2 Captured all new IGG applications on Indigent register within two months	47%	100%	Target achieved 100%	Not applicable	Not applicable
	9.3 Number of households on indigent register captured	8 433	11 000	Target not Achieved 8631	Verification delay due to no capacity in the section. Also advertise for calling for registration	Appointment of staff

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

We envisage placing an advert in the local newspaper to call for Indigent registration.

T3.6.6

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

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

T3.7

3.7 ROADS

INTRODUCTION TO ROADS

The road network, as is the norm, is the mostly neglected for it being very expensive in maintenance. Potholes are fixed but the road infrastructure needs an overall bitumen enrichment. Master and sector plans as well as a pavement management system needs to be done. Funds allowing, the plans and system would be developed within the next financial year.

T3.7.1

Table 48: Gravel Road Infrastructure

Gravel Road Infrastructure				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2010/11	255	4	0	120
2011/12	322	0	0	135
2012/13	322	0	0	135
2013/14	322	0	0	135
2014/15	322	0	0	135

T 3.7.2

Table 49: Tarred Road Infrastructure

Tarred Road Infrastructure					
					Kilometres
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2010/11	364	0	2	8	20 km (potholes)
2011/12	364	0	3	10	30km (potholes)
2012/13	371	0	3	7,4	30km(potholes)
2013/14	371	0	0	0	10 km (potholes)
2014/15	371	0	0	0	10km (potholes)
					T 3.7.3

Table 50: Cost of Construction/Maintenance

Cost of Construction/Maintenance						
						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2010/11	1900	0	6000	0	6200	4800
2011/12	0	0	9000	0	0	4800
2012/13	0	0	6 853	0	0	1 0680
2013/14	0	0	2402	0	0	3292
2014/15	0	0		0	0	
						T 3.7.4

T3.7.5

Table 51: Roads Services Policy Objectives taken from IDP/SDBIP

Lead Department: Technical Services (DTIS)

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services

Key Performance Area (KPA1): Basic Service Delivery and Infrastructure Investment

Programme 4: Roads and storm water

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure sufficient roads and storm water networks to all communities	4.1 Total kms of roads upgraded to surfaced roads (tar/paved)	10km	10 km	Target not achieved (0)	No funding due to cash flow problems	Funding to be allocated
	4.2 Total kms of un-engineered roads (dirt roads) graded	10km	10km	Target not achieved (1.5km- only on emergency complaints)	No funding to do planned maintenance due to cash flow problems	Cash flow to be addressed
	4.3 % of maintenance plan developed and submitted for approval	100%	100%	Target not achieved (0)	Plan not developed due to strike labour shortage	Plan for 2015/16 being developed

	4.5 % of roads and storm water master plan developed and approved	75%	100%	Target not achieved (0)	No funding due to cash flow problem	PSP to be appointed to compile plan
	4.7 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	Target not achieved	Industrial action	Ensure spending as per the adjustment budget
	4.8 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	Target not achieved	Industrial action	Ensure spending as per the adjustment budget
	4.9 % of Auditor General queries resolved by end of April	50%	100%	Target not achieved		
	4.10 % of report submitted on performance assessment of the service providers	0%	100%	Target not achieved	Delay in submission of the report	Report was submitted to Council in July 2015

Table 52: Employees – Roads Services

Employees: Roads Services					
Job Level	2012/13	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	2	3	5	2	66
7 - 9	2	3	5	2	66
10 - 12	3	3	6	3	100
13 - 15	18	22	10	12	54
16 - 18	12	18	11	7	38
19 - 20	0	0	0	0	0
Total	37	49	37	26	53%

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.

T 3.2.7

Table 53: Financial Performance – Roads Services

Financial Performance 2014/15: : Roads Services and Storm Water					
					R'000
Details	2013/14	2014/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7 000	0	0	0	0
Expenditure:					
Employees	(6 935)	(8 679)	(8 179)	(7 271)	19.36%
Repairs and Maintenance	(19 627)	(15 813)	(5 395)	(4 630)	241.53%
Other	(26 933)	(27 378)	(16 375)	(21 184)	29.24%
Total Operational Expenditure	(53 555)	(51 870)	(29 949)	(33 085)	56.78%
Net Operational Expenditure	(46 555)	(51 870)	(29 949)	(33 085)	56.78%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 54: Capital Expenditure – Roads Services

Capital Expenditure 2014/15: : Roads Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	38 700	9462	2461	36 239	
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>					
<i>T 3.2.9</i>					

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

- Roads and storm-water: Unie and Scott's str – the project was relying on the loan from DBSA
- Paving of roads greater Sasolburg – the project was relying on the loan from DBSA
- Paving Of Refenggotso - the project was relying on the loan from DBSA

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

This function is not performed by the Municipality.

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Labour incorporated in roads section as most work is done within road maintenance, no separate section for storm water

.1

Table 55: Storm water Infrastructure

Storm water Infrastructure Kilometres				
	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
2010/11	219	0	0	4
2011/12	219	0	0	7
2012/13	219	0	0	5
2013/14	219	0	0	5
2014/15	219	0	0	4
				T 3.9.2

Table 56: Cost of Construction/Maintenance

Cost of Construction/Maintenance				R' 000
	Storm water Measures			
	New	Upgraded	Maintained	
2010/11	1800	700	330	
2011/12	1900	900	420	
2012/13	1900	1800	840	
2013/14	0	0	0	
2014/15	0	0	0	
			T 3.9.3	

T3.9.4

Table 57: Storm water Service Policy Objectives taken from IDP/SDBIP

Key Performance indicators	Baseline : 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
% roads master plan developed		1	0	Budget constraints	Source funding

Table 58: Employees – Storm water Services

Employees: Storm water Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	4	6	0	0	0
7 - 9	4	12	0	0	0
10 - 12	6	18	0	0	0
13 - 15	15	27	0	0	0
16 - 18	35	72	25	47	65
19 - 20	0	0	0	0	0
Total	64	135	25	47	34%

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.

T 3.2.7

Table 59: Financial Performance – Storm water Services (REFER TO TABLE 55)

Financial Performance 2014/15: Storm water Services					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	REFER TO TABLE 55				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget actuals .

T 3.2.8

Table 60: Capital Expenditure – Storm water Services (REFER TO TABLE 56)

Capital Expenditure 2014/15: Storm water Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
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>					<i>T 3.2.9</i>

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Storm water is normally attended to by the maintenance team, which is part of road maintenance

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The opportunities in terms of economic development and physical planning is with the existence of the Vaal River close proximity to Gauteng especially the East Rand being the economic hub all represent opportunities that can be explored. Further, in terms of the establishment of industrial townships such as Kragbron (Holly Country). Settlements can be planned around such possibilities, allowing the Municipality to exploit the advantages to benefit long term. Commercial development is highly encouraged, especially in under serviced areas. The main challenge facing the Municipality is undermined land which limits land suitable and available for development. Government, through the Housing Development Agency and the Department of Human Settlements are making advances in ensuring that suitable land is secured.

T3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

Main elements of the planning strategies

- **To delineate the Deneysville and Orangeville CBDs (enhancement of Development Nodes)**

The justification of this strategy is that the CBDs of these areas are not clearly defined and therefore leads to haphazard development. The aim here is to define and describe the jurisdiction to ensure densification and coordinated development. For the Sasolburg CBD, it has been a trend that some businesses in town close shop and move into residential areas.

- **To identify and stimulate development opportunities through spatial planning**

The spatial development framework gives a desirable and sustainable spatial pattern taking into consideration infrastructure availability, which in turn informs longer term planning and capital investment.

- **To monitor and regulate land uses and land development**

The aim of the town planning scheme and the proposed land use management scheme is to ensure orderly planning and development happens within the legislative parameters. This, with the aim of maintaining the prescribed zonings and form ascribed to a specified area. The draft land use management scheme is planned for revision by the Department of Rural Development and Land Reform (DRDLR) during the 2014/2015 financial year. Another achievement is that the SPLUMA (Spatial Planning and Land Use Management Act) was enacted in August 2013, and will come into operation locally on the 1st July 2015. This process marks the commencement of a period where Municipalities take responsibility of their planning matters. Metsimaholo has made institutional arrangements and is ready for implementation

T3.10.1

Table 61: Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Planning application received	2	0	19	21	365	317
Determination made in year of receipt	2	0	19	18	226	317
Determination made in following year	0	0	0	3	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	3	142	0

Table 62: Planning Policy Objectives taken from IDP/SDBIP

Strategic Priority (SP3): Build united, non-racial, integrated and safer communities

Key Performance Area (KPA 1): Service Delivery and Infrastructure Development

Programme 5: Spatial Development (Lead Dept.: Planning & LED)

Objectives	Key Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To stimulate development through effective and efficient spatial planning and building control	5.6 Spatial development framework (SDF) reviewed and submitted to Council for approval	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	5.8 No. of re-zonings, sub-divisions and consolidation applications evaluated and submitted to Province within 60 working days of receipt	100%	100%	Target not achieved (85%)	Incomplete applications	No applications will be received if incomplete. A checklist has been development to assist the process.

Objectives	Key Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To stimulate development through effective and efficient spatial planning and building control	5.9 No. of building plans approved within 30 days of receipt of fully completed applications	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	5.10 No. of building plan inspections conducted upon request within 30 days as per industry standard	90%	100%	Target achieved (100%)	Not applicable	Not applicable

Table 63: Employees – Planning Services

Employees: Planning Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	2	1	1	0.01
4-6	5	10	6	4	0.19
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16/18	0	0	0	0	0
19-20	0	0	0	0	0
	6	12	7	5	41%

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.

T 3.2.7

Table 64: Financial Performance – Planning Services

Financial Performance 2014/15: : Planning Services					
					R'000
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	501	645	646	534	(20.79)
Expenditure:					
Employees	(2 944)	(3 050)	(3 050)	(3 380)	9.76%
Repairs and Maintenance	(3)	(5)	0	0	
Other	(384)	(1 933)	(1 980)	(516)	274.61%
Total Operational Expenditure	(3 331)	(4 988)	(5 030)	(3 896)	28.03%
Net Operational Expenditure	(2 829)	(4 343)	(4 384)	(3 362)	29.18%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 65: Capital Expenditure – Planning Services

Capital Expenditure 2014/15: : Planning Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
There were no capital projects					
Project A					
Project B					
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 3.2.9

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The priority of the two identified Municipal projects arising from the 2013/1014 and 2014/2015 IDP was to address the existing informal settlements through the provision of properly planned and surveyed erven. Development applications in the next financial year will be dealt through the new SPLUMA legislation assuring a quicker turnaround time in response to development proposals. Strategies have been proposed within the SDF aimed at promoting the desired human settlement patterns within the Municipality and to encourage local economic development through the support of investment initiatives.

T3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Metsimaholo has a comparative advantage in the mining of coal and sand, agriculture and manufacturing products relating to these sectors. The Municipality's economy is reasonably diversified with support of these key economic that includes fisheries, chemical manufacturing and processing, real estate, tourism, transportation, and wholesale and retail trade [26]

The municipality has moved positively from merely being a producer to being a manufacturer of different goods and products in South Africa, thanks to Sasol Chemcity and other local role players. The main structural changes in the economy of South Africa are informed in a number of factors. As the global economic structure changed, South Africa had to adapt and align its economy to global trends. "South Africa embarked on an ambitious set of tariff and trade policy reforms in themid-1990s. Multilateral liberalisation through the World Trade Organisation (WTO) was combined with efforts to modernise industry. Growth sectors like autos and tourism and cross-cutting sectors such as information and communications technology (ICT) received special attention in the form of industrial development resources, including science and technology and human resource development funds. These measures, together with global trends, contributed to structural change in the economy. A large contraction in the primary sector – mining and agriculture in particular – and a smaller one in the secondary sector went with substantial growth in the tertiary sector which contributed two thirds to GDP by 2006."

T3.11.1

Table 66: Economic Employment by Sectors

Economic Employment by Sectors			
Sector	Jobs		
	2012/13 No.	2013/14 No.	2014/15 No.
Agric, forestry and fishing	572	712	805
Mining and quarrying	335	374	400
Manufacturing	1540	1735	1995
Wholesale and retail trade	2062	2906	3075
Finance, property, etc.	1607	1818	1915
Govt, community and social services	2634	3050	3100
Infrastructure services	659	1083	1500
Total	9409	11678	12790
Source	T 3.11.3		

COMMENT ON LOCAL JOB OPPORTUNITIES:

South Africa has an extreme and persistent high unemployment rate of over 25%, which interacts with other economic and social problems such as inadequate education, poor health outcomes and crime. Unemployment has increased substantially since 1994, going from 15.6% in 1995 to 30.3% in 2001. In the second quarter of 2010, the jobless rate increased to 25.3%, and the number of people with work fell by 61,000 to 12.7 million. The biggest decline in employment was recorded in the manufacturing industry, which shed 53,000 workers. Agriculture lost 32,000 jobs, employment in the construction industry fell by 15,000.

The unemployment problem in Metsimaholo fluctuates due the number of learner ships, contractual jobs and also affected by appointment of non-locals in the area.

“According to the table Metsimaholo performs extremely well compared to the other larger municipalities. Its population is only 4.2% of the Free State but it contributes 21.6 to the GDP of the province with the highest employment rate of 77.2%, lowest unemployment rate of 33.4%, and lowest poverty rate of 31.6%. This favourable condition is mainly due to the large chemical industries in Sasolburg and large percentage of wealthy pensioners staying in the area. In addition, Metsimaholo produces almost 92% of the manufacturing, 96% of the water and electricity, and 100% of the mining and quarrying in the district.” (Economic Analysis: 2009).

Driving the economic performance of Metsimaholo is primarily the petrochemical industry.

Metsimaholo is hosting one of the most significant petro-chemical hubs in the Southern Hemisphere. A total number of 6901 people are employed by the major industries producing a wide variety of products from waxes, synthetic rubber, polymers, liquid fuels, solvent blends, phenol, polypropylene product, nitrogenous products etc.

The main factories are Sasol (responsible for 13% of the GGP of the Free State) Natref (the only inland oil refinery in the country provides approximately 12% of the country's fuel and diesel) Karbochem, Safripol and Omnia. Two industrial parks have been developed that includes Chem. City and Naledi Industrial Park. Chem City is a Sasol owned initiative aimed at the development and establishment of small businesses in the downstream chemical industry. Naledi Industrial Park is privately owned and approximately 95 stands have been sold out.

T3.11.4

Table 67: Jobs Created through LED Initiatives

Jobs Created during 2014/15 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2011/12	38	2	36	Register
2012/13				No data found
2013/14	1406	247	1159	Attendance Register
2014/15				
Initiative A (2014/15) SMMEs				Attendance Register
Initiative B (2014/15) SLP				Membership of the cooperative/ Register of staff
Initiative C (2014/15) Co ops				Registration documents
Initiative D (2014/15) CWP				Attendance Register and contracts
				T 3.11.5

Table 68: Jobs Created through EPWP Projects

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2011/12	12	318
2012/13	5	66
2013/14	5	25
2014/15	5	136
* - Extended Public Works Programme		T 3.11.6

Table 69: LED Policy Objectives taken from IDP/SDBIP

Lead Dept.: Economic Development and Planning (DEDP); Other Departments: DTIS,
 SP3: Build united, non-racial, integrated and safer communities
 Key Performance Area KPA1: Service delivery and infrastructure development
 Programme 6: Public transport

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure that an effective and efficient public transport system is developed and maintained	6.1 % of Integrated Transport Plan (ITP) developed and approved	0%	50%	Target not achieved (0)	No funding due to cash flow problem	PSP to be appointed to compile plan
	6.2 No. of new taxi ranks completed	1	1	Target not achieved (0)	No funding	

Lead Dept.: Economic Development and Planning (DEDP); Other Departments: DTIS, DSS, Financial Services (SCM)

Strategic Priority (SP1): Build our local economy to create more employment, decent work and sustainable livelihoods

Key Performance Area (KPA2): Local Economic Development

Programme 7: Local Economic Development

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure support (non-financial and financial) for small enterprises, co-operatives and the informal sector	7.1 LED Strategy developed and approved by Council	0%	100%	Target achieved (100%)	Not applicable	Not applicable
	7.2 No of LED platforms convened	0	2	Target achieved (2)	Not applicable	Not applicable
	7.3 Incentive policy developed and approved by Council	0	50%	Target achieved (50%)	Not applicable	Not applicable
	7.4 Development of tourism brochure	0	50%	Target not achieved (30%)	Service provider not appointed	To appoint service provider to compile tourism brochure

	7.6 No of tourism events organised	0	2	Target achieved (2)	Not applicable	Not applicable
	7.7 No. of social labour plan (SLP) projects completed ⁷	1	1	Target achieved (1)	Not applicable	Not applicable
	7.8 No. of local jobs summit organised and convened	1	1	Target not achieved (0)	Lack of proper planning and funds	Budgeted for in the next financial year

Lead Dept.: Economic Development and Planning (DEDP); Other Departments: DTIS, DSS, Financial Services (SCM)

Strategic Priority (SP1): Build our local economy to create more employment, decent work and sustainable livelihoods

Key Performance Area (KPA2): Local Economic Development

Programme 8: Job Creation

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure support (non-financial and financial) for small enterprises, co-operatives and the informal sector	8.1 Number of quarterly statistical reports compiled on employment opportunities created as part of LED (NKPI: 7)	4	4	Target achieved (4)	Not applicable	Not applicable
	8.2 Number of quarterly statistical reports compiled on employment opportunities created through EPWP initiatives (NKPI: 7)	4	4	Target achieved (4)	Not applicable	Not applicable
	8.3 Number of quarterly statistical reports compiled on employment opportunities created through CWP by 2014 (NKPI: 7)	4	4	Target achieved (4)	Not applicable	Not applicable

	8.4 % of actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	Target not achieved	LED did not have capital projects	
	8.5 % Of actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	Target achieved (100%)	Not applicable	Not applicable
	8.6 % of Auditor General queries resolved by end of April	50%	100%	Target not achieved		
	8.7 % of report submitted on performance assessment of the service providers	0%	100%	Target not achieved	Delay in submission	Report submitted to Council in July 2015

Table 70: Employees – LED Services

Employees: LED Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	1	1	0.01
4 - 6	0	1	0	1	0
7 - 9	0	5	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	8	1	2	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.

T 3.2.7

Table 71: Financial Performance – LED Services

Financial Performance 2014/15: : LED Services					
Details	R'000				
	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	100	100	0	0
Expenditure:					
Employees	(1 144)	(1 474)	(1 826)	(1 560)	5.51%
Repairs and Maintenance	0	(1)			
Other	(110)	(2 220)	(1 844)	(529)	320%
Total Operational Expenditure	(1 254)	(3 695)	(3 670)	(2 089)	76.88%
Net Operational Expenditure	(1 254)	(3 595)	(3 570)	(2 089)	72.09%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 72: Capital Expenditure – LED Services

Capital Expenditure 2014/15: : LED Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Digital Camera					
Project B					
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 3.2.9

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Partnership with public and private sector is very key driven by LED Forum to enhance community needs.

Teamwork within the municipal projects internally and externally supported by bylaws and policies. Lastly initiative from the community to live from projects initiated and their small businesses.

Local competitiveness is defined by priority sectors and the required capacity needed to render the former viable and sustainable growth.

The over-reliance on one sector or industry often distorts the local economic potential, thus rendering it inefficient. As part of the government's approach and practice, the other principles include the following:

- o Spatial integration of the local economy through building Linkages between the established urban economy and the rural areas
- o Equity and economic empowerment
- o Beneficiation and value addition
- o Building a synergistic relationship between Local Economic Development and Social Upliftment
- o Social, Economic & Environmental integration is interdependent and will always be the first test when evaluating opportunities. (i.e. triple bottom line)
- o LED focused around realistic catalytic initiatives natural to the locality and wherever possible building on the uniqueness of local competitive advantage and market differentiation
- o Building on capacity to nurture effective and mutually beneficial partnerships based on fair and equitable business principles
- o Maximization of total months of employment in the long-term
- o Minimizing the divestiture of local assets to external parties.

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

The service in this department include inter alia, Parks, Recreation and Cultural Services include, Cemetery, Community Halls, Stadiums, Swimming pools, Theatre, and libraries.

T3.52

3.12 LIBRARIES AND THEATRE

INTRODUCTION TO LIBRARIES AND THEATRE

Three top priorities are collaborative programmes with arts and culture organisations, collaborative programmes with the local artists in theater programmes, collaborative and support programmes with the department of education on issues of library. Presentation of original works benefiting the community and providing fresh insights into our world. Theater also provides entertainment to the community.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES AND THEATRE

There are 5 Libraries and statistics Service and readership are as follows:

Sasolburg 4000
Zamdela 2500
Deneysville 1500
Refenggotso 2000
Oranjeville 50

T3.12.2

Table 73: Libraries and Theatre Policy Objectives taken from IDP/SDBIP

Lead Department: Social Services (DSS)

Strategic Priority (SP3): Build united, non-racial, integrated and safer communities

Key Performance Area (KPA3): Community Development and Social Cohesion

Programme (P15) - Arts and culture

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non-or underperformance	Corrective measures taken or to be taken
To improve access and maximize utilization of arts and culture resources	15.1 Annual arts and culture festival organised/hosted	0	1	Target Achieved (1)	Not applicable	Not applicable
	15.2 Number of arts and culture programmes organised	12	12	Target Achieved (12)	Not applicable	Not applicable
	15.3 Number of events/programmes held at theatre	4	4	Target Achieved (4)	Not applicable	Not applicable
	15.4 Number of local artists participating in theatre programmes	4	4	Target Achieved (4)	Not applicable	Not applicable

Table 74: Employees – Libraries and Theatre

Employees: Libraries and Theatre					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	0	1	2	1	100
7 - 9	5	8	6	2	25
10 - 12	12	17	13	4	23
13 - 15	4	4	0	4	100
16 - 18	0	1	0	1	100
19 - 20	0	0	0	0	0
Total	23	33	23	12	36%

*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.*

T 3.2.7

Table 74: Financial Performance – Libraries and Theatre

Financial Performance 2014/15: Libraries and Theatre					
					R'000
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 182	2 684	2684	1860	44.30%
Expenditure:					
Employees	(5 647)	(6 667)	(6 207)	(5 895)	13.10%
Repairs and Maintenance	(19)	(67)	(52)	(8)	737.50%
Other	(752)	(1 350)	(1 196)	(575)	134.78%
Total Operational Expenditure	(6 445)	(8 084)	(7 455)	(6 478)	24.79%
Net Operational Expenditure	(3 262)	(5 400)	(4 771)	(4 618)	16.93%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 75: Capital Expenditure – Libraries and Theatre

Capital Expenditure 2014/15: : Libraries and Theatre					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Crèche donation at Harry Gwala (Copper Sunset Sands)					
	No libraries project				
<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 THE PERFORMANCE OF LIBRARIES AND THEATRE OVERALL:

The crèche was a donation to the municipality by copper sunset sands as part of labour sector plan
There were no budget of libraries for 2014/2015 financial year

T3.12.7

3.13 CEMETERIES

INTRODUCTION TO CEMETERIES

The service in this department include inter alia, Parks, Recreation and Cultural Services include, eight Cemetery Sasolburg, Zamdela, Refengkgotso and Metsimaholo

T3.13.1

SERVICE STATISTICS FOR CEMETERIES

Sasolburg 360
Zamdela 560
Refengkgotso 280
Oranjeville 50

T3.13.2

Table 76: Cemeteries Policy Objectives taken from IDP/SDBIP

Department: Social Services (DSS)

Strategic Priority (SP2): Broaden access to and improve quality of municipal services

Lead Performance Area (KPA 3): Community Development and Social Cohesion

Key PROGRAMME (P11) - COMMUNITY FACILITIES

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To promote access and utilisation of public and community amenities.	11.11 Number of existing cemeteries maintained	8	8	Target Achieved (8)	Not applicable	Not applicable

Table 77: Employees – Cemeteries

Employees: Cemeteries					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	1	1	0
7 - 9	0	0	1	0	0
10 - 12	1	1	0	1	0
13 - 15	0	0	0	0	0
16 - 18	5	10	1	9	90
19 - 20	0	0	0	0	0
Total	6	11	3	11	100 %

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

T 3.2.7

Table 78: Financial Performance – Cemeteries

Financial Performance 2014/15: : Cemeteries					
					R'000
Details	2013/14	2014/15			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	134	202	202	288	29.86%
Expenditure:					
Employees	(592)	(659)	(559)	(218)	202.29%
Repairs and Maintenance	0	(20)	(20)	0	0
Other	(125)	(527)	(226)	(153)	244.44%
Total Operational Expenditure	(717)	(1 206)	(805)	(371)	225.07%
Net Operational Expenditure	(583)	(1 004)	(603)	(83)	1109.68%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 79: Capital Expenditure – Cemeteries

Capital Expenditure 2014/15: : Cemeteries					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0.00	0.00	0.00		0.00
Plant and equipment	0.00	0.00	0.00	0.00	0.00
<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 THE PERFORMANCE OF CEMETERIES OVERALL:

There was no budget for Plant and Equipment Financial year 2014/2015

T3.13.7

3.14 CHILDCARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Special programmes are located in the Office of the Executive Mayor and include the youth, women, disabled, aged, children and HIV/AIDS. The majority of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and external stakeholders.

T3.14.1

Table 80: Social Programmes Policy Objectives taken from IDP/SDBIP

Programme (P14) - Healthy Communities

Lead Department: Social Services (DSS) ; Other Departments: Office of the Executive Mayor (OEM)

Strategic Priority (SP3): Broaden access to and improve the quality of municipal services

Key Performance Area (KPA3): Community Development and Social Cohesion

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To increase access to community development services	14.1 Number of community awareness programmes conducted on HIV/AIDS, TB and STIs	2	2	Target achieved (2)	Not applicable	Not applicable
	14.2 Number of sport development programmes organised/offered	4	4	Target Achieved (4)	Not applicable	Not applicable
	14.3 Number of library development programmes organised/offered	900	900	Target Achieved (900)	Not applicable	Not applicable
	14.4 Number of new members to libraries	500	500	Target Achieved (500)	Not applicable	Not applicable
	14.5 Number of youth development programmes organised	2	2	Target achieved (2)	Not applicable	Not applicable

	14.6 Number of programmes organised for women	2	2	Target Achieved (2)	Not applicable	Not applicable
	14.7 Number of programmes organised for children	2	2	Target not achieved (0)	Lack of funding, despite all the paperwork having been submitted to Supply Chain	
	14.8 Number of programmes organised with the aged	2	2	Target achieved (2)	Not applicable	Not applicable

Table 81: Employees – Social Programmes

Employees: Social Programmes					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	1	0	0
4 - 6	3	6	3	3	50
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	3	7	4	3	42%

*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.*

T 3.2.7

COMMENT ON THE PERFORMANCE OF SOCIAL PROGRAMMES OVERALL:

The majority of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and other external stakeholders.

T3.14.7

COMPONENT E: ENVIRONMENTAL PROTECTION

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

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The municipality does not have dedicated personnel and budget for this function.

T3.14

3.15 ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The municipality does not have dedicated personnel and budget for this function.

T3.15.1

SERVICE STATISTICS FOR ENVIRONMENTAL PROTECTION

The municipality does not have dedicated personnel and budget for this function.

T3.15.2

Table 82: Environmental Protection Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
% of the Environmental Master Plan implemented.	100% implementation of the Environmental Master Plan by June 2012 <i>(including air quality audit in conjunction with the District)</i>	N/A	N/A	N/A	N/A
% of compliance with environment legislations and regulations.	100% compliance by June 2013	N/A	N/A	N/A	N/A

Table 83: Employees – Environmental Protection

The municipality does not have dedicated personnel and budget for this function.

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL OVERALL:

The municipality does not have dedicated personnel and budget for this function.

T3.15.7

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

The Municipality does not perform the above functions.

COMPONENT F: HEALTH

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

INTRODUCTION TO HEALTH

Note: Recent legislation includes the National Health Act 2004.

The municipality does not perform any of the health-related functions. These functions are either performed by the District or the Province.

T 3.17

3.17 CLINICS

The Municipality does not perform the Health functions. Health Functions are performed by Provincial and National Department

3.18 AMBULANCE SERVICES

Ambulances are functions of Provincial Department and National Department, because is part of Health Department

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

The Municipality does not perform the above functions. The functions mentioned above are performed by District Municipality.

COMPONENT G: PUBLIC SAFETY FIRE AND DISASTER MANAGEMENT.

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

INTRODUCTION TO PUBLIC SAFETY FIRE AND DISASTER MANAGEMENT.

Fire department provides predominantly emergency fire fighting and rescue services for Municipality. Top priority of fire department is to provide fire prevention services and fire precautions to ensure that in the event of fire, people can safely evacuate the premises unharmed. Disaster Management deals with the continuous and integrated multi –sectorial, multi-disciplinary process of planning and implementation of measures aimed at- prevention or reducing the risk of disasters, mitigating the severity or consequence of disaster, emergency preparedness, rapid and effective response to disasters and lastly the post disaster and rehabilitation.

T3.20

3.20 TRAFFIC POLICE

INTRODUCTION TO TRAFFIC POLICE

Traffic police are responsible for traffic policing and enforcing local by Laws within the Municipality, and working in cooperation with the South African Police to prevent crime and public order. Top priorities, traffic policing, enforcement of Municipal By-Laws and regulations preventing crime.

T3.20.1

Table 84: Traffic Police Service Data

Traffic Police Service Data				
Details	2013/14	2014/15		2015/16
	Actual No.	Estimate No.	Actual No.	Estimate No.
1 Number of road traffic accidents during the year	442	480	380	450
2 Number of by-law infringements attended	122	70	222	350
3 Number of police officers in the field on an average day	15	17	11	20
4 Number of police officers on duty on an average day	12	20	11	23
				T 3.20.2

The number of officers available is determined by sampling the number of officers in the field and in offices and stations on the same day, sampling different times of day and different days of the week throughout the year.

T3.20.2.1

Table 85: Police Policy Objectives taken from IDP/SDBIP

LEAD DEPARTMENT: SOCIAL SERVICES (DSS)

STRATEGIC PRIORITY (SP 3): Broaden access to and improve the quality of municipal services

Key Performance Area (KPA 3): Community Development and Social Cohesion

Programme 13: Safe Communities

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To support and strengthen the fight against crime in all communities	13.1 Participation of MLM in established Security Cluster	100%	100%	Target Achieved (100%)	Not Applicable	Not Applicable
	13.2 By-Law enforcement unit established and functional	90%	100%	Target Achieved (100%)	Not Applicable	Not Applicable
	13.3 Number of school road safety programmes implemented (<i>in consultation with Principals</i>)	15	15	Target Achieved (15)	Not applicable	Not applicable
	13.4 % support for local, provincial and national	100%	100%	Target Achieved	Not Applicable	Not Applicable

	crime prevention initiatives			(100%)		
	13.8 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	Target not achieved	Due to delay of approval certificate from DETEA	Consultation with the Dept. to finalise the report
	13.9 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	Target not achieved		
	13.10 % of Auditor General queries resolved by end of April	50%	100%	Target achieved (100%)	Not Applicable	Not Applicable

Table 86: Employees – Traffic Police

Employees: Traffic Police					
Job Level	2013/14	2014/15			
	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	1	5	2	3	60
7 - 9	15	32	12	20	62
10 - 12	4	15	5	10	66
13 - 15	1	2	1	1	50
16 - 18	2	6	2	4	66
19 - 20	0	0	0	0	0
Total	24	61	23	38	62 %

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.

T 3.2.7

Table 87: Financial Performance – Traffic Police

Financial Performance 2014/15: : Traffic Police					
					R'000
Details	2013/14	2014/15			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	16 058	5 279	5 279	23 108	77.16%
Expenditure:					
Employees	(8 084)	(8 296)	(8 296)	(7670)	8.16%
Repairs and Maintenance	(172)	(323)	(148)	(72)	348.61%
Other	(2 124)	(4 095)	(2 024)	(1 656)	147.28%
Total Operational Expenditure	(10 380)	(12 714)	(10 468)	(9 398)	35.28%
Net Operational Expenditure	5 677	(7 435)	(5 190)	13 709	154.23%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 88: Capital Expenditure – Traffic Police

Capital Expenditure 2014/15: : Traffic Police					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A					
Project B					
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 3.2.9

COMMENT ON THE PERFORMANCE OF TRAFFIC POLICE OVERALL:

Overall performance of traffic is satisfactory though it has challenges like shortage of vehicles, personnel and protective equipment e.g.; bullet proof vests and firearms. Presence of traffic unit in towns is very poor.

T3.20.7

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Fire department provides predominantly emergency firefighting and rescue services for municipality. Top priority of fire department is to provide fire prevention services and fire precautions to ensure that in the event of fire, people can safely evacuate the premises unharmed.

T3.21.1

Table 89: Fire Service Data

Fire Service Data				
Details	2013/14	2014/15		2015/16
	Actual No.	Estimate No.	Actual No.	Estimate No.
1 Total fires attended in the year	320	391	591	600
2 Total of other incidents attended in the year	669	700	900	1000
3 Average turnout time - urban areas	30 min	30 min	20	15
4 Average turnout time - rural areas	30 min	30 min	30	25
5 Fire fighters in post at year end	23	23	19	25
6 Total fire appliances at year end	5	5	7	9
7 Average number of appliance off the road during the year	3	2	2	0
				T 3.21.2

Average turnout times are determined by logging the times taken to reach an emergency incident from receipt of call and analyzing the record.

Table 90: Employees – Fire Services

Employees: Fire Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	3	5	5	0	0
7 - 9	14	36	14	22	61
10 - 12	4	11	1	10	90
13 - 15	0	0	0	0	0
16 - 18	1	3	1	2	66
19 - 20	0	0	0	0	0
Total	22	55	21	34	61

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.

T 3.2.7

Table 91: Financial Performance – Fire Services

Financial Performance 2014/15: : Fire Services					
					R'000
Details	2013/14	2014/15			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	225	221	221	263	15.98%
Expenditure:					
Employees	(8 977)	(9 308)	(9 308)	(9 287)	0.23%
Repairs and Maintenance	(240)	(428)	(378)	(137)	212.41%
Other	(246)	(2 226)	(2 188)	(652)	241.41%
Total Operational Expenditure	(9 463)	(11 962)	(11 874)	(10 076)	18.72%
Net Operational Expenditure	(9 238)	(11 741)	(11 653)	(9 813)	19.65%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 92: Capital Expenditure – Fire Services

Capital Expenditure 201/15: : Fire Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A					
Project B					
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>					<i>T 3.2.9</i>

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The overall performance of fire is satisfactory though it has challenges like shortage of vehicles and specialized equipment, secondly shortage of skilled force and lastly long distance travel to unit towns.

T 3.2.10

Table 93: Fire Service Policy Objectives taken from IDP/SDBIP

Programme 13: Safe Communities

LEAD DEPARTMENT: SOCIAL SERVICES (DSS)

STRATEGIC PRIORITY (SP3): Broaden access to and improve the quality of municipal services

Key Performance Area (KPA3): Community Development and Social Cohesion

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To support and strengthen the fight against crime in all communities	13.5 % community access to fire-fighting services (all wards)	100%	100%	Target Achieved (100%)	Not applicable	Not applicable
	13.6 Response time to fire-fighting emergencies	Within 20 mins	Within 20 mins	Target Achieved (within 20 mins)	Not applicable	Not applicable
	13.7 Number of fire-safety programmes conducted	10per quarter	10per quarter	Target Achieved (10 per quarter)	Not Applicable	Not Applicable

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

The Municipality only performs the disaster management and control of public nuisances functions

INTRODUCTION TO DISASTER MANAGEMENT AND CONTROL OF PUBLIC NUISANCES, ETC

Disaster Management function is performed by District Municipality.

T3.22.1

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

Disaster Management function is performed by District Municipality.

T3.22.2

Table 94: Disaster Management Policy Objectives taken from IDP/SDBIP

PROGRAMME (P16) – DISASTER MANAGEMENT

Lead Department: Social Services (DSS)

Strategic Priority (SP3): Broaden access to and improve the quality of municipal services

Key Performance Area (KPA3): Community Development and Social Cohesion

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To increase awareness and participation of communities in disaster management.	16.1 Increased number of disaster awareness programmes conducted in partnership with District and local Industries	4	4	Target Not Achieved (0)	No focal person	Disaster Coordinator Appointed 1 JULY2015
	16.2 % of disaster management plan developed and implemented	100%	100%	Target Not Achieved (0)	No focal person	Disaster Coordinator appointed 1 July 2015
	16.3 Number of volunteers trained on disaster management	30	30	Target Not Achieved (0)	No focal person	Disaster Coordinator appointed 1 July 2015

Table 95: Employees – Disaster Management

Employees: Disaster Management					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	1	0		
7 - 9	0	0	0		
10 - 12	0	0	0		
13 - 15	0	0	0		
16 - 18	0	0	0		
19 - 20	0	0	0		
Total	0	1	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.

T 3.2.7

Table 96: Financial Performance – Disaster Management

Financial Performance 2014/15: : Disaster Management					
Details	R'000				
	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance	(2)	(54)	(3)	(11)	391%
Other	(21)	(8)	(39)	(24)	66.67%
Total Operational Expenditure	(23)	(62)	(42)	(35)	77.14%
Net Operational Expenditure	(23)	(62)	(42)	(35)	77.14%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 97: Capital Expenditure – Disaster Management

Capital Expenditure 2014/15: : Disaster Management					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A					
Project B					
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 3.2.9

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

Disaster Management function is performed by District Municipality.

T3.22.7

COMPONENT H: SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

The service in this department include, Community Halls, Stadiums, Swimming pools, Theatre, libraries and Multipurpose Sports Centre.

T3.23

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

There are 2 Swimming pools, 2 Stadiums, 1 Theatre, 3 Community Halls and 1 Multipurpose Sports Centre statistics Service are as follows:

DP de Villiers Stadium	150
Moses Kotane Stadium	Vandalized
Penny Heyns Swimming pool	80
Zamdela Swimming pool	Vandalized
Etienne Rousseau Theatre	Upgrading
Multipurpose Sports Centre	120
Zamdela Community Hall	80
Refenggotso Community Hall	110
Metsimaholo Community Hall	60

T3.23.1

Table 98: Sport and Recreation Policy Objectives taken from IDP/SDBIP

PROGRAMME (P11) - COMMUNITY FACILITIES

Lead Department: Social Services (DSS)

Strategic Priority (SP 3): Broaden access to and improve quality of municipal services

Key Performance Area (KPA 3): Community Development and Social Cohesion

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To promote access and utilisation of public and community amenities.	11.1 Number of new family parks established	2	2	Target Achieved (2)	Not applicable	Not applicable
	11.2 Number of new sports grounds established	4	2	Target achieved (2)	Not applicable	Not applicable
	11.3 Number of new cemeteries established (Amelia & extension of O/Ville	1	1	Target Achieved (1)	Not applicable	Not applicable

	11.4 Number of existing community halls maintained	7	7	Target Achieved (7)	Not applicable	Not applicable
	11.5 Number of existing swimming pools maintained	2	2	Target achieved (2)	Not applicable	Not applicable
	11.6 Number of existing family parks maintained	14	14	Target Achieved (14)	Not applicable	Not applicable
	11.7 Number of existing sports grounds maintained	20	20	Target Achieved (20)	Not applicable	Not applicable
	11.8 Number of stadiums maintained	2	2	Target Achieved (2)	Not applicable	Not applicable
	11.9 High Performance Centre (HPCs) maintained	1	1	Target Achieved (1)	Not applicable	Not applicable

11.10 MPC maintained	1	1	Target Achieved (1)	Not applicable	Not applicable
11.11 Number of existing cemeteries maintained	8	8	Target Achieved (8)	Not applicable	Not applicable
11.12 Abrahamsrust facility maintained as per approved maintenance plan	50%	100%	Target Achieved (100%)	Not applicable	Not applicable
11.13 Day Visit Facilities (OV/DV) maintained and as per approved maintenance plan	70%	100%	Target Achieved (100%)	Not applicable	Not applicable

Table 99: Employees – Sport and Recreation

Employees: Sport and Recreation					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	3	0	3	0
4 - 6	4	7	1	6	0.01
7 - 9	1	1	0	1	0
10 - 12	3	8	0	8	100
13 - 15	30	42	0	42	0
16 - 18	87	124	9	115	0
19 - 20	0	0	0	0	0
Total	126	185	10	175	94 %

*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.*

T 3.2.7

Table 100: Financial Performance – Sport and Recreation

Financial Performance 2014/15: : Sport and Recreation					
Details	R'000				
	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 759	12 702	60	0	0
Expenditure:					
Employees	(18 982)	(1 517)	(1 367)	(595)	154.96%
Repairs and Maintenance	(175)	(112)	(59)	0	
Other	(9 335)	(519)	(906)	(946)	45.14%
Total Operational Expenditure	(28 492)	(2 148)	(2 332)	(1 541)	39.39%
Net Operational Expenditure	(26 732)	(10 554)	(2 272)	(1 541)	584.88%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 101: Capital Expenditure – Sport and Recreation

Capital Expenditure 2014/15: : Sport and Recreation					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0.00	0.00	0.00	0.00	0.00
Project A	0.00	0.00	0.00	0.00	0.00
Project B	0.00	0.00	0.00	0.00	0.00
Project C	0.00	0.00	0.00	0.00	0.00
Project D	0.00	0.00	0.00	0.00	0.00
<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 THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

There was no budget for Capital Projects for Financial year 2014/2015

T3.23.6

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.

This component includes the Executive Office, financial services, human resource services, ICT and legal and property services.

T3.24

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (Mayor; Councilors; and Municipal Manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Executive Mayor exercises overall political responsibility for sound governance and service delivery, whilst the Office of the Speaker is mainly responsible for public participation, ward committees and managing Council and Committee meetings.

The Municipal Manager is the accounting officer of the municipality and reports to the Executive Mayor and Council. Top service delivery priorities included:

- Establishment of sound corporate governance system of internal audit and risk management
- developing improved systems to ensure optimal institutional efficiency
- ensuring the financial health of the municipality

T3.24.1

Table 102: Executive and Council Policy Objectives taken from IDP/SDBIP

Lead Departments: Office of the Speaker (OS); Office of the Executive Mayor (OEM); Office of the Municipal Manager (OMM)

Strategic Priority (SP 4): Promote active community participation

Key Performance Area (KPA 4): Good Governance and Community Participation

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To improve the level of functionality of public participation systems in the municipality (NKPI: 10)	17.1 Number of Functional Ward Committees established	21	21	Target not achieved (20)	Due to the disbandment of 1 ward committee	A new Ward Committee is going to be elected
	17.2 Number of CDW's deployed in all 21 wards	17	21	Target Not achieved (20)	The CDWs are appointed by the office of the Premier	Communication with Office of the Premier, to fill vacancies
	17.3 Number of ward committees trained on identified core skills areas	0	21	Target not achieved (20)	Due to the disbandment of 1 ward committee	New Ward committee will be elected before end of Quarter of 2015/16 FY

	17.4 Number of monthly community meetings held per ward	4 per ward	4 per ward	Target achieved (4)	Not applicable	Not applicable
	17.5 Number of skills programmes implemented for burial societies, stokvels, religious groups, etc.	3 per annum	4 per annum	Target achieved (4 per annum)	Not applicable	Not applicable
	17.6 Number of monthly updates of municipal website completed	12 updates	12 updates	Target achieved (12)	Not applicable	Not applicable
	17.7 Number of newsletters produced and published	6 per annum	6	Target not achieved (0)	The tender was referred back by the evaluation committee	To be re-advertised by end of September 2015
	17.8 Number of interactions arranged with the print and electronic media	12 per annum	12	Target achieved (12)	Not applicable	Not applicable

	17.9 Number of quarterly interactions held with relevant municipal and community stakeholders (business, religious, etc.)	4	4	Target achieved (4)	Not applicable	Not applicable
	17.10 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	Target not achieved		
	17.11 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	Target not achieved		
	17.12 % of Auditor General queries resolved by end of April	50%	100%	Target not achieved		

	17.13 % of report submitted on performance assessment of the service providers	0%	100%	Target not achieved	Delay in submission of the report	Report was submitted to Council in July 2015
To ensure the effective, efficient and economical management of municipal assets	18.2 % of annual review of approved 5-year IDP conducted in terms of MSA and MFMA (<i>Annual Revised IDP must be adopted by Council by the end of May each year</i>)	100% (Second Review)	100% (Third Review)	Target achieved (100%)	Not applicable	Not applicable
	18.3 % of compliant annual SDBIP approved within 28 days after the approval of the budget	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	18.4 % Security management strategy compiled and approved	0%	100%	Target not achieved (0)	Awaiting the approval of the Security policy	To be compiled as soon as the Security policy is approved

	(reviewed annually)					
	18.5 % Security management policy and plan compiled and approved (reviewed annually)	0%	100%	Target not achieved (30%)	Draft policy compiled and waiting for inputs from Corporate Services	Policy to be approved in 2015/16 FY
	18.6 % report on Security incidents submitted to senior management (monthly) and council (quarterly)	0%	100%	Target not achieved (30%)	Delay in submission of the report	Quarterly security incidents reports to be submitted to council quarterly
	18.7 % of annual internal audit plan approved by audit committee before end of June each year	70%	100%	Target achieved (100%)	Not applicable	Not applicable
	18.8 % execution of annual internal audit plan	100%	100%	Target achieved (100%)	Not applicable	Not applicable

	18.9 % developed three rolling coverage plan	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	18.10 Number of audit committees held per annum	4	4	Target achieved (4)	Not applicable	Not applicable
	18.11 % review of audit charters completed annually (reviewed charters must be approved by the Audit Committee)	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	18.12 % of risk register compiled and updated quarterly	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	18.13 % review of risk management strategy & policy (approved by	100%	100%	Target achieved (100%)	Not applicable	Not applicable

	risk management committee)					
	18.14 Number of risk management committee meetings held	4	4	Target achieved (4)	Not applicable	Not applicable
	18.15 % of approved fraud prevention and anti-corruption strategy annually reviewed	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	18.16 % of approved fraud prevention and anti-corruption strategy annually implemented	50%	75%	Target achieved (75%)	Not applicable	Not applicable
To ensure that a functional and effective Organisational Performance Management System	18.17 % of compliant performance agreements for MM and s56 managers compiled and	100%	100%	Target achieved (100%)	Not applicable	Not applicable

(PMS) is adopted and implemented (NKPI: 3)	signed on time (NKPI: 2)					
	18.18 % of Employee PM & D policy submitted to Council for approval	0%	100%	Target not achieved (0)	A draft policy was compiled and a workshop for Councillors on the draft policy was held. The policy was referred back to the Portfolio Committee.	Policy was submitted to a service provider to give advice so as to ensure approval
	18.19 % of PMS cascaded to all levels of employees in the municipality	0%	60%	Target not achieved (0)	Awaiting the approval of the PMD policy	Ensure that the process of approving the policy is fast-tracked

	18.20 No. of quarterly institutional performance reports submitted to Council within 30 days after the end of each quarter	4	4	Target not achieved (1)	The mid-year report was submitted to Council and the 3 rd quarter report was submitted to Administration for inclusion in the agenda. It however served before Council on 29 June 2015 and was referred back to the Council meeting held in July 2015	Timeous compilation and submission of the performance reports to be ensured for the 2015/16 FY
	18.21 % of MSA and MFMA compliant Annual Report tabled in Council	100%	100%	Target achieved	Not applicable	Not applicable

	by 31 January each year			(100%)		
	18.22 Oversight report submitted to Council within two months after tabling of Annual Report	End of March	End of March	Target achieved (end March)	Not applicable	Not applicable
	18.23 % of monthly report submitted to senior management regarding D/ville& O/ville units	0%	100%	Target not achieved (50%)	Reports compiled but referred by the management committee	Ensure that reports are compiled and submitted monthly to Senior Management
	18.24 % of actual revenue collected against budget from day visit areas (D/ville& O/ville	0%	100%	Target not achieved		

To ensure effective participation by the municipality in all IGR forums and programmes (NKPI: 12)	19.1 % of IGR meetings and forums at District, Provincial and National levels attended according to schedules (DCF, PCF, Provincial and National Forums)	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	19.2 % of relevant IGR reports submitted to senior management (14 days after each meeting)	100%	100%	Target not achieved (0)	The IGR meetings attended were either postponed or there were only for information sharing	Ensure that reports are submitted to Senior Management after each IGR meeting in 2015/16
	19.3 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%			

	19.4 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%			
	19.5 % of Auditor General queries resolved by end of April	50%	100%	Target not achieved (50%)	Some of the AG queries could not be resolved as they are predetermined objectives and compliance issues	
	19.6 % of report submitted on performance assessment of the service providers	0%	100%	Target achieved		
	19.7 % of Communication strategy developed and approved (reviewed annually)	0%	100%	Target not achieved		The strategy will be reviewed in 2015/16 FY
To ensure that an effective and efficient customer care function is established	20.1 % of customer care policy and implementation plan compiled and approval	0%	50%	Target Not Achieved (0)	The Draft is currently being reviewed by Open Waters	Would be submitted at the end of Sep 2015

	20.2 % of customer care model implemented (as per approved implementation plan)	0%	50%	Target Achieved (0)	Not	Awaiting approval of the Implementation plan	To be finalised by the end Dec 2015
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Table 103: Employees – Executive and Council

Employees: Executive and Council					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	6	5	1	16
4 - 6	1	8	6	2	25
7 - 9	4	9	4	5	55
10 - 12	0	0	0	0	0
13 - 15	0	1	0	1	100
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	9	24	15	9	37 %

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.

T 3.2.7

Table 104: Financial Performance – Executive and Council

Financial Performance 2014/15: : Executive and Council					
					R'000
Details	2013/14	2014/15			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue					
Expenditure:					
Employees	(24 434)	(25 496)	(25 495)	(26 512)	3.83%
Repairs and Maintenance	(1)	(5)	(5)	(9)	44.44%
Other	(5 915)	(9 598)	(9 707)	(6 782)	41.52%
Total Operational Expenditure	(30 350)	(35 099)	(35 207)	(33 303)	5.39%
Net Operational Expenditure	(30 350)	(35 099)	(35 207)	(33 303)	5.39%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

T3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The main objective of the finance department is to provide a comprehensive and sound financial management service to the municipality.

The strategic objectives of the department are the following

- Budget preparation, implementation and monitoring;
- Asset management;
- Credit control and debt collection;
- Indigent management;
- Supply Chain Management;
- Revenue management
- Expenditure management.

T3.25.1

Table 105: Debt Recovery

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	2013/14		2014/15			2015/16	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outcome for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	105 296			111 299		107 386	
Electricity - B							
Electricity - C	179 303			195 341		243 223	
Water - B		79%			78.1%		82%
Water - C	179 907			249 416		307 067	
Sanitation	21 737			18 087		24 250	
Refuse	29 606			23 796		35 618	
Other							

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

T 3.25.2

T3.25.2.1

Table 106: Financial Service Policy Objectives taken from IDP/SDBIP

Programme 21: Revenue and cash flow management

Lead Department: Finance (CFO)

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 5): Financial Management and Viability

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure the effective and efficient management of municipal revenue and cash flow according to national norms and standards	21.1 % of consumer debtors revenue collected (<i>actual total collections as a percentage of total levies/billings</i>)	88%	85%	Target Not Achieved 78.1%	No debt collection action done due to lack of capacity	The vacant positions were approved by Council and advertised. Staff will commence duty on 01 September 2015
	21.2 % actual revenue generated as a percentage of the approved/adjusted budget	98%	98%	Target Not Achieved 90.11%	Not all the information is forthcoming from the Technical and Social services departments	Data Cleaning project will address the shortcomings of revenue. Data cleaning started in August 2015.
	21.3 Billing done monthly no later than month end	0	100%	Target Achieved (100%)	Not applicable	Not applicable

	21.All meter readings to be completed by no later than 25 th of every month	0	100%	Target Achieved (100%)	Not applicable	Not applicable
To ensure the effective and efficient management of municipal revenue and cash flow according to national norms and standards	21.5 Warning letters issued no later than 20 th of the month	0	100%	Target Achieved (100%)	Not applicable	Not applicable
	21.6 Ensure that all cut offs have been effected by the service provider by no later than 25 th of each month	0	100%	Target Achieved (100%)	Not applicable	Not applicable
	21.7 Implement data purification project	0	100%	Target Achieved (100%)	Not applicable	Not applicable

	21.8 Implementation of operations Patala	0	100%	Target Achieved (100%)	Not applicable	Not applicable
	21.9 Daily cash flow submitted to the Executive Mayor	100%	100%	Target Achieved (100%)	Not applicable	Not applicable

Programme 22: Expenditure Management and SCM (Lead dept.: Financial Services)

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 5): Financial Management and Viability

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To implement an effective and efficient system of expenditure	22.1 Creditors paid within 30 days of receipt of	100%	100%	Target not achieved	Cash flow constrains. All major service	Recovery of outstanding debt

and supply chain management	invoice(MFMA)			(65%)	providers are paid on time. Eskom, Rand water, salaries etc.	
	22.2 Bank recons done monthly	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	22.3 Salaries paid on time	27th of every month	27th of every month	Target achieved (27th of every month)	Not applicable	Not applicable
To implement an effective and efficient system of expenditure and supply chain management	22.4 Salary deductions paid on time	7th of every month	7th of every month	Target achieved (7th of every month)	Not applicable	Not applicable
	22.5 % of creditors paid within 30 days of receipt of invoice (<i>includes implementing and maintaining an effective system of internal control</i>)	100%	100%	Target not achieved (65%)	Cash flow constrains. All major service providers are paid on time. Eskom, Rand water, salaries etc.	Recovery of outstanding debt

	22.6 Insurance premium paid on time	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	22.7 Insurance claims received from depts. Submitted to insurer within 7 days	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	22.8 Annual review of insurance premiums	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	22.9 Awarding quotations between R30000 and R200000 within 21 days of receipt of the request	21 days	21 days	Target achieved (100%)	Not applicable	Not applicable

	22.10 Adjudication of tender for bids above R200 000 within 90 days of the closing date of advert	90 days	90 days	Target not achieved (66.66%)	One tender was not awarded within 90 days due to committees not sitting on time.	A report was submitted to Senior management committee for the management to intervene
	22.11 Compliance with approved SCM policy, procedures and SCM legislation	100%	100%	Target not achieved (50%)	The policy that we are using was last adopted in 2012. We started with the draft in 2014. The Workshops and training will be held as soon as the policy is adopted by council.	Awaiting SCM Policy to be approved to train user department. It will serve in Council in September 2015 Council workshop on SCM policy is took place in August 2015.
	22.12 Annual update of database	100%	100%	Target achieved (100%) Continuous capturing of suppliers	Not applicable	Not applicable

				into the database)		
	22.13 Quarterly reporting to Council on tenders awarded	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	22.14 Quarterly reporting to Council on deviations	0	100 %	Target achieved (100%)	Not applicable	Not applicable
	22.15 Quarterly reporting to Council on procurement from 30k – 200k	0	100 %	Target achieved (100%)	Not applicable	Not applicable

	22.16 Reporting to Council on stock counts done bi-annually	0	100%	Target achieved (100%)	Not applicable	Not applicable
	22.17 Stock losses not to exceed 10% of physical stock	0	10%	Target not achieved	Lack of full time personnel in Stores. Break ins and theft as well	Appointment of full time personnel at stores
	22.18 % compliance maintained with approved SCM policy and procedures (includes elimination of internal and external audit queries)	100%	100%	Target achieved	Not applicable	Not applicable

Programme 23: Budgeting and Reporting (Lead dept.: Financial Services)

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 5): Financial Management and Viability

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	23.1 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget for finance	90%	100%	Target not achieved (0)	Finance has no capital budget	
	23.2 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget for finance	90%	100%	Target achieved (100%)	Not applicable	Not applicable

To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	23.3 % of MSIG allocation spent	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.4 Draft Budget compiled and tabled by no later than 31 March	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.5 Adjustment Budget tabled by no later than end February	100%	100%	Target achieved (100%)	Not applicable	Not applicable
To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	23.6 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	65%	100%	Target not achieved (23.1%)	PMU responsible for spending of Grants. Capital from own funding – low spending due to cash flow. Loan from DBSA of R7m not taken up	Better planning to be done

	23.7 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget	90%	100%	Target not achieved (23.72%)	.	
	23.8 % actual expenditure on repairs and maintenance as a percentage of the approved/adjusted budget	6%	7%	Target not achieved (0.99%)	Cash flow	Financial system not closed for 2014/15 expenditure
	23.9 % of MIG allocation spent	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.10 Annual Budget (MTREF) compiled and approved by end of May each year	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.11 Monthly budget statements (s71 of MFMA) are compiled and submitted to the	100%	100%	Target achieved (100%)	Not applicable	Not applicable

	Mayor by no later than 10 working days after the end of each month					
	23.12 Monthly National Treasury returns submitted on time	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.13 Quarterly National Treasury returns submitted on time	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.14 DoRA returns submitted on time (FMG & DWA) monthly	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.15 Mid-year budget assessment and budget adjustments report submitted to Mayor by 25 January each year (s72 of MFMA)	100%	100%	Target achieved (100%)	Not applicable	Not applicable

Programme 24: Clean Audit (Lead dept.: Financial Services)

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 5): Financial Management and Viability

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure that the municipality received a Clean Audit Report	24.1 Annual Financial Statements submitted to the Auditor-General by the end of August	100%	100%	Target not achieved (0)	AFS submitted in September 2014 Due to labour unrest and disruptions experienced	Ensure that in the next FY it is submitted timeously
	24.2 Actual improvement in annual audit outcomes	Un-qualified	Unqualified	Achieved (100%)	Not applicable	Not applicable

	received from the Auditor-General					
	24.3 PROPAC resolutions implemented annually affecting finance	100%	100%	Target not achieved (0)	No action plan on PROPAC resolutions	Develop an action plan for 2015/16 FY

Programme 25: Asset Management (Lead dept.: Financial Services)

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 5): Financial Management and Viability

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure the effective, efficient and economical management of municipal assets	25.1 % of Fixed Asset Register (FAR) compiled and updated annually in line with GRAP requirements	100%	100%	Target achieved (In progress, will be given to AG by 31 August 2015 together with ASFS)	Not applicable	Not applicable

	25.2 Physical verification of assets done annually	100%	100%	Target achieved (In progress)	Not applicable	Not applicable
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Table 107: Employees – Financial Services

Employees: Financial Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	6	5	1	16
4 - 6	3	10	7	3	10
7 - 9	19	51	29	22	43
10 - 12	18	33	18	15	62
13 - 15	28	29	28	1	3
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	73	129	73	56	43

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.

T 3.2.7

Table 108: Financial Performance – Financial Services

Financial Performance 2014/15: : Financial Services					
					R'000
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	160 363	170 072	182 124	194 164	12.41%
Expenditure:					
Employees	(21 832)	(23 445)	(23 345)	(24 625)	4.79%
Repairs and Maintenance	(35)	(83)	(41)	(8)	937.5%
Other	(40 234)	(11 717)	(13 442)	(32 789)	64.27%
Total Operational Expenditure	(62 101)	(35 245)	(36 828)	(57 422)	38.62%
Net Operational Expenditure	98 262	134 828	145296	136 742	1.40%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 109: Capital Expenditure – Financial Services

Capital Expenditure 2014/15: : Financial Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
SCM software					
Calculators/Adding machines					
Office Equipment					
Project D					

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.2.9

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

- The budget preparation, implementation and monitoring was successfully done. The in-year reporting was timeously submitted to Treasury. All budget deadlines were met.
- Credit control and Debt Collection is still a challenge for the municipality. The Council approved "Operation Patala" as part of its revenue enhancement strategy.
- The municipality has 8627 registered indigents on its data base at year end. The department is being further capacitated to cope with the growth in indigent households and indigent verifications.
- Supply Chain Management has been a challenge during the year. The department has been further capacitated and a Supply Chain Manager appointed at the beginning of the 2016 financial year. (Appointed in July 2015). The key focus areas will be to identify and reduce the incidence of irregular expenditure. Improve on document management and review the SCM policy.
- Expenditure management remained a challenge in accommodating unforeseen expenditure in the budget, which arose as a result of the strike by SAMWU employees. This resulted in the municipality increasing costs in relation to security and hiring outside service providers to render waste removal services and meter readings.
- Revenue management remains a focus area and the payment levels were negatively impacted upon as a result of the strike action which lasted for approximately eight months.

T3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human resources are the primary investment for the municipality and the municipality endeavours to maintain its investment in its staff hence the municipality is in the process of the recruitment of qualified individuals in line with the critical posts identified, organizational structure review, training of staff members as per the annual Workplace Skills Plan (WSP), comprehensive capacity building program for Councillors and a sound and conducive labour relations environment.

T3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The main service statistics in relation to employee totals, skills development, leave, etc. are included in Chapter 3 of the Annual Report.

T3.26.2

Table 110: Human Resource Services Policy Objectives taken from IDP/SDBIP

Programme (P27) – Human Capital

Lead Department: Corporate Services (DCS)

Strategic Priority (SP 5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 6): Municipal Transformation and Institutional Development

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To provide sufficient and skilled human capital to enable all departments to function optimally in order to enhance institutional capacity and effective service delivery	27.1 % of funded critical posts filled by suitably qualified candidates	50%	80%	Target achieved (80%)	Not applicable	Not applicable
	27.2 Turnaround time maintained on recruitment: funded vacancies (from date of advertisement)	90 working days	90 working days	Target achieved (90 working days)	Not applicable	Not applicable
	27.3 % of Organisational structure reviewed as when the need	100%	100%	Target not achieved (0)	Delays in bid processes	Chairperson of evaluation committee to finalise evaluation report

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To provide sufficient and skilled human capital to enable all departments to function optimally in order to enhance institutional capacity and effective service delivery	27.4.% of job grading and evaluation completed (reviewed annually if required)	0%	100%	Target not achieved (0)	SALGA competency	SALGA to speed up the process
	27.5 % of workplace skills plan (WSP) and annual training report (ATR) compiled and submitted annually to the LGSETA	100%	100%	Target achieved (100%)	Not applicable	Not applicable

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To provide sufficient and skilled human capital to enable all departments to function optimally in order to enhance institutional capacity and effective service delivery	27.6 % of staff trained as per WSP targets on an annual basis	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	27.8 % implementation of EE plan as per approved targets and measures	0%	100%	Target achieved (100%)	Not applicable	Not applicable
	27.9% of human resource-related policies compiled and/or reviewed as when needed	100%	100%	Target not achieved (40%)	Non sitting of LLF	Facilitate sitting of LLF
	27.10 Fully functional Local Labour Forum (LLF) established (<i>no. of meetings held per annum</i>)	11	10	Target not achieved (0)	LLF meetings were postponed	Convene LLF meetings

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	27.11 % of disputes and grievances (stage 1 to 3) handled in terms of the collective agreement (<i>turnaround time is within 90 days</i>)	100%	100%	Target achieved (100%)	Not applicable	Not applicable

Programme 28: Institutional Excellence

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 6): Institutional Development and Transformation

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To create a working environment that enables good staff morale, high performance and effective functioning of council structures	28.1 Number of organisation development interventions implemented annually	0	1	Target Not achieved (0)	Budgetary constraints	Open waters to assist
	28.2 % of approved Council Schedule by end of June each year	100%	100%	Target achieved (100%)	Not applicable	Not applicable

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To create a working environment that enables good staff morale, high performance and effective functioning of council	28.3 % of agendas for council, mayoral committee and portfolio committees delivered within 48 hours	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	28.4 Number of quarterly reports to Council on the monitoring and implementation of council resolutions.	4	4	Target not achieved (0)	Resolution registers were submitted to all relevant Directors for identification of those implemented or not. Directors were reminded to submit but only Corporate, Social Services and	Ensure that Directors submit the report and thereafter it will be submitted to Council in the next quarter.

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.5 % of Auditor General queries resolved by end of April	0	100%	Target not achieved		
	28.6 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	0	100%	Target not achieved		

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.7% actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	0	100%	Target not achieved		
	28.8% of All leave applications to be captured on Payday system within 30 days of submission	0	100%	Target achieved (100%)	Not applicable	Not applicable

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.9 % of Approval of all By-laws(Reviewed annually)	0	100%	Target not achieved (50%)	Other by-laws still have to go for public participation before approval	Schedule Public Participation dates and also COGTA is currently assisting the municipality with the by-laws
	28.10 % of Development and updating of contract register quarterly (Legal)	0	100%	Target achieved (100%)	Not applicable	Not applicable
	28.11 Conducting of awareness campaigns on Collective Agreements (LR) (Annually)	0	1	Target achieved (1)	Not applicable	Not applicable

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.12 % of disciplinary cases Conducted and finalized within 90 days	0	100%	Target achieved (100%)	Not applicable	Not applicable
	28.13 % of legal opinions provided on legal matters (Legal)	0%	100%	Target achieved (100%)	Not applicable	Not applicable

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.14 % of civil Matters/cases defended against or initiated in favour of the municipality(Legal)	0	100%	Target achieved (100%)	Not applicable	Not applicable
	28.15 Control and management of the usage of telephone systems (monthly deductions of private calls from salary)	0%	100%	Target achieved (100%)	Not applicable	Not applicable

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.16 % of Telephone policy developed and approved (Reviewed annually)	0%	100%	Target not achieved (0)	The draft policy was delayed	To be finalised at the end of Dec 2015
	28.17 % of Data Card policy developed and approved (Reviewed annually)	0	100%	Target not achieved (0)	The draft policy was delayed	To be finalised at the end of Dec 2015

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.18 % of updated Declaration of Interest and Gift Register maintained	0	100%			
	28.19 Number of Occupational Health and Safety Risk Assessment conducted (annually)	0	1	Target achieved (1)	Not applicable	Not applicable

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.20 No of Occupational Health and Safety Awareness Workshops conducted (Annually)	0	4	Target achieved (4)	Not applicable	Not applicable
	28.21 % of Injuries reported and processed incident within 7 working days to the commissioner	0	100%	Target achieved (100%)	Not applicable	Not applicable

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.22 % of Evacuation Plan developed and implemented (Annually)	0	100%	Target Achieved (100%) (Siren installed in March 2015)	Not applicable	Not applicable
	28.23 Number of Employee Wellness Programmes provided to employees (e.g. alcohol and drug abuse, family violence etc.) as an when requested	0	1	Target achieved (1)	Not applicable	Not applicable

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.24 Employee Wellness Day arranged annually	0	1	Target achieved (1)	Not applicable	Not applicable
	28.25 % of Review of Records Management policy (Annually)	0	100%	Target not Achieved (0)	The was a delay in the review of the policy	The policy would be finalised at the end of Dec 2015

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	28.26 % of Development and approval of Records Management Strategy	0	100%	Target not Achieved (0)	The was a delay in the draft of the strategy	The draft would be finalised at the end of Dec 2015

Table 111: Employees – Human Resource Services

Employees: Human Resource Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0
4 - 6	5	12	5	7	58
7 - 9	2	3	3	0	0
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	8	18	10	8	44 %

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.

T 3.2.7

Table 112: Financial Performance – Human Resource Services

Financial Performance 2014/15: : Human Resource Services					
					R'000
Details	2013/14	2014/15			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	137	235	301	849	72.32%
Expenditure:					
Employees	(4 134)	(4 469)	(4 469)	(4 312)	3.51%
Repairs and Maintenance					
Other	(2 901)	(258)	(390)	(1 298)	80.12%
Total Operational Expenditure	(1 233)	(4 211)	(4 079)	(3 014)	39.72%
Net Operational Expenditure	(1 096)	(3 976)	(3 778)	(2 165)	83.65%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 113: Capital Expenditure – Human Resource Services

Capital Expenditure 2014/15: : Human Resource Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A: Installation of Emergency Siren	R 150 000		R 22 625	R127 375	
Project B					
Project C					
Project D					

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.2.9

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

T3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT division is responsible for providing effective and efficient ICT services with Metsimaholo Local Municipality. Our main priority is to ensure that ICT services reach all officials and residents within the Municipality.

T3.27.1

Table 114: ICT Services Policy Objectives taken from IDP/SDBIP

Programme (P26) - Facilities Management

Lead Department: Corporate Services (DCS); Other Departments: DTIS, OMM

Strategic Priority (SP 5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 5): Financial Management and viability

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
To ensure the effective, efficient and economical management of municipal facilities	26.1 % of fleet management policy developed and submitted to Council for approval	0%	100%	Target achieved (100%)	Not applicable	Not applicable
	26.2 % of centralised fleet management unit established	0%	100%	Target not Achieved (0)	Delay in the finalisation of the Organisational Structure	Org structure is expected to be finalized at the end of Dec 2015

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	26.3 % of municipal buildings and corporate facilities managed effectively, efficiently and economically <i>(includes council offices, equipment, furniture, etc)</i>	20%	100%	Target not achieved (0)	Offices still under construction. Lack of cash flow to purchase furniture.	Provision has been made in the 2015/16 financial year. Furniture would be procured at the end of Dec 2015
	26.4 % of ICT policy compiled and submitted to Council for approval	100%	100%	Target not achieved (0)	Delay in the review process (ICT and Open Waters) Term of committee members expired	Finalise the review and send to SM Appoint new committee members

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	26.5 % of ICT Steering committee established	100%	100%	Target not achieved (0)	Term of committee members expired	Appoint new committee members
To ensure the effective, efficient and economical management of municipal facilities	26.6 Downtime of critical systems reduced to less than 5% of total uptime required	5%	5%	Target achieved (5%)	Not applicable	Not applicable
	26.7 % of workstations functional and on-line	90%	93%	Target achieved (93%)	Not applicable	Not applicable
	26.8 % of user complaints attended to within 24 hours of receipt	90%	93%	Target achieved (93%)	Not applicable	Not applicable

Table 115: Employees – ICT Services

Employees: ICT Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	2	2	50
4 - 6	2	4	4	0	0
7 - 9	1	1	1	0	0
10 - 12	1	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	6	10	7	4	40 %

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

T 3.2.7

Table 116: Financial Performance – ICT Services

Financial Performance 2014/15: : ICT Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	(3 155)	(3 502)	(3 502)	(3 712)	5.66%
Repairs and Maintenance	(442)	(1 250)	(1 030)	(1 180)	5.93%
Other	(7 287)	(1 453)	(1 666)	3 471	58.14%
Total Operational Expenditure	(3 690)	(6 205)	(6 198)	(1 421)	77.10%
Net Operational Expenditure	(3 690)	(6 205)	(6 198)	(1 421)	77.10%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Table 117: Capital Expenditure – ICT Services

Capital Expenditure 2014/15: : ICT Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Computer equipment	700	118	118	(582)	
Project B					
Project C					
Project D					
<p><i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i></p>					

T 3.2.9

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

In 2014/15 FY a new service provider was appointed. Started operating in December 2014

T3.27.7

3.28 PROPERTY AND LEGAL SERVICES

This component includes: property and legal services.

INTRODUCTION TO PROPERTY AND LEGAL SERVICES

T3.28.1

Table 118: Property and Legal Services Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline : 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken

Table 119: Employees – Property and Legal Services

Employees: Property and Legal Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	3	3	0	0
4 - 6	1	3	4	1	1
7 - 9	0	6	0	6	100
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	11	7	7	63 %

*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.*

T 3.2.7

Table 120: Financial Performance – Property and Legal Services

Financial Performance 2014/15: : Property and Legal Services					
					R'000
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0				
Expenditure:					
Employees					
Repairs and Maintenance					
Other	(1 862)	(3 053)	(2 055)	(2 055)	48.56%
Total Operational Expenditure	(1 862)	(3 053)	(2 055)	(2 055)	48.56%
Net Operational Expenditure	(1 862)	(3 053)	(2 055)	(2 055)	48.56%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

COMMENT ON THE PERFORMANCE OF PROPERTY AND LEGAL SERVICES OVERALL:

T3.28.7

COMPONENT J: MISCELLANEOUS

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

The Municipality does not perform any of the above functions.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

Performance Evaluation of Service Providers

Performance criteria

Service provider performance ratings may be allocated points against the performance criteria (for example, time management, quality of service etc.) based on the rating scale below:

Above average	(✓) 10 points
Acceptable	7 points – 9 points
Below average	5 points – 6 points
Unsatisfactory	0 points – 4 points

Relevant Department	Name of Consultant/ Contractor	Type of services provided	Contract period	Contract value	Performance assessment	Comment
Municipal Manager						
Corporate Services	Dr Motau Occupational Health and Wellness	Medical Examinations and Employee Wellness	3 years	R500.000.00	10 points	Service is above average
	Marena Printers (Pty) Ltd	Printing Services	3 years	Charges per page	7 points	Service is acceptable

	Dicksy Cleaning (Pty) Ltd	Cleaning of Municipal Offices	(3 Years expired) Month to month	R159 971-98 Including VAT	4 Points	Service provider is Unsatisfactory and is not recommended for further work
	Mtn (Pty) Ltd	Data Cards/bundles Service provider	24 (Months)	±R40 00.00 (Monthly)	7 points	Service is acceptable and is recommended for further work
Social Services	Stones Plant Hire CC	Supply and operate Front-End Loader and Trucks.	23 June 2014 to 31 January 2015		10 points	Service is above average and is recommended for further work
	SMEC South Africa (Pty) Ltd. 71 Oranje Street Kroonstad	- Design and develop a plan for the establishment of a New Landfill Site for Metsimaholo Municipality and for the closure of the	On-going	R1 416 193-50 Including VAT	7 points	Service is acceptable and is recommended for further work

		Sasolburg Landfill Site.				
	Copper Moon Trading 317 (Pty) Ltd	Law enforcement administration support system and lease of camera enforcement	3 years		10 points	Service is above average and is recommended for further work
Technical Services	Kolomaka Investment Survey &	Cleaning, vacuuming & unblocking pumpstations, pipelines, supply and delivery potable water	As and when required		7 points	Service is acceptable and is recommended for further work
	Batho Lets Do It	Collection of sewer buckets	As and when required		7 points	Service is acceptable and is recommended for further work
	Drain surgeon(Siyavula Plumbing CC)	Plumbing, unblocking pipelines, drain cleaning, leak detection, CCTV	As and when required		7 points	Service is acceptable and is recommended for further work

		camera inspection, septic tank/high pressure drain cleaning				
	AJ Mining & Industrial	Plumbing, unblocking pipelines, cleaning pump stations and water and wastewater treatment works, CCTV camera inspection, high pressure drain cleaning	As and when required		7 points	Service is acceptable and is recommended for further work
	Elster Kent	Supply of water and wastewater meters	As and when required		7 points	Service is acceptable and is recommended for further work
	Impro Chem	Water and wastewater treatment chemicals	As and when required		7 points	Service is acceptable and is recommended for further work
	Every seal valves and caskets	Maintenance of water and	As and when required		7 points	Service is acceptable and is recommended

		wastewater network				needed for further work
	M & J Motors	Petrol, Diesel and Oil supplier	As and when required		7 points	Service is acceptable and is recommended for further work
	Sabrimon	Plumbing tools	As and when required		7 points	Service is acceptable and is recommended for further work
	Millenium Pumps	Supply, delivery and repairs of pump stations	3 years		7 points	Service is acceptable and is recommended for further work
	R&S Bande	Repairs & replacement of tyres	As and when required		7 points	Service is acceptable and is recommended for

						further work
	Caltex Deneysville	Petrol & Diesel for vehicles	As and when required		7 points	Service is acceptable and is recommended for further work
	Marvin Marketing	Water and wastewater treatment chemicals	As and when required		7 points	Service is acceptable and is recommended for further work
	Seibod Gas	Safety and cleaning materials	As and when required		7 points	Service is acceptable and is recommended for further work
	Water pompe en besproeiing bk(Water plan)	Water and wastewater maintenance materials	As and when required		7 points	Service is acceptable and is recommended for further work
	Flock it furnisher the big time	Water and wastewater maintenance	As and when required		7 points	Service is acceptable and is recommended for

						further work
	J.G Loots	Supply building material	As and when required		7 points	Service is acceptable and is recommended for further work
	Naledi Industrial Hardware	Supply building material	As and when required		7 points	Service is acceptable and is recommended for further work
	Selebalo Spray Painters	General building and painting work	As and when required		7 points	Service is acceptable and is recommended for further work
	Mofokeng Trading	General maintenance	As and when required		7 points	Service is acceptable and is recommended for further work
	Sizwe Paints	Supply paints/painting products	As and when required		10 points	Service is above average

						and is recommended for further work
	Flying Eagle	General building work	As and when required		7 points	Service is acceptable and is recommended for further work
	Makhadzo Trading	General building work	As and when required		7 points	Service is acceptable and is recommended for further work
	Mica Hardware	Supply building material	As and when required		10 points	Service is above average and is recommended for

						further work
	Mafatseng trading & projects CC	Supply & delivery of cold mix asphalt(bags)	3 years		10 points	Service is above average and is recommended for further work
	Tzoneva Asphalt(Pty) Ltd	Repair and resealing of roads	3 years		10 points	Service is above average and is recommended for further work
	Inkikheli Business enterprise	Plant hire	3 years		10 points	Service is above average and is recommended for further work
	N.T Supplier & projects	Supply of safety clothing	As and when required		10 points	Service is above average and is recommended for

						further work
	Sido Consulting Engineers (Turnkey)	Amelia Sewer reticulation	3 years	R40 615 226	7 points	Service is acceptable and is recommended for further work
	Sido Consulting Engineers (Turnkey)	Gortin Sanitation Phase 4	3 years	R3 861 180	7 points	Service is acceptable and is recommended for further work
	Tecrover Projects(Pty) Ltd	Upgrading Refengkgotso WWTW	12 months	R6000 000	7 points	Service is acceptable and is recommended for further work
	Phenomenal Architect CC	Design and project management sports facility	3 years	R16 904 014	7 points	Service is acceptable and is recommended for further work
	Quantity build(Pty) Ltd	Gortin Sanitation Phase 4	3 years	R89 520 024.18	7 points	Service is acceptable and is

						recommended for further work
	Risimati Engineering(Pty) Ltd	Gortin Sanitation Phase 4	3 years	R4 404 960	7 points	Service is acceptable and is recommended for further work
	Mapitsi Civil Works(Pty) Ltd	Sewer network and house connection Metsimaholo Ext.6	3 years	R5 070 385.98	0 points	Service is unsatisfactory
	Proper Consulting Engineering CC	Construction 368 Stands for sewer network Metsimaholo Ext.6	3 years	R364 800	7 points	Service is acceptable and is recommended for further work
	Mlokotwa Construction	7.4km roads and stormwater in Gorton	3 years	R39 171 557.99	7 points	Service is acceptable and is recommended for further work
	Lesaka Consulting Engineering	7.4km roads and stormwater in Gorton	3 years	R2 692 500.01	7 points	Service is acceptable and is recommended

						ended for further work
	Selenane Construction(Pty) Ltd	Construction of bulkwater supply and reservoir	3 years	R33 375 609	7 points	Service is acceptable and is recommended for further work
	Vikna Consulting Engineering(Pty)Ltd	Construction of bulkwater supply and reservoir	3 years	R4 202 098.86	7 points	Service is acceptable and is recommended for further work
	Nobleman Switch Gears	Repairing Switch Gears	N/A	N/A	7 points	Service is acceptable and is recommended for further work
	Centralec (Pty)Ltd	Supplying material	N/A	N/A	10 points	Service is above average and is recommended for further work

	ABC Electrical Suppliers	Supplying material	N/A	N/A	7 points	Service is acceptable and is recommended for further work
	J.D Electrical Engineering	Locating cable faults	N/A	N/A	7 points	Service is acceptable and is recommended for further work
	Century Electrical	Supplying material	N/A	N/A	7 points	Service is acceptable and is recommended for further work
Financial Services	Altimax (Pty) Ltd	Appointment of a professional services provider to assist with the financial year end processes in preparation for the year-end audit	3 years		10 points	Service is above average and is recommended for further work

	Arch Actuarial Consulting	Actuarial valuation of Employee benefits	Yearly		10 points	Service is above average and is recommended for further work
	Price Water House Coopers Combined Systems (Pty)Ltd	Compilation of the MLM asset register information to comply with Grap 17	Yearly		10 points	Service is above average and is recommended for further work
	Utilities World	Prepaid Electricity Vending	3 years	4.8% of Commission on a monthly basis on third party	10 points	Service is above average and is recommended for further work
	DDP Valuers (Pty)Ltd	Valuation Roll	3 years	R4 026 000	4 points	Service provider is Unsatisfactory and is not recommended for further work

	Lateral Unison Insurance Brokers(Pty)Ltd	Short term insurance broker	3 years	R1 253 273	5 points	Service is below average
	Payday	Salary system	Annual licence		10 points	Service is above average and is recommended for further work
	Business Connections	Financial System	Sole service provider		10 points	Service is above average and is recommended for further work
	Intenda(Pty)Ltd	Supply Chain Management System	November 2014 – January 2015	R849 984 + SLA Billable services	7 points	Service is acceptable and is recommended for further work
	Electro Cuts(Pty)Ltd	Delivery of warning notices, disconnection and re-connection of electricity	Month-to-month		10 points	Service Provider is recommended for further work

	Molenaar and Griffiths	Debt collections			10 points	Service Provider is recommended for further work
LED	Jaco Terblanche	Valuation Instructions for disposal of assets and / or annual tariff (budget) recommendations	Instruction stipulates submission of valuations within 90 days	Pending on Instruction <i>(Estimated to R3'000 / instruction)</i>	7 points Excellent with interim inquiries	In working progress. Still evaluating Service Provider to be recommended for further work
	Messrs DDP Valuers	Valuation Instructions for disposal of assets and / or annual tariff (budget) recommendations	Instruction stipulates submission of valuations within 90 days	Pending on Instruction <i>(Estimated to R3'000 / instruction)</i>	5 points	Service Provider is NOT considered for further work

	Messrs. Niel de Klerk (Pty) Ltd Valuers	Valuation Instructions for disposal of assets and / or annual tariff (budget) recommendations	Instruction stipulates submission of valuations within 90 days	Pending on Instruction <i>(Estimated to R3`000 / instruction)</i>	10 points	Service is above average and is recommended for further work
	Mashalaba and Associates Consultants	Re-planning of erven in Zamdela: Erven 3522, 3710, 3711 and 13477	Contract stipulates completion within 12 months from date of appointment (17 th November 2014)	R561,991.50 (combined)	10 points	FS Cogta still evaluating application and will issue approval. *Further assessment will be conducted during week 8 th – 12 th June 2015
	Mashalaba and Associates Consultants	Submission of an application in terms of the Vaal River Guide Plan (CRU project)			10 points	Service is above average and is recommended for further work

	Mashalaba and Associates Consultants	Change of land use/rezoning of erven in the Refengkgotso and Metsimaholo Townships			10 points	Service is above average and is recommended for further work
	LMV Consultants	Review of the Spatial Development Framework	Contract period was not specified by FDDM but appointment was for the 2014/2015 financial year.	R350,000.00 (50:50) with FDDM Total project cost was (R604,200.00)	10 points	<p>*The service provider is on track with performance.</p> <p>*FDDM has finalised payment of their 50% contribution and Metsimaholo will start payment with the next invoice submitted.</p> <p>*Further assessment will be</p>

						conducted week 8 th – 12 th June 2015
	Ponoane Attorneys	Registration of layouts with deeds office	Contract was not signed by with the Service Provider at the time of appointment	R148,580.00	5 points	Unforeseen technicalities (land ownership etc) have delayed finalisation of the project. * Further assessment will be conducted week 8 th – 12 th June 2015
			Messrs. Claude Reid Attorneys got instructions for opening of a township			Unforeseen delays(<i>from</i>

	Claude Reid Attorneys	Opening of Township Registers	register January 2010. On submission of the Township Register to the Deeds Office they were instructed by Council to STOP the process and to continue again later.	R13574.00	10 points	<i>municipalities side)</i> In working progress. Still evaluating Service Provider to be recommended for further work
	Molenaar and Griffiths	Instructions for acquisition or transfer of land Legal Opinions	As per instruction <i>(18 months-pending on time frame allowed to the purchaser to settle transfer fees)</i>	Pending on instruction and value of land to be transferred <i>(Approximately R5000 / instruction)</i>	10 points	Service Provider is recommended for further work

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

INTRODUCTION

The Municipality had 1 250 approved posts on its Organisational Structure with 762 employees and a vacancy rate of 31.5% at the end of the 2014/15 financial year. The turnover rate stood at 8.05%.

The most of workforce-related policies were approved by Council during the financial year under review. The average injury leave per employee during 2014/15 was 547 days for 29 employees. A total number of sick leave days taken is 3 794.75 at an estimated cost of R1617744.96. Injury leave taken during the 2013/2014 financial year has increased due to an employee in Social Service who used 101 days. The use of sick leave is monitored and is often used by a high percentage of lower skilled level employees in Social Services. The Human Resource does comply with the Basic Conditions of Service. Workforce training and development learning interventions were implemented not as effectively planned due to the limited grants received from Local Government Sector Education and Training Authorities after the Municipality submitted the workplace skills plan for the year 2014/15 that was no compliant, as the registered trade unions did not sign the document.

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 121: Employee Totals

Description	Employees				
	2013/2014	2014/15			
	Employees No.	Approved posts No.	Employee No.	Vacancies No.	Vacancies %
Water	40	52	47	117	76
Waist water (Sanitation)	36	61	36	35	56
Electricity	36	61	36	23	37
Waste Management	109	180	151	35	19
Housing	10	28	8	7	3
Storm Water Drainage	64	135	25	47	34
Roads	39	51	37	26	53
Transport	-	-	-	-	-
Planning	6	12	7	5	41
Local Economic Development	1	8	1	2	25
Community & Social Services	32	42	23	12	36
Environmental Protection	-	-	21	34	61
Health	-	-	-	-	-
Security and Safety	43	113	23	38	62
Sport and Recreation	124	188	10	175	94
Corporate Policy Offices and other	108	205	15	9	37
TOTALS	648	1136	396	433	38.12%

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the chapter 3 employee schedules. Employee and approved posts numbers as at 30 June, as per the approved organogram.

MFMA: MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY

Financial Officials						
<i>Accounting officer</i>	1	0	1	1	1	1
<i>Chief financial officer</i>	1	0	1	0	1	0
<i>Senior managers</i>	8	0	8	8	4	8
<i>Any other financial officials</i>	8	0	8	5	0	5
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	0	1	0	0	0
<i>Supply chain management senior managers</i>	2	0	2	0	0	0
TOTAL	21	0	21	14	6	6

LEVELS

DECLARATION: The Municipal Manager/ Chief Executive Officer certifies this to be a true and accurate record of the implementation of the MFMA Municipal regulations on Competency Levels for officials in the municipality and/ or municipal entity for the six month period.

Municipal Manager/CFO name:	Mr. S M Molala	Email:	steve.molala@metsimaholo.gov.za			
Telephone:	016 - 973 8313	Date(ccyy/mm/dd):	2014-06-29			
Mun Code:	FS204	Municipality Name:	Metsimaholo			
Financial Year:	2014/15	Six Month Period:	S2 Jan - June			
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))

COMMENT ON MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS

Capacity building is an ongoing process that requires continuous engagements with stakeholders, improved planning and regular planning and evaluation of progress made. The relevant beneficiaries for the minimum competencies have achieved the desired end results, however the training is also continuous as per the new appointments are made.

Table 122: Vacancy Rate

Vacancy Rate: 2014/15			
Designations	Total approved post No.	Vacancies (Total time that vacancies exist using fulltime equivalents) No.	Vacancies (as proportion of total posts in each category) %
Municipal Manager	1	1	100
CFO	1	1	100
Other S57 Managers (Excluding Finance posts)	3	3	100
Other S57 Managers (Finance Posts)	0	0	0
Police officers	61	38	62
Fire fighters	55	34	61
Senior Management : level 13-15 (excluding Finance Posts)	6	4	66
Senior Management : level 13-15 (finance posts)	29	5	17
Highly skilled supervision : levels 9-12 (excluding Finance Posts)	165	136	82.42
Highly skilled supervision levels 9-12 (finance posts)	33	13	39
TOTAL	354	235	66.38%
Note: for Posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (eg 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T4.1.2			

Table 123: Turnover Rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2012/13	30	29	4%
2013/14	12	18	1.5%
2014/15	174	14	8.05%

** 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*

T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

During Financial Year 2014/15 large number of positions were advertised and filled including critical vacancies. Turnover is mainly as a result of death, dismissal and retirements.

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

Metsimaholo Local Municipality workforce is diverse in terms of culture, race occupational specialisation. The Municipality is developing and putting in place mechanisms and systems including policies to manage the workforce.

T4.2.0

4.2 POLICIES

Table 124: HR Policies and Plans

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action			Same as employment equity policy
2	Attraction and Retention			06/02/2013
3	*Code of Conduct for employees			SALGBC/MCA
4	Delegations, Authorisation & Responsibility			In progress
5	*Disciplinary Code and Procedures			SALGBC
6	*Essential Services			SALGBC
7	Employee Assistance / Wellness			06/02/2013
8	Employment Equity			In progress
9	Exit Management			Same as Attraction and Retention Policy
10	*Grievance Procedures			SALGBC
11	HIV/Aids			06/02/2013
12	Human Resource and Development			Policy reviewed and waiting for Council approval
13	Information Technology			
14	#Job Evaluation			SALGA project
15	Leave			Policy reviewed and waiting for Council approval
16	Occupational Health and Safety			06/02/2013
17	Official Housing			Internal Procedures and Plans
18	Travel and expenditure			Policy reviewed and waiting for Council approval
19	Bereavement			Policy reviewed and waiting for Council approval 06/02/2013
20	*Official Working Hours and Overtime			SALGBC
21	*Organisational Rights			SALGBC
22	Payroll Deductions			BCEA and internal procedures
23	Performance Management and Development			Policy reviewed and waiting for Council approval
24	Recruitment, Selection and Appointments			Policy reviewed and waiting for Council approval 06/02/2013
25	*Remuneration Scales and Allowances			SALGBC

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
26	Relocation Expenditure Policy			Policy reviewed and waiting for Council approval
27	Sexual Harassment			06/02/2013
28	Training and Development			Same as Human Resources Development
29	Smoking			Policy reviewed and waiting for Council approval
30	Special Skills			Same as Retention and Attraction Policy
31	Work Organisation			n/a
32	Uniforms and Protective Clothing			Internal Procedures
	Other:			
33	Dress code			Policy reviewed and waiting for Council approval 06/02/2013
34	Bursary			06/02/2013
35	Career path			06/02/2013
36	Career succession			06/02/2013
37	Conflict of interest			06/02/2013
38	Gifts			06/02/2013
39	HR Strategy			06/02/2013
40	Medical examination			06/02/2013
41	Membership to professional societies			06/02/2013
42	Moonlight			06/02/2013
43	Protected disclosure			06/02/2013
44	Promotion			06/02/2013
45	Racism			06/02/2013
46	Transport/Car allowance			06/02/2013
47	Induction & orientation			Policy reviewed and waiting for Council approval
48	Employees transfer			Policy reviewed and waiting for Council approval
Use name of local policies if different from above and at any other HR policies not listed.				

T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

These are competency of South African Local Government Bargaining Council (SALGBC) to conclude and enforce such agreements.

#SALGA is busy with process of Job Evaluation

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 125: Number and Cost of Injuries on Duty

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	547	29	5.30	18.86	R 357 522.10
Temporary total disablement	0	0	0	0	
Permanent disablement	0	0	0	0	
Fatal	0	0	0	0	
Total					R357 522.10

T 4.3.1

Table 126: Number of Days and Cost of Sick Leave

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)						
Skilled (Levels 3-5)						
Highly skilled production (levels 6-8)						
Highly skilled supervision (levels 9-12)						
Senior management (Levels 13-15)						
MM and S56	33	0	5	6	3.3	R141272.29
Total						

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

T 4.3.2

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

T4.3.3

COMMENT ON INJURY AND SICK LEAVE:

The most prevalent injuries and sick leave is at the Division Cleansing, Technical and Parks. The occurrence of TB at these departments is high. The municipality have contracted the services of Occupational Health Medical Practitioner. All incidents of injuries reported are properly recorded and reported to the Workman Compensation Commissioner.

T4.3.4

Table 127: Number and Period of Suspensions

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
3 x General Workers (SS)	Inciting and participating in unprotected strike	09.07.2014	Disciplinary hearing was held and they were dismissed	22.09.2014
Fire Officer (SS)	Same as above	09.07.2014	Same as above	22.09.2014
Chief Clerk Cash Collection (SS)	Inciting and participating in unprotected strike, assault, intimidation, rude and disrespectful behaviour	09.07.2014	Same as above	22.09.2014
2 x Supervisor DNVL (SS)	Inciting and participating in unprotected strike	09.07.2014	Disciplinary hearing was held and employee was given Final Written Warning	15.09.2014
Care Taker (SS)	Inciting and participating in unprotected strike, assault, intimidation, gross insubordination	09.07.2014	Disciplinary hearing was held and employee was dismissed	22.09.2014
Admin Officer (SS)	Same as above	09.07.2014	Same as above	22.09.2014
General Worker (SS)	Same as above	09.07.2014	Same as above	22.09.2014
General Worker (SS)	Inciting and participating in unprotected strike, gross insubordination	09.07.2014	Same as above	22.09.2014
General Worker (SS)	Inciting and participating in unprotected strike, assault, and intimidation	09.07.2014	Same as above	22.09.2014
Housing Officer	Inciting and participating in unprotected strike, disclosure of confidential information	15.08.2014	Same as above	22.09.2014

Fire Officer	Inciting and participating in unprotected strike, essential services employee	09.07.2014	Same as above	22.09.2014
Supervisor	Participating in unprotected strike and disrespectful behaviour	02.07.2014	Same as above	22.09.2014
General Worker	Participating in unprotected strike and disrespectful behaviour, gross negligent	02.07.2014	Same as above	21.10.2014
Meter Reader	Participating in unprotected strike and disrespectful behaviour	02.07.2014	Same as above	21.10.2014
2 x General Worker	Participating in unprotected strike and disrespectful behaviour	02.07.2014	Same as above	21.10.2014
2 x Clerks	Participating in unprotected strike and disrespectful behaviour	02.07.2014	Same as above	21.10.2014
Language Practitioner	Participating in unprotected strike and disrespectful behaviour	02.07.2014	Same as above	21.10.2014
Traffic Officer	Participating in unprotected strike while essential service employee, assault, intimidation, and negligence	26.09.2014	Same as above	06.11.2014
2 x Cashiers	Dereliction of duties	04.03.2015	Disciplinary hearing, Final Written Warning and suspension of 5 days salary	17.03.2015
Finance Clerk	Fraud and desertion	17.02.2015	Dismissed due to desertion. Fraud case externally reported to SAPS Fraud case internally still pending	25.05.2015 SAPS (still pending) Still pending until finalised
T 4.3.5				

Table 128: Disciplinary Action Taken

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
289 employees	Participating in unprotected strike	dismissed	26.08.2014
17 x Traffic Officers	Participating in unprotected strike	Disciplinary Hearing (Final Written Warning)	27.08.2014
Meter Reader	Insolence, damaging of municipal vehicle, gross dishonesty, gross insubordination, being under the influence of alcohol, participating in unprotected strike	Disciplinary hearing (dismissed)	14.08.2014
Youth Development Officer	Falsification of records	Disciplinary hearing (Final Written Warning)	30.09.2014

Assistant Personnel Officer	Negligence	Disciplinary hearing (Final Written Warning)	18.09.2014
Records Clerk	Insubordination	Disciplinary hearing (written warning)	30.09.2014
Messenger	Desertion	Disciplinary hearing (dismissed)	22.09.2014
Traffic Officer	Insubordination	Disciplinary hearing (charges were withdrawn)	29.09.2014
Housing Officer	Desertion	Disciplinary hearing (Final Written Warning)	13.10.2014
2 x Housing Officer	Desertion	Disciplinary hearing (dismissed)	13.10.2014
Manager	Insubordination	Disciplinary hearing (charges withdrawn)	20.11.2014
Language Practitioner	Disrespect, insolence	Disciplinary hearing (verbal warning)	20.01.2015
Housing Officer	Dishonesty	Disciplinary hearing (written warning)	03.03.2015
Meter Reader	Dishonesty	Disciplinary hearing (written warning)	03.03.2015
ICT Officer	Dishonesty	Disciplinary hearing (written warning)	03.03.2015
Admin Clerk	Absenteeism	Matter was dismissed	02.03.2015
Accountant	Negligence	Disciplinary hearing (written warning)	25.05.2015
Debtors Clerk (Finance)	Negligence	Disciplinary hearing (written warning)	25.05.2015
Meter Reader	Insolent, disrespect and disclosure of confidential information	Disciplinary hearing(Final Written Warning and 10 days salary suspension)	25.05.2015
General Worker	Desertion	Disciplinary hearing (dismissed)	11.05.2015
Personnel Officer	Poor performance	Disciplinary Hearing (demoted)	29.06.2015
Traffic Officer	Intimidation and disrespect	Disciplinary Hearing (Final Written Warning)	29.06.2015
Chief Fire Officer	Poor performance	Disciplinary hearing (transferred)	04.06.2015
Admin Clerk	Dishonesty	Disciplinary hearing (charges were withdrawn due to lack of evidence)	25.06.2015
Heavy Duty Driver	Fighting during working hours and disrespect	Disciplinary hearing (Final Written Warning and 6days salary suspension)	17.06.2015
Accountant	Fraud and theft	Suspension and disciplinary hearing still continues. Was delayed due to investigations	Pending
Assistant Manager Electrical	Corruption and theft	Same as above	Pending
Superintendent Mechanical	Dishonest	Disciplinary hearing still pending.	Pending
Senior Engineering Assistant	Corruption and theft	Same as above	Pending
Manager Electrical and Mechanical	Fraud, corruption and theft	Same as above	Pending

2 x Driver (Social Services)	Malicious damage to municipal vehicle	Same as above	Pending
ICT Officer	Fraud	Investigations still being conducted	Pending
Manager Income	Negligence and insubordination	Disciplinary hearing still being conducted.	Pending
			T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The Legal Department will be reporting all cases of financial misconduct to the SAPS as required by MFMA. Further it should be noted that cases are delaying because the Presiding Officers and Prosecutors are not employees of this municipality therefore work according to their availability and their work schedules of their respective municipalities. It should also be noted that SAPS takes long to investigate the matter and does not give any progress report on matters reported.

During the investigations especially in regard to financial misconducts it has been noted that the institution does not have any systems in place in order to manage corruption especially in Finance and Technical Department whereby it was found that there is no control, monitoring and supervision of employees.

T4.3.7

4.4 PERFORMANCE REWARDS

No performance rewards were paid to any employee during the 2014/15 financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

The departments were consulted to identify learning interventions that will uplift the skills, knowledge and competencies of the staff in order to increase level of services we render and increase the set of skills that are required to achieve the overall municipal objectives.

Our value statement as the municipality we ensure that the services that are rendered to the community are of good integrity, commitment, transparency and professionalism is always upholder at its best. One of the value statement of the municipality is to accelerate professionalism. Professionalism is encouraged to uphold good set of excellent standards on every details within our scope of employment through the achievement of acquiring the right skills and competencies.

Various learning programmes as identified within the municipal workplace skills plan that falls in the financial year 2014/2015 we implemented efficiently through short courses, skills programmes, learnerships, internships, apprenticeship and on the job training methods such as Fire and Rescue learnership, Financial Management Internship, Municipal Financial Management Programme, Environmental Practices, Electrical Engineering Distribution learnership.

In the briefing by the Department of Higher Education and Training (DHET) to the Higher Education and Training Portfolio Committee on 2 July 2014, the Committee Researcher, Mr L Komle, alluded to the sentiments of the Minister of Higher Education and Training, Dr Blade Nzimande with regard to prioritizing artisanship. The municipality answered the call and applied for the grants from Local Government Sector Education and Training Authorities to implement Welding and Electrical apprenticeship for both employee and unemployed participants for duration of 3 years and 02 years respectively. The program is running effectively.

The alignment of education to the labour market remains essential to skills development. The office of Free State Premier, Department of Higher Education and Training together with Local Government Sector Education and Training has pledged its commitment to support the process of assisting the graduates from the Technical and Vocational Educational and Training by providing the discretionary grants funding to the amount of R 1 500.00 per learner per month as agreed by Department of Higher Education and Training as a standard grant allowance for workplace integrated learning. The

municipality has placed 25 graduates for the following fields: Marketing, Human Resources Management, Administration Management and Electrical Engineering Services.

Municipality each year awards the employees with financial assistance twice a year to assist employees to further their educational level and better their livelihood. We have employees who achieved their National Diplomas, Degrees, Masters and Doctorates through this funding project.

SA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

T4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Table 130: Skills Matrix

Skills Matrix														
Number of skilled employees required and actual as at 30 June 2015 Learnerships Actual: End of 2013/14	Gender Skills programmes & other short courses Actual: End of 2013/14	Employees in post as at 30 June Year 2015 Other forms of training 2014/15 Target	Number of skilled employees required and actual as at 30 June 2014											
			Total			Skills programmes & other short courses			Other forms of training			Total		
			Actual: End of 2013/14	Actual: End of 2014/15	2014/15 Target	Actual: End of 2013/14	Actual: End of 2014/15	2014/15 Target	Actual: End of 2013/14	Actual: End of 2014/15	2014/15 Target	Actual: End of 2013/14	Actual: End of 2014/15	2014/15 Target
MM and s57	Female	2	2	1	1	2	1	1	0	0	0	2	1	1
	Male	4	2	2	3	2	2	3	0	0	0	2	2	3
Councillors, senior officials and managers	Female	24	6	10	4	6	10	4	0	0	0	6	10	4
	Male	58	11	18	7	11	18	7	0	0	0	11	18	7
Technicians and trade workers	Female	9	1	2	3	1	2	3	0	0	0	1	2	3
	Male	59	19	4	42	19	4	42	0	0	0	19	4	42
Professionals and associate professionals*	Female	22	2	8	7	2	8	7	0	0	0	2	8	7
	Male	18	2	8	5	2	8	5	0	0	0	2	8	5
Sub total	Female	57	11	21	15	11	21	15	0	0	0	11	21	15
	Male	39	34	32	57	34	32	57	0	0	0	34	32	57
Total		196	45	53	72	45	53	72	0	0	0	45	53	72

*Registered with professional Associate Body e.g A (SA)7

T 4.5.1

Table 129: Financial Competency Development

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
<i>Chief financial officer</i>	1	0	1	1	1	1
<i>Senior managers</i>	8	0	8	8	4	8
<i>Any other financial officials</i>	12	0	12	8	0	8
Supply Chain Management Officials						
<i>Heads of SCM unit</i>	1	0	1	0	0	0
<i>SCM senior managers</i>	0	0	0	0	0	0
TOTAL	23	0	23	18	06	18

* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T 4.5.2

Table 130: Skills Development Expenditure

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 2014/15							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	2	0	0	30 000		0	0	30 000	0
	Male	4	0	0	80 000	71 725	0	0	80 000	71 725
Legislators, senior officials and managers	Female	24	0	0	140 000	0	0	0	140 000	0
	Male	58	0	0	100 000	33 485	0	0	100 000	33 485
Professionals	Female	22	0	0	80 000	73 100	0	0	80 000	73 100
	Male	18	0	0	211 600	233 634	0	0	211 600	233 634
Technicians and associate professionals	Female	9	32 000	0	50 000	23 085	0	0	50 000	23 085
	Male	59	48 000	0	100 000	92 243	46 500	18 750	146 500	110 993
Clerks	Female	60	160 000	0	90 000	85 032	0	0	90 000	85 032
	Male	40	80 000	0	40 000	13 599	0	0	40 000	13 599
Service and sales workers	Female	26	0	0	40 000	944	0	0	40 000	944
	Male	33	0	0	80 000	11 120	0	0	80 000	11 120
Plant and machine operators and assemblers	Female	4	64 000	0	20 000	0	0	0	20 000	0
	Male	79	160 000	0	50 000	0	0	0	50 000	0
Elementary occupations	Female	77	0	0	70 000	44 748	300 000	97 823	370 000	142 580
	Male	315	0	0	100 000	94 532	1 200 000	469 046	1 300 000	563 578
Sub total	Female	224	0	0	520 000	226 909	300 000	97 823	820 000	342 732
	Male	606		0	761 600	550 338	1 246 500	487 796	2 008 100	1 038 134
Total		830			1 281 600	777 247	1 546 500	585 619	2 828 100	1 362 866
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									0,63%*	1 281 600

T4.5.3

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

Workforce training and development learning interventions were implemented satisfactory as planned. The municipality managed to send employees to participate on various learning interventions to up skill the current knowledge and competencies of staff through various methods such as skills programmes, short course, learnerships and apprenticeship. Learning also extended to the unemployed community through participation in internships, learnerships and Work Integrated Learning programmes.

Local Government Sector and Education Authorities disbursed grants to effect the implementation of planned learning interventions as per the municipal workplace skills plan. The other government institutions such as National Treasury, Department of Premier's Office (FS), Department of Higher Education and Training played a vital role in ensuring the success of learning culture is practiced.

Capacity building is an ongoing process that requires continuous engagements with stakeholders, improved planning and regular planning and evaluation of progress made. The relevant beneficiaries for the minimum competencies have achieved the desired end results, however the training is also continuous as per the new appointments are made.

A number of programmes are in place to assist the employees and the municipality and all initiative programmes are aimed to at building capacity for acceleration of knowledge and competencies.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality is under constant pressure to ensure that the workforce expenditure is managed within the approved budget and National Treasury benchmarks. Where feasible vacancies, which arise from turnover, is filled based on an assessment of the continued need for the post and operational requirements

T4.6.0

4.6 EMPLOYEE EXPENDITURE

Source: MBRR SA22

T 4.6.1

COMMENT ON WORKFORCE EXPENDITURE:

T4.6.1.1

Table 131: Number of Employees whose Salaries were increased

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	
	Male	
Highly skilled production (Levels 6-8)	Female	1
	Male	
Highly skilled supervision (Levels9-12)	Female	
	Male	
Senior management (Levels13-16)	Female	
	Male	
MM and S 56	Female	
	Male	
Total		

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).

T 4.6.2

Table 132: Employees whose Salary Levels Exceed Grading

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				
T 4.6.3				

Table 133: Employees Appointed to Posts not Approved

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None				
T 4.6.4				

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

N/A

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix J**.

T4.6.6

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

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

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

Table 134: Statement of Financial Performance

Description	2014/15											2013/14			
	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	Un-authorised expenditure	Variance%	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported un-authorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	102 114	8 900	111 014	-7 800		103 214	111 299		8	108	109				
Service charges	558 951	-3 000	555 951	-23 957		531 994	486 640		-9	91	87				
Investment revenue	2 400	-1 100	1 300			1 300	2 167		67	167	90				
Transfers recognised - operational	118 259	-311	117 948			117 948	112 034		-5	95	95				
Other own revenue	47 262	-2 514	44 748			44 748	64 335		44	144	136				
Total Revenue (excluding capital transfers and contributions)	828 986	1 975	830 961	-31 757		799 204	776 475								
Employee costs	207 771	17 904	-18 986			-196 010	-75 080		-3	97	94				
Remuneration of councillors	-14 685		-14 685			-14 685	-14 410		-11	89	84				
Debt impairment	-64 300		-64 300			-64 300	-114 846		-2	98	98				
Depreciation & asset impairment	-62 640	12 419	-50 211			-50 221	-38 692		79	179	179				
Finance charges	-3 034	2 260	-774			3 861	-4 602		-23	77	62				
									19	119	152				

Materials and bulk purchases	-349 236	3 455	-345 781			-317 900	-279 220		-12	88	80			
Transfers and grants	-40 389	8 632	-31 757	31 757										
Other expenditure	-126 450	-55 276	-181 726			-200 977	-188 086		-6	94	149			
Total Expenditure	-868 505	-10 606	-879 111	-31757		-847 954	-814 936		-4	96	94			
Surplus/(Deficit)	-39 519	-8 631	-48 150			-48 750	-38 461		-21	79	97			
Transfers recognised - capital	60 731	-9 689	51 042			51 042	190 784		274	374	314			
Contributions recognised - capital & contributed assets			-			-								
Surplus/(Deficit) after capital transfers & contributions	21 211	-18 320	2 892			2 292	152 323		6 546	6 646	718			
Share of surplus/ (deficit) of associate														
Surplus/(Deficit) for the year	21 211	-18 320	2 892			2 292	152 323		6 546	6 646	718			
Capital expenditure & funds sources														
Capital expenditure														
Transfers recognised - capital	75 731	-9 689	66 042			66 042	184 0864		189	289	252			
Public contributions & donations	-	-												
Borrowing	45 400	-38 400	7 000			7 000			-100					
Internally generated funds	15 730	-10 507	5 223			5 223	4 181		-20	80	27			
Total sources of capital funds	136 861	-58 596	78 265			78 265	188 267		149	249	142			
Cash flows														
Net cash from (used) operating	124 538	-42 914	81 624			81 624	44 755		-45	55	36			
Net cash from (used) investing	-131 861	58 596	-73 265			-73 265	-43 619		-40	60	33			

Net cash from (used) financing	39 381	-34 700	4 681			4 681	1 070		-77	23	3				
Cash/cash equivalents at the year end	1 917	37 252	39 169			39 169	26 195		-33	67	1366				
T 5.1.1															

Unauthorised expenditure are disclose per vote (department).

Irregular expenditure are done per classification of irregular expenditure

Table 135: Financial Performance of Operational Services

Financial Performance of Operational Services						
R '000						
Description	2013/14	2014/15		2014/15 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget %	Adjustments Budget %
Operating Cost						
Water	33 770	122 406	105 024	73 829	-66	-42
Waste Water (Sanitation)	(11 932)	6 702	16 776	-15 043	145	212
Electricity	32 381	26 185	-22199	-4 386	697	-406
Waste Management	(1 313)	127	4 230	6 861	98	38
Housing	(5 356)	-2 097	-2 209	124 057	102	102
Component A: sub-total	(59 838)	153 323	101 622	185 318	17	45
Storm water Drainage						
Roads	6 164	-51 870	-29 949	1 620	3 302	1 949
Transport						
Component B: sub-total	6 164	-51 870	-29 949	1 620	3 302	1 949
Planning	(2 829)	-4 343	-4 385	-3 363	-29	-30
Local Economic Development	(1 253)	-3 595	-3 571	-2 089	-72	-71
Component B: sub-total	(4 082)	-7 938	-7 956	-5 452	-46	-46

Planning (Strategic & Regulatory)						
Local Economic Development						
Component C: sub-total						
Community & Social Services	17 667	-24 086	-22 846	-21 254	-13	-7
Environmental Protection						
Health						
Security and Safety	(5 728)	-20 665	-18 102	2 803	837	746
Sport and Recreation	(26 732)	3 378	-7 530	-5 398	163	-39
Corporate Policy Offices and Other		-30 932	-12 346	-5 315	-482	-132
Component D: sub-total	97 288	-72 305	-60 824	-29 164	-148	-109
Total Expenditure	39 532	21 210	2 893	152 322	86	98

In this table operational income 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.

T 5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

The net surplus for the year totalled R152.3 million. The net loss situation in respect of waste water (sanitation) and refuse remains a challenge and will be addressed going forward. The housing department returned a loss for the year as income for the housing section is limited. Income from Planning and LED is also very limited. The same applies for security and safety and also sport and recreation.

The municipality experienced a long and protracted strike by SAMWU members during the year. This resulted in unforeseen expenditure, which in turn had a negative impact on the cash flow of the municipality.

It has been a challenging year with the effects of the strike action and the additional financial burden as a result thereof. Annual tariff increases has also become a problem as regards affordability, which has seen the debt impairment increase by R30m over the previous year.

Revenue from service charges, property rates and government grants and subsidies remain the major sources of income for the municipality accounting for 93% of total revenue.

Bulk purchases, employee related costs (including councillor remuneration) and Debt impairment accounts for 71% of total expenditure.

T5.1.3

5.2 GRANTS**Table 136: Grant Performance**

Grant Performance							R' 000
Description	2013/14	2014/15		2014/15 Variance			
	Actual	Budget	Adjustment s Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	105 997	113 293	113 292	112 770	0	0	
Equitable share	101 698	107 542	107 542	107 542	0	0	
Municipal Systems Improvement	890	934	934	934	0	0	
Department of Water Affairs Finance Management grant	1 550	1 600	1 600	1 600	0	0	
MIG	1 493	2 108	2 107	1 585	-33	-33	
EPWP	366	1 109	1 109	1 109			

Provincial Government:	667	1 666	1 109	1 666		-33
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Library	667	1 666	1 666	1 666	0	0
District Municipality:						
<i>[insert description]</i>						
Other grant providers:	0					
					0	0
Total Operating Transfers and Grants	106 664	114 959	114 401	114 436	0	0

Variiances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.

T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.

T5.2.2

Table 137: Grants Received from Other Sources

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2012/13	Actual Grant 2013/14	2013/14 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Foreign Governments/Development Aid Agencies						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						

B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<i>Provide a comprehensive response to this schedule</i>						<i>T 5.2.3</i>

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

T5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The organogram provides for an asset management unit. However, no appointments were made yet. An approved asset management policy and procedures are in place. The municipality's asset register is GRAP compliant.

T5.3.1

Table 138: Treatment of three largest asset

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2014/15				
Asset 1				
Name :	Augmentation of Bulk water supply			
Description:	Water network			
Asset Type:	Infrastructure water			
Key Staff Involved:	PMU Staff			
Staff Responsibilities:	Monitoring of project			
Asset Value: R46 695 476	2011/12	2012/13	2013/14	2014/15
	13 510 531	20 712 469	5 272 727	
Capital Implications:	MIG Funding			
Future Purpose of Asset:	Water supply			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name:	Amelia Sanitation Phase 3			

Description:	Sewer network and pump stations			
Asset Type:	Infrastructure sewer			
Key Staff Involved:	PMU Staff			
Staff Responsibilities:	Monitoring of project			
	2011/12	2012/13	2013/14	2014/15
Asset Value: R40 661 832.48	8 252 006	24 266 105	6 504 618	
Capital Implications:	MIG Funding			
Future Purpose of Asset:	outfall sewer			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name:	Construction of new interlocking paved road and storm water for 7.4km			
Description:	Roads and storm water channel			
Asset Type:	Infrastructure Roads			
Key Staff Involved:	PMU Staff			
Staff Responsibilities;	Monitoring of project			
	2011/12	2012/13	2013/14	2014/15
Asset Value: R41 864 058	9 823 390	10 042 419. 90	3 029 124.25	
Capital Implications:	MIG			
Future Purpose of Asset:	Roads			
Describe Key Issues				
Policies in Place to Manage Asset				
<i>T 5.3.2</i>				

COMMENT ON ASSET MANAGEMENT:

Financial Services coordinates and updates the assets register of the entire municipality. The department is to be capacitated so that all moveable assets can be controlled and verified in-house.

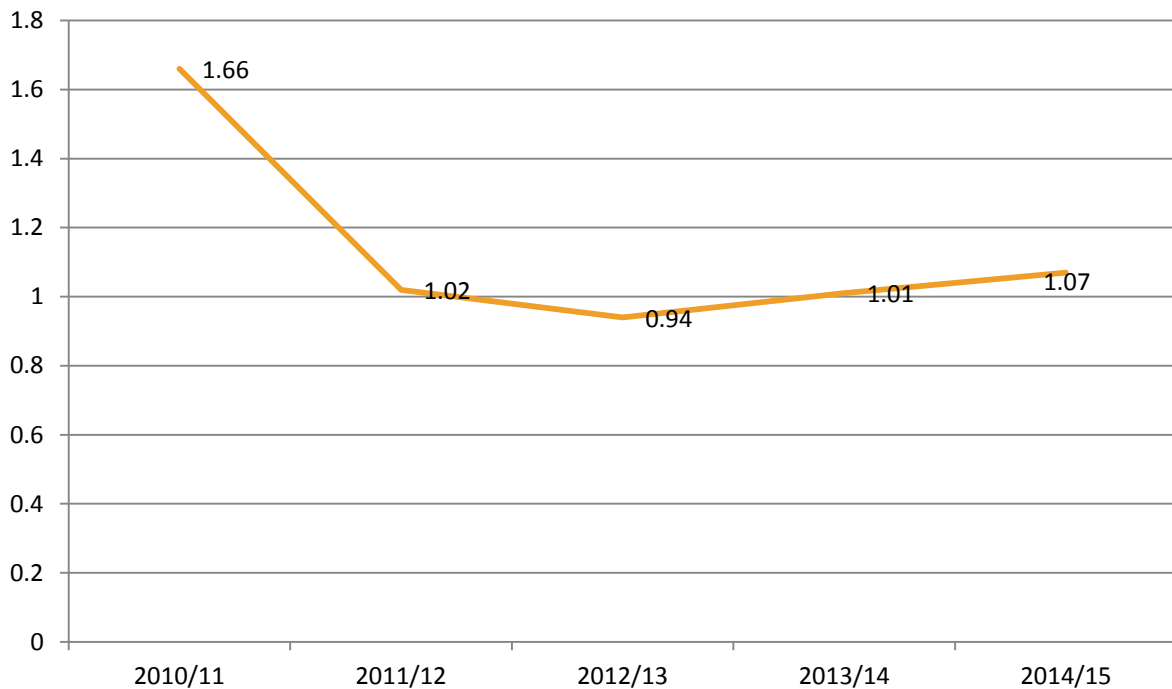
T5.3.3

Repair and Maintenance Expenditure: 2014/15				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	79 733	72 369	59 124	-224 021
<i>T 5.3.4</i>				

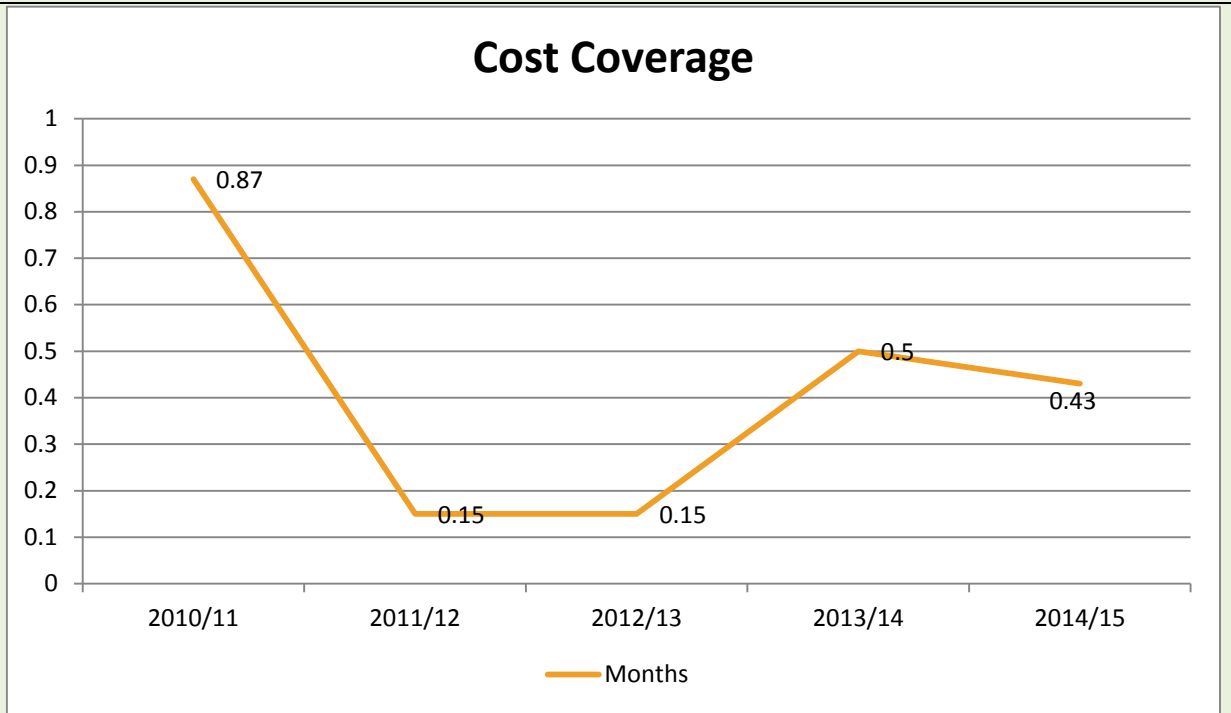
Table 139: Repairs and Maintenance Expenditure**COMMENT ON REPAIR AND MAINTENANCE**

Council allocates a percentage of the budgeted expenditure for repairs and maintenance (excluding the labour component which is reported under personnel cost). This is not sufficient due to the huge maintenance backlogs. It is also not possible to increase the allocation due to cash flow constraints. The actual expenditure on repairs and maintenance increased from R15m to R25m this year. As a percentage of total expenditure it is 3,0% (2014 – 2,1%)

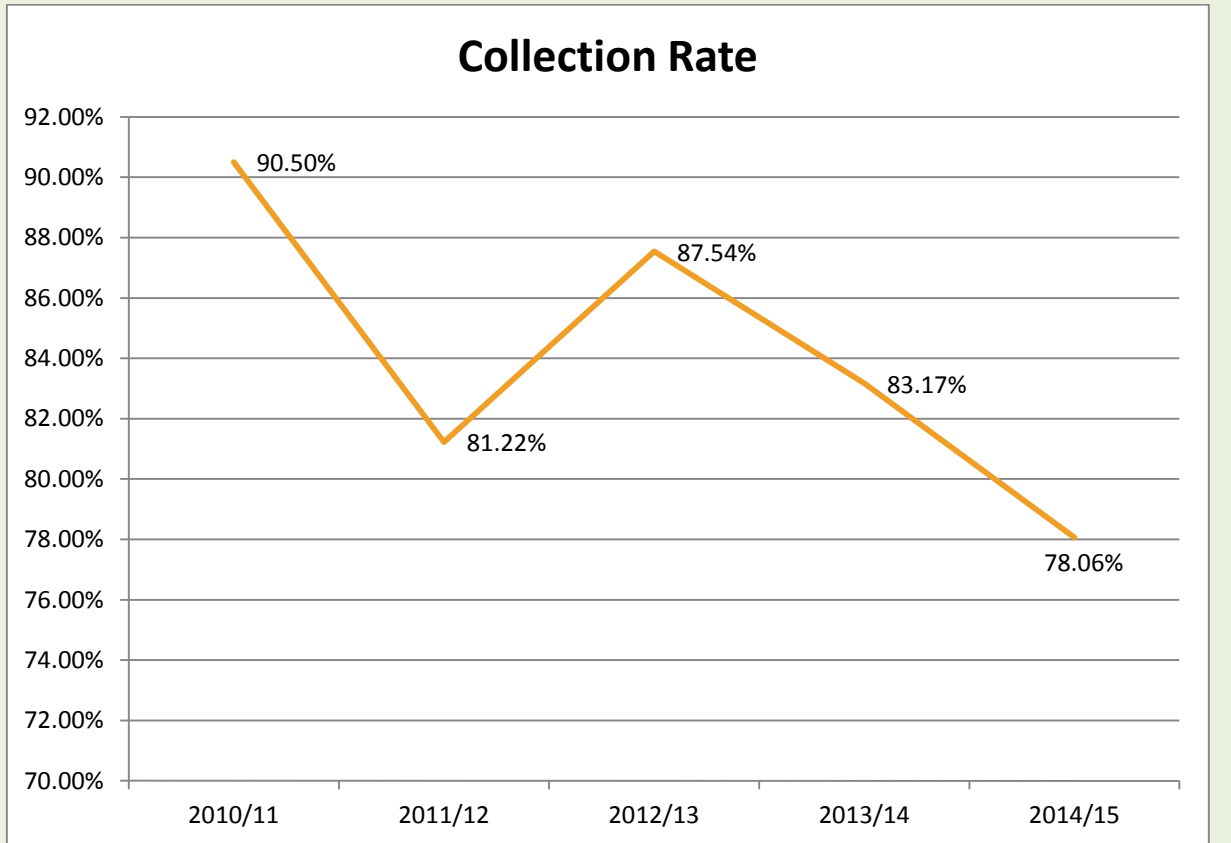
T5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS**Liquidity Ratios (current ratio)**

T5.4.1

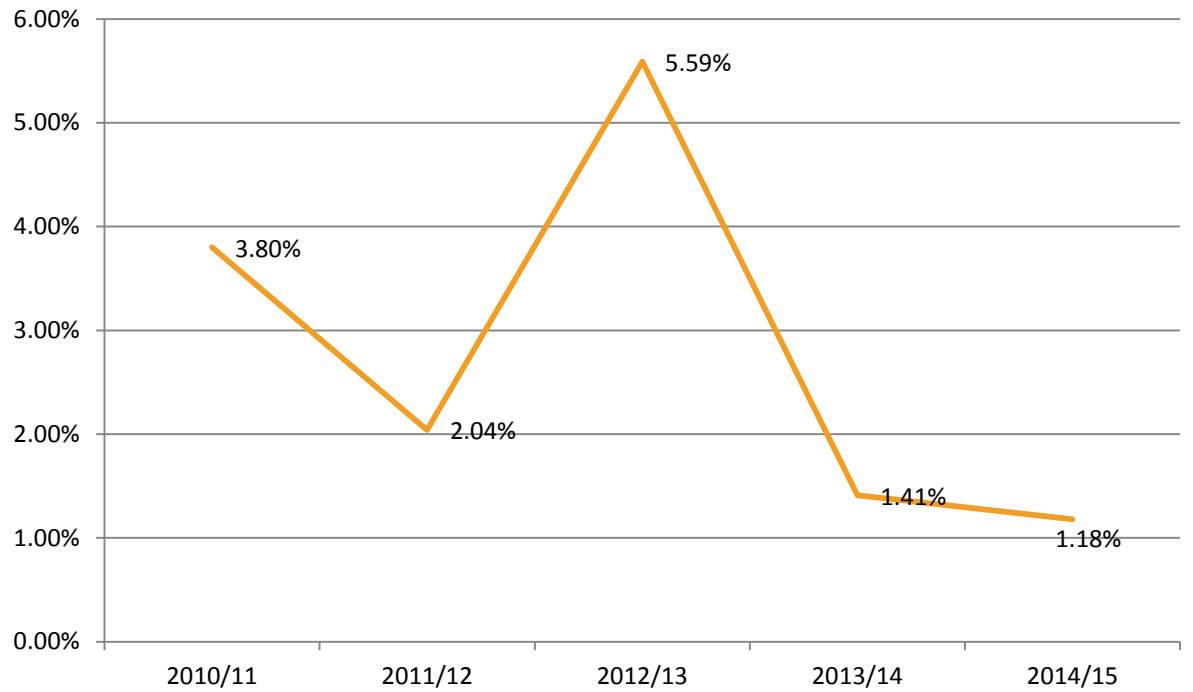


T5.4.2



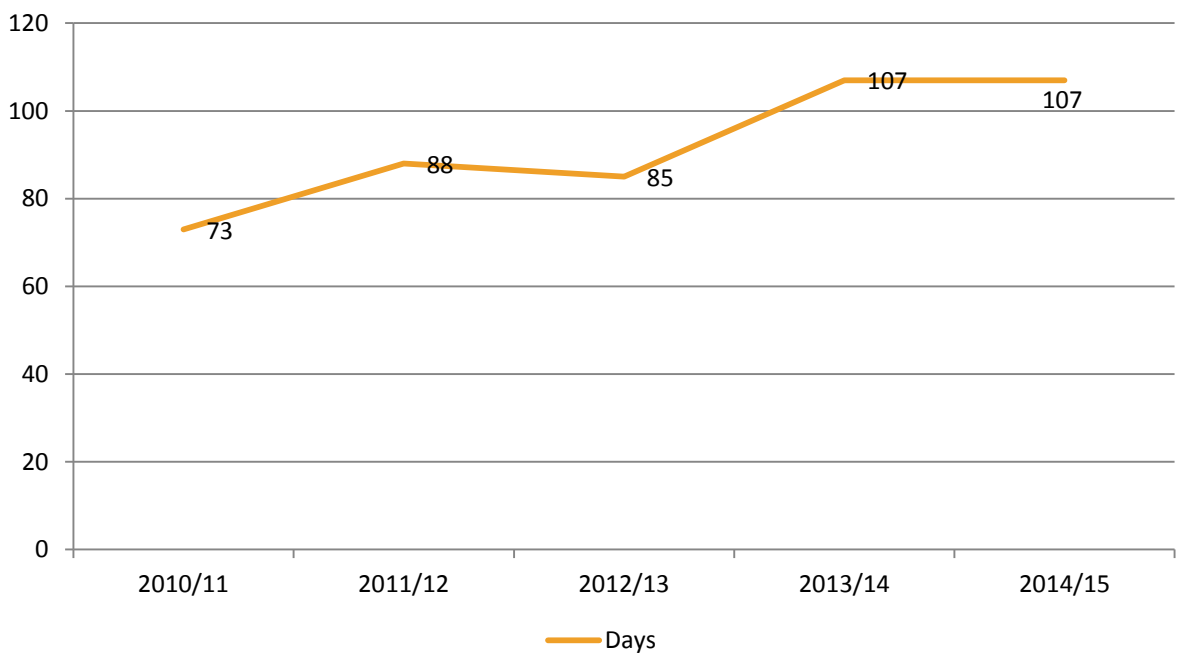
T5.4.3

Debt Coverage (Borrowings)

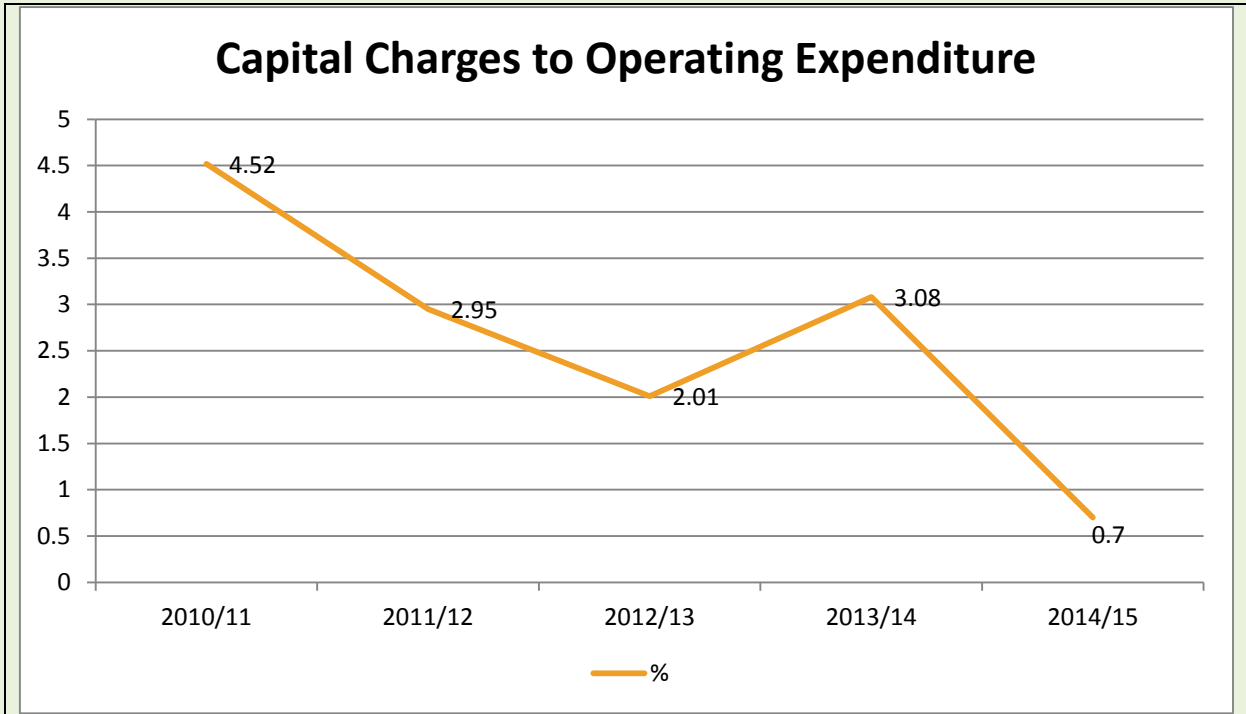


T5.4.4

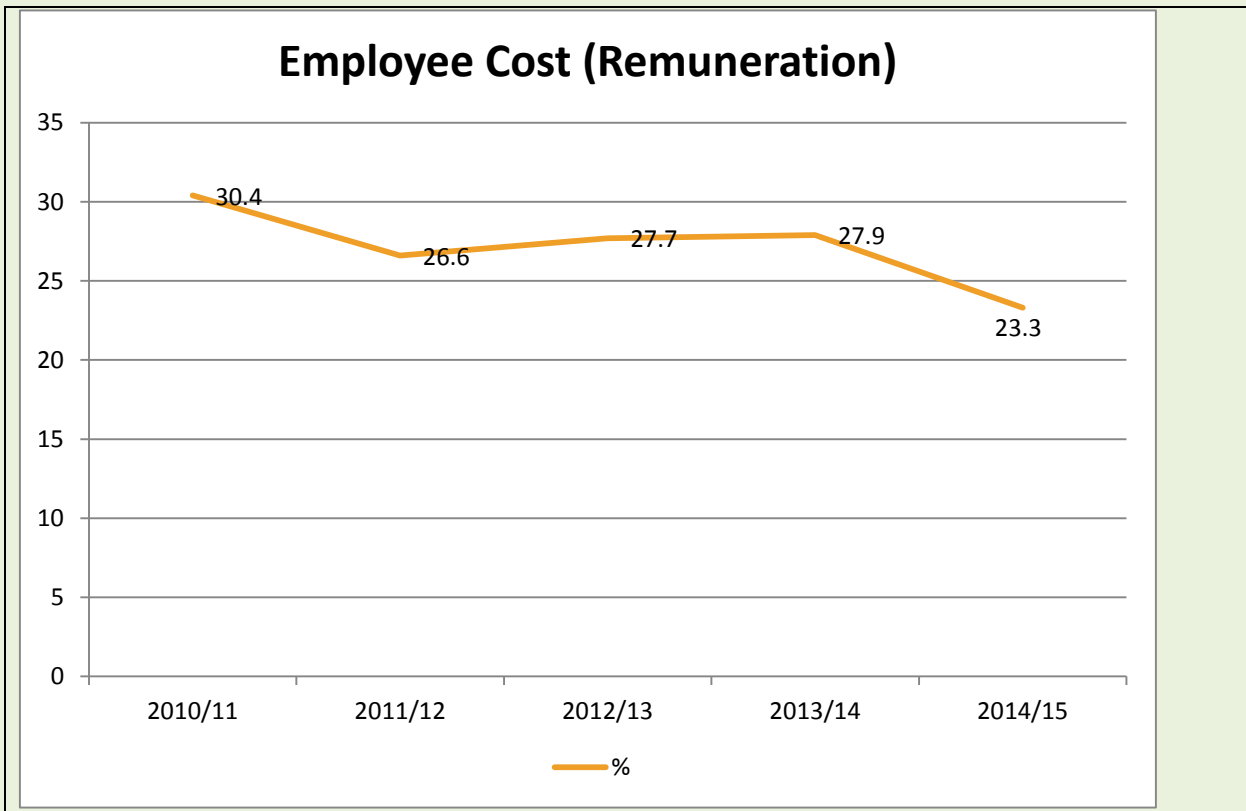
Creditors System Efficiency



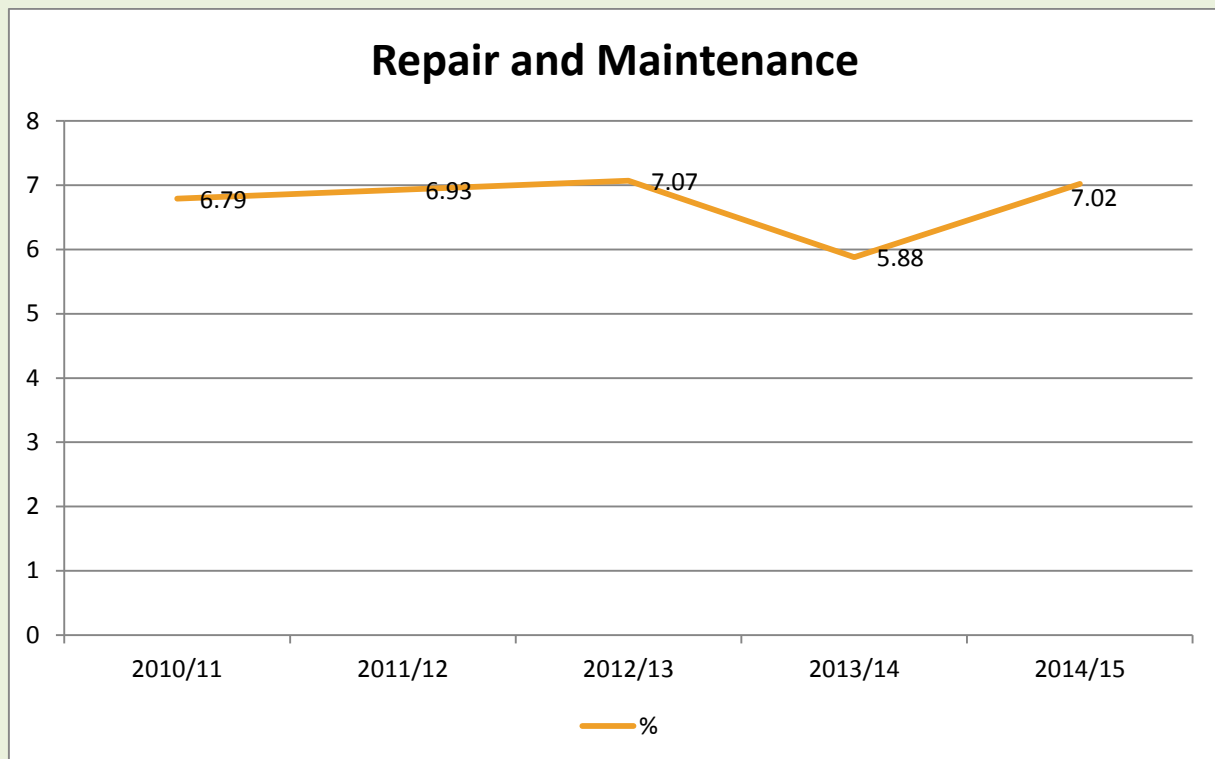
T5.4.5



T5.4.6



T5.4.7



T5.4.8

COMMENT ON FINANCIAL RATIOS:

The liquidity ratio is used to assess the Municipality's ability to pay back its short term liabilities with its short term assets. The norm ranges between 1.5:1 and 2.0:1. The ratio for 2014/15 is 1.07:1, which is an improvement on the previous year.

The cost coverage ratio indicates the Municipality's ability to meet at least its monthly operating Commitments from cash and short term investments without collecting any additional revenue. The norm is between 1 and 3 months. The cash and short term investments do not cover 1 month.

The collection rate decrease slightly from 83.17% in 2013/14 to 78.06% in 2014/15.

The norm for debt (borrowings) in relation to total operating revenue is up to 45%. The ratio for 2014/15 is 1.18% as no new borrowings was taken up in 2014/15 financial year.

The creditors' payment period (creditors' system efficiency) is 107 days. This a direct result of the cash position of the municipality. The norm is 30 days.

The norm for capital cost in relation to operating expenditure is between 6% and 8%. The ratio for 2014/15 financial year is 0.7%

Remuneration (employees and councillors) as a percentage of total operating expenditure should be between 25% and 40%. The remuneration is 23.3% of total operating expenditure for 2014/15 and is below the norm.

Repair and maintenance (including salaries) as a percentage of property, plant and equipment and investment property, at carrying value, is calculated to ensure that repairs and maintenance is at adequate levels to prevent breakdowns and interruptions to service delivery. Repairs and maintenance (including salaries) is 7.02% of property, plant and equipment and investment property, at carrying value. The norm is 8.0%. this is an improvement from the previous year.

Ratios calculation in accordance by Circular 72 issued by National Treasury and the circular is available on National Treasury's website.

T5.4.9

A. Asset Management/Utilisation

			2014/2015	2013/2014
1	Capital Expenditure to Total Expenditure	10% - 20%	19%	10%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%	0%	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%	2%	1%

B. Debtors Management

1	Collection Rate	95%	78%	90%
2	Bad Debts Written-off as % of Provision for Bad Debt	100%	3%	14%

3	Net Debtors Days	30 days	96 days	88 days
---	------------------	---------	---------	---------

C. Liquidity Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	0 Month	0 Month
---	---	--------------	---------	---------

2	Current Ratio	1.5 - 2:1	1.07	1.01
---	---------------	-----------	------	------

D. Liability Management

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	6% - 8%	1%	3%
---	--	---------	----	----

2	Debt (Total Borrowings) / Revenue	45%	1%	1%
---	-----------------------------------	-----	----	----

E. Sustainability

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	100%	-575%	-789%
---	--	------	-------	-------

2. FINANCIAL PERFORMANCE

A. Efficiency

1	Net Operating Surplus Margin	= or > 0%	16%	6%
---	------------------------------	--------------	-----	----

2	Net Surplus /Deficit Electricity	0% - 15%	-2%	13%
---	----------------------------------	-------------	-----	-----

3	Net Surplus /Deficit Water	= or > 0%	25%	15%
---	----------------------------	--------------	-----	-----

4	Net Surplus /Deficit Refuse	= or > 0%	17%	-3%
---	-----------------------------	--------------	-----	-----

5	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%	-48%	-33%
---	---	--------------	------	------

B. Distribution Losses

1	Electricity Distribution Losses (Percentage)	7% - 10%	8%	11%
---	--	-------------	----	-----

2	Water Distribution Losses (Percentage)	15% - 30%	29%	5%
---	--	--------------	-----	----

C. Revenue Management

1	Growth in Number of Active Consumer Accounts	None	0%	1%
---	--	------	----	----

2	Revenue Growth (%)	= CPI	29%	14%
---	--------------------	-------	-----	-----

3	Revenue Growth (%) - Excluding capital grants	= CPI	18%	13%
---	---	-------	-----	-----

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	30 days	107 days	107 days
---	--	---------	----------	----------

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%	16%	48%
---	--	----	-----	-----

3	Remuneration as % of Total Operating Expenditure	25% - 40%	23%	29%
---	--	-----------	-----	-----

4	Contracted Services % of Total Operating Expenditure	2% - 5%	10%	3%
---	--	---------	-----	----

E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	None	2%	16%
---	---	------	----	-----

2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	None	2%	16%
---	--	------	----	-----

3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	None	85%	83%
---	---	------	-----	-----

3. BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	95% - 100%	104%	64%
---	---	------------	------	-----

2	Operating Expenditure Budget Implementation Indicator	95% - 100%	93%	94%
---	---	------------	-----	-----

3	Operating Revenue Budget Implementation Indicator	95% - 100%	110%	93%
---	---	------------	------	-----

4	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%	101%	93%
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COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

T5.5.1

5.6 SOURCES OF FINANCE

Table 140: Capital Expenditure – Funding Sources

Capital Expenditure - Funding Sources: 2013/14 TO 2014/15

R' 000						
Details	2013/14	2014/15				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	0	45 400	7 000	0	100	100
Public contributions and donations						
Grants and subsidies	67 809	75 731	66 042	184 086	59	64
Other	3 101	15 730	5 223	6 222	-153	16
Total	70 910	136 861	78 265	190 308	28	59
<i>Percentage of finance</i>						
External loans	0					
Public contributions and donations						
Grants and subsidies	95.6	55	84	97		
Other	4.4	11	7	3		
Capital expenditure						
Water and sanitation	41 415	43 869	44 323	37 686	-16	-18
Electricity	23 873	17 200	10 330	7 037	144	-47
Housing				137 820	100	100
Roads and storm water	1 309	38 700	7 000	2 461	-1 473	-184
Other	4 313	37 092	16 612	5 304	-599	-213
Total	70 910	136 861	78 265	190 308	28	59
<i>Percentage of expenditure</i>						
Water and sanitation	58	32	57	20		
Electricity	34	13	13	4		
Housing	0	0	0	72		
Roads and storm water	2	28	9	4		
Other	6	27	21	100		

COMMENT ON SOURCES OF FUNDING:

Capital projects are mainly funded from grants. The liquidity of the municipality indicated that the capital from own funding is very limited. The municipality relies on grant funds (especially MIG) for capital projects.

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Table 141: Capital Expenditure on 5 Largest Projects Technical Dept.

Capital Expenditure of 5 largest projects*					
Name of Project	Current: 2014/15			Variance: 2014/15	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
	R' 000				
Augmentation of Bulk water supply					
Amelia Sanitation Phase 3					
Gortin : Construction of 7,4km new interlocking paved roads and storm water drainages					
Gortin Sanitation Phase 4					
Electrical Bulk Supply Substation					
<i>* Projects with the highest capital expenditure in Year 0</i>					
Name of Project - A					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - E					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
					T 5.7.1

COMMENT ON CAPITAL PROJECTS:

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS– OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

T5.8.1

Table 142: Service Backlogs

Service Backlogs as at 30 June Year 0				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water				
Sanitation				
Electricity				
Waste management				
Housing				

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

T 5.8.2

Table 143: MIG Expenditure

Municipal Infrastructure Grant (MIG)* Expenditure 2014/15on 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						
<i>Roads, Pavements & Bridges</i>	-	-				
<i>Storm water</i>	-	-				
Infrastructure – Electricity						
<i>Generation</i>	-	-				
<i>Transmission & Reticulation</i>	-	-				
<i>Street Lighting</i>	-	-				

Infrastructure – Water					
Dams & Reservoirs	-	-			
Water purification	-	-			
Reticulation	-	-			
Infrastructure – Sanitation					
Reticulation	-	-			
Sewerage purification	27 389	-			
Infrastructure – Other					
Waste Management	-	-			
Transportation					
Gas					
Other Specify:					
Sports	12 643	40 032			
Total	40 032	40 032			

* 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.

T 5.8.3

COMMENT ON BACKLOGS:

T5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

T5.9

5.9 CASH FLOW

Table 144: Cash Flow Outcomes

Cash Flow Outcomes				
Description	R'000			
	2013/14	2014/15		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	453 109	822 508	799 363	482 103
Government - operating	105 275	19 140	15 070	112 034
Government - capital	83 124			64754
Interest	10 210			13056
Payments				
Suppliers and employees	(513 179)	-664 687	-700 279	-622 581
Finance charges	(2 648)	-3 034	-773	-4 602
Transfers and Grants	(32 193)	-40 389	-31 757	0
NET CASH FROM/(USED) OPERATING ACTIVITIES	103 698			
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE		5 000	5 000	475
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	(2 344)			
Payments				
Capital assets	(70 910)	136 861	78 265	-52 488
NET CASH FROM/(USED) INVESTING ACTIVITIES	(73 254)			
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans		400		
Borrowing long term/refinancing		45 000	7 000	
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(13 499)	-6 019	-2 319	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(13 499)	369 381	4 681	

NET INCREASE/ (DECREASE) IN CASH HELD	16 945	32 058	13 040
Cash/cash equivalents at the year begin:	9 184	30 141	26 129
Cash/cash equivalents at the year-end:	26 129	1 917	39 169
<p>Source: MBRR A7 The layout in this template requires amounts to be grouped/ classified differently to the groupings/classifications in the annual financial statements. The totals for the different cash inflows and outflows agree to the annual financial statements.</p>			
			T 5.9.1

COMMENT ON CASH FLOW OUTCOMES:

The cash and cash equivalents at year end remained at R26 million.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Borrowings as at the end of the financial year stood at R6.7 million.

No new borrowings were taken up in the current financial year.

Investments at year end totalled R17.2 million

T5.10.1

Table 145: Actual Borrowings

Actual Borrowings: 2012/13 to 2014/15			
	R' 000		
Instrument	2012/13	2013/14	2014/15
Municipality			
Long-Term Loans (annuity/reducing balance)	9 000	8 017	6 947
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	12 517	0	0
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			

Financial derivatives			
Other Securities			
Municipality Total	21 517	8 017	6 947
			<i>T 5.10.2</i>

	<i>T5.10.3</i>
--	----------------

Table 146: Municipal Investments

Municipal Investments			
			R' 000
Investment* type	2012/13	2013/14	2014/15
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank	433	9 302	12 908
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	10 120	20 205	4 310
Municipality Total	10 553	29 507	17 218
			<i>T 5.10.4</i>

COMMENT ON BORROWING AND INVESTMENTS:
No new borrowings were taken up during the year.
The amount invested includes unspent grants totaling R1.5m
<i>T5.10.5</i>

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The municipality did not enter into any PPP during the financial year under review

T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The SCM policy was last updated in 2012 and is in the process of being reviewed and updated.

SCM procedures have also been introduced and/or redesigned. Business Process Reengineering is to be undertaken as soon as the department is adequately capacitated..

Two SCM officials completed the MFMP course during the year and met the minimum competency requirements as required by MFMA Competency Regulation Guidelines.

One SCM official is still undergoing training and was enrolled in April 2015. Training will be completed in the 2016 year.

Two of the Finance Interns currently working in SCM were enrolled in October 2014, and have completed the training and are awaiting their results. These interns are not permanently placed in SCM they will be rotating within the Finance Directorate.

The AG also raised the issue of training. This has been scheduled for 2016. The AG has also made a commitment to provide guidance on certain of their more significant findings, for example the findings on irregular expenditure, document management and internal controls. This will be addressed in the 2016 financial year.

The supply chain manager was appointed at the beginning of the 2016 financial year (appointed in July 2015)

Please take note of comments made in Chapter 2, under section 2.8.as well.

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The Municipality is fully compliant with all GRAP standards that are currently applicable, and has not deviated from GRAP

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 section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

The 2014/15 Annual Financial Statements to be submitted to the Auditor-General on 31 August 2015 as required by the MFMA. The financial statements are included under Volume II of this Annual Report.

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2013/14

6.1 AUDITOR GENERAL REPORTS 2013/14

TABLE 147: AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE

Table 148: Auditor-General Report on Service Delivery Performance

Auditor-General Report on Service Delivery Performance: 2013/14*	
Status of audit report*: Qualified	
Non-Compliance Issues	Remedial Action Taken
Usefulness of information Measures to improve performance for a total of 26% of the planned targets not achieved were not reflected in the annual performance report. This was due to the lack of review of the performance measures by management.	The IDP and performance measures will also be reviewed and submitted to council together with the tabling of the draft budget to council.
Adequate and reliable corroborating evidence could not be provided for 71% measures taken to improve performance as disclosed in the annual performance report. The municipality records did not permit the application of alternative audit procedures. Consequently, Auditor General could not obtain sufficient appropriate audit evidence to satisfy himself as to the reliability of the measures taken to improve performance.	All directors will prepare a file throughout the year as a portfolio of evidence on performance to be available for audit for the 2014 year

<p>Reliability of information</p> <p>Auditor General was unable to obtain the information and explanations which considered necessary to satisfy himself as to the reliability of information presented with respect to KPA 2 - basic service delivery and infrastructure investment. This was due to the fact that the municipality could not provide sufficient appropriate evidence in support of the information presented with respect to the KPA 2 basic service delivery and infrastructure investment.</p>	<p>All directors will prepare a file throughout the year as a portfolio of evidence on performance to be available for audit</p>
<p><i>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 2012/13</i></p> <p><i>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</i></p> <p style="text-align: right;">T 6.2.2</p>	

COMPONENT B: AUDITOR-GENERAL OPINION 2013/14

6.2 AUDITORGENERAL REPORT 2013/14

Table 149: Auditor-General Report on Financial Performance

Status of Audit report: Unqualified	
Non-Compliance Issues	Remedial Action Taken
<p>Irregular expenditure</p> <p>As disclosed in note 52 to the financial statements, the Municipality incurred irregular expenditure of R119 135 537 (2013: R17 119 322) during the year under review due to non-compliance with supply chain management (SCM) regulations. The Municipality investigated the completeness of irregular expenditure for the previous three years and made adjustments accordingly.</p>	<p>The AG report was finalised during 2015 January and the irregular expenditure for 2014/15 is still expected to be high</p> <p>Control measures were in place to prevent and minimize irregular expenditure. Tenders that expired are in the process of being advertised and regularized.</p>
<p>Unauthorised expenditure</p> <p>As disclosed in note 50 to the financial statements, the Municipality incurred unauthorised expenditure of R26 541 398 (2013: R7 227 972) during the year under review, due to overspending the municipal budget.</p>	<p>The report was tabled in Council during April 2015.</p> <p>The unauthorised expenditure relates to debt impairment and provision for landfill site. This affected provisioning in the main and did not have any significant cash flow implications.</p>
<p>Going concern</p>	

<p>Note 46 to the financial statements indicates that the Metsimaholo Local Municipality's current liabilities exceed the current assets by R6 671 421 (2013: R9 717 322). This indicates the existence of an uncertainty that may cast doubt on the municipality's ability to operate as a going concern.</p>	<p>Managing the liquidity has been prioritised for 2014/15 financial year</p> <p>It should be noted that during the 2014/15 financial year the municipality experienced a strike by SAMWU members which resulted in a substantial amount of unforeseen expenditure incurred, as a result the liquidity position may worsen in 2014/15 before it can start improving. In addition there has been another court settlement with the previous security company whose services were stopped. This will have a further negative impact on the finances.</p>
<p>Material impairments</p> <p>As disclosed in note 5 to the financial statements, a provision for the impairment of debtors amounting to R16 444 359 (2013: R6 410 622) had been made with regard to irrecoverable receivables from non-exchange transactions. In addition, as disclosed in note 7 to the financial statements, a provision for impairment of debtors amounting to R69 039 462 (2013: R61 992 238) has been made with regard to irrecoverable receivables from exchange transactions.</p>	<p>Provision for impairment is material and is depended on collection rate.</p> <p>It should be noted that during the 2014/15 financial year the Municipality experienced a strike by SAMWU members. This has an impact on the collection rate as the rates hall was damaged and remained closed during the strike. Material impairment will persist in to the 2014/15 financial year.</p> <p>A revenue enhancement strategy "Operation Patala" has been approved by council. Council also approved the establishment of a debt collection department. Staff will only be available by September 2015 to focus on collections.</p>
<p>Material losses</p> <p>As disclosed in note 34 to the financial statements, material losses to the amount of R25 008 230 (2013: R11 313 622) were incurred as a result of distribution losses on electricity purchases</p>	<p>Monitoring of meters for any possible by passes were done. Prepaid meters are to be installed at ALL the hostels, and the technical department is busy with this process, which will also assist.</p> <p>However, although the losses are regarded as material they are within the regulated losses</p>
<p>Strategic planning and performance management</p> <p>The performance management system and related controls were not in place as it did not describe and represent the processes of performance planning, monitoring and reporting and how it is conducted, organised and managed, including determining the</p>	<p>The draft performance management policy in place and awaiting council approval</p>

<p>roles of the different role players, as required by section 38 of the Municipal Systems Act and regulation 7 of the <i>Municipal planning and performance management regulations</i>.</p>	
<p>Annual financial statements, performance and annual reports</p> <p>The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.</p> <p>Material misstatements of commitments and irregular expenditure identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records provided, resulting in the financial statements receiving an unqualified audit opinion.</p> <p>The annual performance report for the year under review does not include the performance of the Municipality and each external service provider, a comparison of the performance with set targets, a comparison with the previous financial year and measures taken to improve performance as required by section 46 (1)(a), (b) and (c) of the Municipal Systems Act.</p> <p>Financial statements were not submitted for auditing within two months after the end of the financial year, as required by section 126 (1)(a) of the MFMA.</p>	<p>The major adjustments to the AFS relates to the irregular expenditure. Irregular expenditure had to be recalculated in respect of the financial years ended 2010/2011, 2011/12, 2012/13 and 2013/14 as required by AG.</p> <p>All documentation will be checked for completeness before any payments are made. Year-end procedures will be improved so as to minimize the adjustments to the draft financial statements that are submitted for audit.</p> <p>Corporate services have been made aware of the need to follow up with responses from the various attorneys whose services were used during the year.</p> <p>Report had been submitted to council on the performance of external service providers, for 2014/15 financial year</p> <p>The accounting officer could not take the appropriate steps to ensure that the legislated deadlines were met for the submission of the financial statements due to labour unrest impacting the municipality over the period of June and July when year-end procedures, closing off of the general ledger, reconciling of account balances, and preparation of the year end audit working papers should have been performed. All relevant departments were informed in writing well in advance. AG was also kept informed of the situation.</p>

<p>Expenditure management</p> <p>Money owed by the Municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.</p> <p>Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.</p>	<p>Controls will be put in place to ensure all invoices reach the expenditure section in time to process and pay them within 30 days. The matter was addressed in 2014/15 but not fully.</p> <p>Cash flow constraints do pose a challenge in terms of paying all creditors within 30 days</p> <p>Cash flow forecasts were done and cash flow management improved</p> <p>All directors monitored their budgets and spending patterns</p> <p>Controls will be put in place to prevent and detect unauthorized, irregular and fruitless and wasteful expenditure at source. The matter was addressed in 2014/15 but not fully, improvement still needed.</p>
<p>Asset management</p> <p>Capital assets were permanently disposed without the approval of the council as required by section 14 (2)(a) of the MFMA.</p>	<p>Council approval was obtained during the council meeting held on the 28 January 2015.</p>
<p>Consequence management</p> <p>Unauthorised, irregular and fruitless and wasteful expenditure incurred by the Municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32 (2) (a)(ii) of the MFMA.</p> <p>Authorisation of unauthorised expenditure was not done through an adjustment budget, as required by section 32(2)(a)(i) of the MFMA.</p>	<p>Unauthorised, irregular and fruitless and wasteful expenditure incurred have been submitted to MPAC for investigations to determine whether any person was liable for the expenditure and make recommendations to Council.</p> <p>A report on Irregular expenditure for 2006-2010 was submitted to council for approval and MPAC is still busy with 2011-2014 expenditure.</p> <p>Unauthorised expenditure was reported to council for approval in April 2015.</p>
<p>Procurement and contract management</p> <p>Quotations were accepted from prospective providers who were not registered on the list of</p>	<p>The supplier database was reviewed to ensure that all suppliers who do business with the municipality</p>

<p>accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy in contravention of SCM regulation 16(b) and 17(b).</p> <p>Contracts and quotations were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of SCM regulations 21(b) and 28(1)(a) and the preferential procurement regulations.</p> <p>Awards were made to providers who were in the service of other state institutions or whose directors/ principal shareholders were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar awards were identified in the previous year and effective steps were not taken to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).</p> <p>Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.</p>	<p>meet the requirements prescribed by the SCM policy.</p> <p>The SCM department was further capacitated and this issue has been prioritised. It is ongoing.</p> <p>Evaluations for 2014/2015 were done in terms of the criteria stipulated in the bid invitation</p> <p>Bids that were awarded due to bidders misleading the municipality by not declaring that shareholders are in the service of state were investigated and corrective measures taken.</p> <p>The municipality does not have access to the same database records as the AG</p> <p>Controls were put in place to ensure that all suppliers doing business with the municipality submit their tax clearances.</p>
<p>Human resource management and compensation</p> <p>An acting chief financial officer was appointed for a period of more than three months without the approval of the MEC for local government, in contravention of section 56(1) (c) of the Municipal Systems Act.</p>	<p>Application was submitted to the MEC for local government, awaiting approval. No response has been received. Follow ups were made.</p>
<p>Environmental waste management</p> <p>The Municipality operated their waste disposal sites without a waste management license or permit, in contravention of subsection 20(b) of the National Environmental Management: Waste Act of South Africa, 2008 (Act No. 59 of 2008).</p>	<p>The municipality has appointed a service provider to assist in regularising the situation. Application has been made to the province and other processes are ongoing. The process will take a minimum of 2 years</p>

<p>Internal Control - Leadership</p> <p>The occurrence of material irregular expenditure during the year under review indicates that integrity and ethical values were not adequate to prevent irregular expenditure and to set the standard for sound corporate governance, as they were not prevented by management.</p> <p>The accounting officer did not take appropriate action to address the lack of discipline at the SCM section, resulting in non-compliance with applicable legislation. This occurred due to limited capacity at the SCM unit.</p> <p>The accounting officer did not take the appropriate steps to ensure that the legislated deadlines were met for the submission of the financial statements due to labour unrest impacting the municipality over the period of June and July when year-end procedures, closing off of the general ledger, reconciling of account balances, and preparation of the year end audit working papers should have been performed.</p> <p>Internal policies and procedures for performance information management were not developed, approved and implemented due to a slow response by management on the recommendations in the previous audit report.</p>	<p>Controls are being put in place to prevent irregular expenditure going forward. SCM Manager has been appointed from July 2015.</p> <p>Most of the procurement for which tenders need to be in place was done through tendering processes. The matter will be fully addressed in 2016 financial year</p> <p>We however disagree with the AG " that integrity and ethical values were not adequate"</p> <p>The SCM manager was only appointed from July 2015. The matter will be fully addressed in 2016 financial year.</p> <p>All alternatives possibilities were considered by Accounting Officer however nothing further could be done in the circumstances.</p> <p>Internal policy and procedures for performance information management and reporting will be developed</p>
<p>Financial and performance management</p> <p>The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the municipality's design and implementation of internal controls for financial management and financial reporting, and weaknesses in the information systems.</p> <p>The action plan that was in place to address shortcomings in the performance management and</p>	<p>Staff training will be done. Policies and procedures will be reviewed and implemented to enhance the internal control framework.</p>

<p>compliance process was not effective due to a lack of monitoring by management.</p> <p>The Municipality did not have a proper system of record management to maintain information that supports the reported performance due to a lack of capacity in the performance information unit.</p>	<p>The Accounting Officer will address the shortcomings in the performance management and reporting process</p> <p>A proper recording system will be implemented</p>
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Table 150: Auditor-General Report on Service Delivery Performance

Status of Audit report: Unqualified	
Non-Compliance Issues	Remedial Action Taken
<p>Usefulness of reported performance information</p> <p>The FMPPI requires that the performance indicators and targets must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 47% of the indicators were not well defined. This was because management did not adhere to the requirements of the FMPPI and a lack of proper systems and processes and technical indicator descriptions.</p>	<p>The SDBIP for 2014/15 financial year will be reviewed to ensure that indicators are well defined and submitted to council for approval. The objectives were not fully achieved in 2015. Further refinements were made in respect of the 2016 year, which will show a significant improvement.</p>
<p>Reliability of reported performance information</p> <p>The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.</p> <p>I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to the limitations placed on the scope of my work by the absence of information systems, the auditee not being able to provide sufficient appropriate evidence in support of the reported performance information, and the auditee's records not permitting the application of alternative audit procedures.</p>	<p>All directors will prepare a file throughout the year as a portfolio of evidence on performance to be available for audit</p>

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AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2014/15

THE AUDITOR-GENERAL'S AUDIT OPINION: 2014/15

According to the Auditor General's opinion, the financial statements present fairly, in all material respects, the financial position of the Metsimaholo Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Auditor- General Report on Financial Performance 2014/15

Status of Audit report: Unqualified	
Non-Compliance Issues	Remedial Action Taken
<p>Irregular expenditure</p> <p>As disclosed in note 48 to the financial statements, the municipality incurred irregular expenditure of R51 562 932 (2014: R65 034 263) during the year under review mainly due to non-compliance with supply chain management requirements</p>	<p>Control measures have been put in place to identify and prevent irregular expenditure.</p> <p>Going forward there will be a significant reduction in irregular expenditure. This has been made a high priority with the assistance of the Supply Chain department.</p>
<p>Going concern</p> <p>Note 43 to the financial statements indicate that the municipality has unfavourable indicators in respect of trade payables and receivables. These conditions indicate the existence of an uncertainty that may cast doubt on the municipality's ability to operate as a going concern.</p>	<p>Managing the liquidity of the municipality has been prioritised for 2014/15 financial year and continuing for 2015/16. The situation should improve once the expenditure emanating from the strike action is settled in the first quarter of the 2016/17 year.</p>

<p>Material impairments</p> <p>As disclosed in note 5 to the financial statements, a provision for the impairment of debtors amounting to R121 760 402</p> <p>(2014: R105 858 827) had been made with regard to irrecoverable receivables from non-exchange transactions. In addition, as disclosed in note 6 to the financial statements, a provision for impairment of debtors amounting to R430 760 556 (2014: R347 118 850) has been made with regard to irrecoverable receivables from exchange transactions.</p>	<p>The cumulative provision for impairment is significant. The provision will continue to be augmented for as long as payment levels are below 100%.</p> <p>The payment levels were negatively impacted upon by the strike action, and the collection rate has since been improving.</p> <p>Indigent registration will also be accelerated so as to subsidize those who qualify as indigent but have not come forward to register as such.</p>
<p>Annual financial statements</p> <p>The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act.</p> <p>Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.</p>	<p>All documentation will be checked for completeness before any payments are made. Year-end procedures will be improved so as to minimize the adjustments to the draft financial statements that are submitted for audit.</p>

<p>Expenditure management</p> <p>Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.</p> <p>Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.</p>	<p>Controls will be put in place to ensure all invoices reach the expenditure section in time to process and pay them within 30 days.</p> <p>Cash flow constraints do pose a challenge in terms of paying all creditors within 30 days.</p> <p>Cash flow forecasts will be done and cash flow management improved.</p> <p>All directors to monitor their budgets and spending patterns.</p> <p>Controls will be put in place to prevent and detect unauthorized, irregular and fruitless and wasteful expenditure at source.</p>
<p>Budget</p> <p>The total unforeseen and unavoidable expenditure incurred exceeded R15 million, in contravention of Municipal Budget and Reporting Regulation 72.</p>	<p>A report will be tabled at council in this regard.</p> <p>The unforeseen expenditure arose as a result of the long and protracted strike action that was experienced, and the quantum could not be contained to below R15 million due to the</p>

	<p>circumstances that the municipality was faced with during this period.</p>
<p>Procurement and contract management</p> <p>Quotations were accepted from prospective providers who are not registered on the list of accredited prospective providers and do not meet the listing requirements prescribed by the SCM policy in contravention of SCM regulation 16(b) and 17(b).</p> <p>Contracts were extended or modified without the approval of a properly delegated official, as required by SCM Regulation 5.</p> <p>Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.</p>	<p>The supplier database will be reviewed to ensure that all suppliers who do business with the municipality meet the requirements prescribed by the SCM policy. The SCM department will also need further capacitation.</p> <p>This will be stopped going forward.</p> <p>Controls will be put in place to ensure that all suppliers doing business with the municipality submit their tax clearances.</p>
<p>Internal Control – Leadership</p> <p>The occurrence of material irregular expenditure during the year under review indicates that integrity and ethical values were not adequate to prevent irregular expenditure and to set the standard for sound corporate governance, as they were not prevented by management.</p>	<p>The prevention of irregular expenditure has been given high priority going forward. Although it is alluded that the irregular expenditure may have occurred due to inadequate integrity and ethical values, the irregular expenditure did not arise as a result as result of such inadequacies.</p> <p>All procurement for which tenders need to be in place is to be reviewed and the situation will be rectified.</p>

<p>Internal policies and procedures for performance information management were not developed, approved and implemented due to a slow response by management on the recommendations in the previous audit report.</p>	<p>All alternative possibilities were considered by the Accounting Officer however nothing further could be done in the circumstances.</p> <p>Internal policy and procedures for performance information management and reporting will be developed and prioritised.</p>
<p>Financial and performance management</p> <p>The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the municipality's design and implementation of internal controls for financial management and financial reporting, and weaknesses in the information systems.</p> <p>The municipality did not have a proper system of record management to maintain information that supports the reported performance due to a lack of capacity in the performance information unit.</p>	<p>Staff training will be done. Policies and procedures will be reviewed and implemented to enhance the internal control framework.</p> <p>A proper recording system will be implemented.</p> <p>The lack of capacity in the performance information unit is being addressed by the Accounting Officer.</p>
<p>Other reports – Investigations</p> <p>An independent consulting firm performed an investigation at the request of the municipality, which covered the period 1 July 2012 to 30 June 2014. The investigation was initiated based on an allegation of alleged irregular journal adjustments and write-offs, illegal water connections, possible theft of electrical equipment and other irregularities,</p>	<p>The proceedings are currently in progress regarding disciplinary procedures being instituted against employees.</p>

alleged irregular processing of transactions on the salary system. The investigations concluded on 2 September 2015 and resulted in disciplinary procedures being instituted against seven employees. These proceedings are currently in progress.

Auditor- General Report on Service Delivery Performance 2014/15

Status of Audit report: Unqualified	
Non-Compliance Issues	Remedial Action Taken
<p>Reliability of reported performance information</p> <p>The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.</p> <p>Adequate and reliable corroborating evidence could not be provided for 36,9% of the targets to assess the reliability of the reported performance information.</p> <p>The auditee's records did not permit the application of alternative audit procedures. This was due to limitations placed on the scope of my work by the absence of information systems.</p>	<p>All directors will prepare a file throughout the year as a portfolio of evidence on performance to be available for audit.</p> <p>Targets are being reviewed to ensure that they conform to the SMART principle.</p> <p>The interventions mentioned above may eliminate this problem.</p>

6.2 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2014/15 (CURRENT YEAR)

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE METSIMAHOLO LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

39. I have audited the financial statements of the Metsimaholo Local Municipality set out on pages 07 to 97, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR-GENERAL'S RESPONSIBILITY

41. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

42. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

43. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

44. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Metsimaholo Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

EMPHASIS OF MATTERS

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

Restatement of corresponding figures

46. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2014-15 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

Irregular expenditure

47. As disclosed in note 48 to the financial statements, the municipality incurred irregular expenditure of R51 562 932 (2014: R65 034 263) during the year under review mainly due to non-compliance with supply chain management requirements.

Material impairments

48. As disclosed in note 5 to the financial statements, a provision for the impairment of debtors amounting to R121 760 402 (2014: R105 858 827) had been made with regard to irrecoverable receivables from non-exchange transactions. In addition, as disclosed in note 6 to the financial statements, a provision for impairment of debtors amounting to R430 760 556 (2014: R347 118 850) has been made with regard to irrecoverable receivables from exchange transactions.

Going concern

49. Note 43 to the financial statements indicate that the municipality has unfavourable indicators in respect of trade payables and receivables. These conditions indicate the existence of an uncertainty that may cast doubt on the municipality's ability to operate as a going concern.

ADDITIONAL MATTERS

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

Unaudited disclosure notes

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

Unaudited supplementary information

52. The supplementary information set out on pages 98 to 105 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

53. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for the selected key performance areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

54. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2015:

- KPA 1: service delivery and infrastructural development (on pages 67 to 99)

55. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

56. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned key performance area. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.

57. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

58. The material findings in respect of the selected key performance area is as follows:

KPA 1 SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT

USEFULNESS OF REPORTED PERFORMANCE INFORMATION

59. I did not identify material findings on the usefulness of the reported performance information for the selected key performance area KPA 1: service delivery and infrastructural development.

RELIABILITY OF REPORTED PERFORMANCE INFORMATION

60. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for 36,9% of the targets to assess the reliability of the reported performance information. The auditee's records did not permit the application of alternative audit procedures. This was due to limitations placed on the scope of my work by the absence of information systems.

ADDITIONAL MATTER

61. I draw attention to the following matter:

ACHIEVEMENT OF PLANNED TARGETS

62. Refer to the annual performance report on page(s) 63 to 248 and 249 to 269 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected key performance area reported in paragraph 21 of this report.

COMPLIANCE WITH LEGISLATION

63. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

64. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

65. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.

66. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Budgets

67. The total unforeseen and unavoidable expenditure incurred exceeded R15 million, in contravention of Municipal Budget and Reporting Regulation 72.

Procurement and contract management

68. Quotations were accepted from prospective providers who are not registered on the list of accredited prospective providers and do not meet the listing requirements prescribed by the SCM policy in contravention of SCM regulation 16(b) and 17(b).

69. Contracts were extended or modified without the approval of a properly delegated official, as required by SCM Regulation 5.

70. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.

INTERNAL CONTROL

71. I considered internal control relevant to my audit of the financial statements, the performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the performance report and the findings on compliance with legislation included in this report.

LEADERSHIP

72. The occurrence of material irregular expenditure during the year under review indicates that integrity and ethical values were not adequate to prevent irregular expenditure and to set the standard for sound corporate governance, as they were not prevented by management.

73. Internal policies and procedures for performance information management were not developed, approved and implemented due to a slow response by management on the recommendations in the previous audit report.

FINANCIAL AND PERFORMANCE MANAGEMENT

74. The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the municipality's design and implementation of internal controls for financial management and financial reporting, and weaknesses in the information systems.

75. The municipality did not have a proper system of record management to maintain information that supports the reported performance due to a lack of capacity in the performance information unit.

Other reports

INVESTIGATIONS

76. An independent consulting firm performed an investigation at the request of the municipality, which covered the period 1 July 2012 to 30 June 2014. The investigation was initiated based on an allegation of alleged irregular journal adjustments and write-offs, illegal water connections, possible theft of electrical equipment and other irregularities, alleged irregular processing of transactions on the salary system. The investigations concluded on 2 September 2015 and resulted in disciplinary procedures being instituted against seven employees. These proceedings are currently in progress.

Auditor - General

Bloemfontein

30 November 2015



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).....CFO to sign..... Dated
T6.2.5

GLOSSARY

GLOSSARY

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

GLOSSARY

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

GLOSSARY

	<p>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</p> <p>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</p>
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APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated Portfolio	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Ms Matsedisio Alina Tamane	PT	Technical Services LED, Tourism & Agriculture	1	100	-
Mr Malebo Daniel Nthebe	PT	Public Safety & Security Sports, Arts & Culture	2	95	100
Mr Mosiuoa Solomon Poho	PT	Finance Communications, ICT &IDP Memorandum Committee	3	95	100
Ms Gabaikitsi Beauty Nnune	PT	Technical Services Finance	4	100	-
Ms Selina Moreki	PT	Finance LED, Tourism & Agriculture	5	80	100
Ms Masontaga Nomsa Sejaki	PT	Technical Services Communications, ICT &IDP Memorandum Committee	6	95	100
Mr Thabo Emmanuel Mosia	PT	MPAC	7	85	100
Mr Lebohang Samuel Semonyo	FT	Corporate Services Local Labour Forum	8	60	95
Ms Seipati Susan Mofokeng	PT	Corporate Services Streets and Building naming and renaming	9	100	-
Ms Mirriam Nokuthula Mtshali	PT	Social Services Sports, Arts & Culture Streets and Building naming and renaming	10	95	-
Mr Thabo Kenneth Mabasa	FT	Communications, ICT &IDP	11	65	100
Ms Sophia Bulelwa Khunou	PT	Corporate Services Communications, ICT &IDP	12	100	-
Ms Julia Masetlhare Phepheng-Lelahla	PT	MPAC Streets and Building naming and renaming	13	95	-
Mr Jan Daniel Viljoen	PT	Finance	14	75	100
Mr Jacobus Johannes Grobelaar	PT	Sports, Arts & Culture	15	100	-
Mr Hans Jurie Moolman	PT	Public Safety & Security Streets and Building naming and renaming	16	70	100
Ms Maria Cecilia Van der Walt	PT	Social Services	17	90	100

APPENDICES

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated Portfolio	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Mr David Mac Millan Oswald	PT	Technical Services	18	100	-
Mr Alexis Khomolileng Mare	PT	Public Safety & Security Social Services	19	100	-
Ms Nombulawa Lucy Mdola	PT	MPAC Memorandum Committee	20	95	100
Mr Lefu Richard Chebase	PT	Social Services LED, Tourism & Agriculture	21	60	5
Mr Brutus Tshepo Mahlaku (Executive Mayor)	FT	Mayoral Committee	ANC	95	100
Ms Thandiwe Linah Soetsang (Council Whip)	FT	Council	ANC	95	100
Mr Sello Zacharia Matena (Speaker)	FT	Memorandum Committee Streets and Building naming and renaming	ANC	100	-
Ms Nomsa Josephina Kubheka	FT	Technical Services	ANC	90	100
Ms Anna Ndutula Radebe	FT	Sports, Arts & Culture	ANC	90	100
Ms Dikeledi Ellen Mokoena	PT	Public Safety & Security Streets and Building naming and renaming	ANC	90	100
Mr Mnyamezeli Welcome Khonto	FT	Public Safety & Security	ANC	90	100
Ms Sylvia Lindiwe Tshongwe	FT	Finance Local Labour Forum	ANC	100	-
Mr Frans Christiaan Coetzer	PT	LED, Tourism & Agriculture Memorandum Committee	DA	100	-
Mr Jacobus Johannes Geysler	PT	Technical Services Finance	DA	95	100
Mr Tsietsi Johannes Mofokeng	PT	Communications, ICT & IDP Memorandum Committee	DA	85	100
Ms Suraya Holt (resigned on 13 March 2015)	PT	MPAC	DA	95	-
Ms Alinah Mamokete Ramphala (from 27 May 2015)		MPAC		100	-
Mr Makone Fithalls Machaea	PT	LED, Tourism & Agriculture	DA	100	-
Mr Velly Johannes Maseko	PT	Sports, Arts & Culture	DA	95	-
Mr Mabaka George Ntoane	PT	Corporate Services	DA	100	-
Mr Pretty Jacob Mahlangu	PT	Social Services Local Labour Forum	DA	60	75
Mr Johannes du Plessis	PT	Corporate Services	DA	90	100

APPENDICES

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated Portfolio	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Ms Mmabatho Martie Mosia	PT	Communications, ICT & IDP Public Safety	DA	90	100
Theo du Toit	PT	Communications, ICT & IDP Streets and Building naming and renaming Social Services	FF	50	55
Mr Retshedisitswe Johannes Mabefu	FT	LED, Tourism & Agriculture	ANC	100	-
Ms Khabonina Jane Makhoba	FT	Social Services	ANC	95	100
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					TA

Table 151: Councillors, Committees and Attendance. If there is evidence, information can be changed

Councillors serving on Section 80 Committees are from political parties represented in the Council. Each Section 80 Committee is chaired by a Member of the Mayoral Committee (MMC) and is responsible for ensuring effective political oversight of departmental activities through the consideration of reports from the Municipal Manager and Directors. Based on the said reports these committees make recommendations for consideration by the Mayoral Committee.

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APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Table 152: Committees

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Portfolio Committee: Corporate Services (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Finance and Audit (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Technical Services (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Public Safety (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Cleansing, Parks and Cemeteries (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Urban Planning and Human Settlements (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: LED, Tourism and Agriculture (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Sports, Arts and Culture (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Audit and Performance Audit Committee (s79)	Roles and responsibilities as outlined by section 166 of the MFMA and the approved charter
Oversight Committee (s79)	Roles and responsibilities as outlined by section 129 of the MFMA and the National Treasury guidelines issued in MFMA Circular 32 (18 March 2006)

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APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Table 153: Third Tier Structure

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Technical Services	Director S Mokgatle Manager: Electrical and Mechanical Services H van Wyk Manager: Civil Engineering Services MC Botha Manager: PMU M Ndaba
Financial Services	Chief Financial Officer A Lambat Manager: Revenue C Scheepers Manager: Budget and Financial Planning Ms A Vorster
LED and Planning	Director: S Monyaki Manager: Urban Planning L Thaanyane Manager: Housing and Property Management Services G Steenkamp Manager: LED R Ralepedi Manager Marketing and Tourism M Mkhafa
Corporate Services	Director: M Maseola Manager: Records & Auxilliary- MB Oanyane Manager: Admin. K A Moholi Manager: Legal - N Kobedi Manager: Human Resources M E Sediane
Social Services	Director: S.L Lempe Manager: Health and Cleansing L P Thile Manager: Public Safety M A Ramotso Manager: Sports, Arts and Recreation M Mosholi
Municipal Manager's Office	Municipal Manager: SM Molala Manager: MM's Office – M Kobue Manager: IDP/PMS – SJ Mokoena Manager: Internal Audit – K George Manager: ICT – G Nhlapo Manager: Security – O Maduna Manager: Communication & IGR – G Alberts Manager: Unit Manager (Deneysville & Oranjeville) – BJ Malindi

APPENDICES

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

Table 154: Municipal Functions

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	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
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	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
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	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No

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MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
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	

APPENDICES

APPENDIX E –WARD REPORTINGTABLE 155: FUNCTIONALITY OF WARD COMMITTEES

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 1	Cllr M.A Tamane and 9 WC members	YES	2	2	0
Ward 2	Cllr M.D Nthebe and 10 WC members	YES	3	4	1
Ward 3	Cllr Ms.Poho and 8 WC members	YES	2	7	5
Ward 4	Cllr G B Nunne 10 WC members	YES	10	12	2
Ward 5	Cllr S. Moreki and 9 WC members	YES	0	0	0
Ward 6	Cllr N. Sejake and 9WC members	YES	1	3	2
Ward 7	Cllr T. Mosia and 10 WC members	YES	4	5	1
Ward 8	Cllr L.S Semonyo and 10 WC members	NO	0	1	1
Ward 9	Cllr S.S Mofokeng and 10 WC members	YES	5	8	3
Ward 10	Cllr M N Mtshali and 10 WC members	YES	6	15	9
Ward 11	Cllr T.Mabasa and 10 WC members	YES	2	4	2
Ward 12	Cllr B.S Khunou and 6 WC members	YES	4	8	4
Ward 13	Cllr JM. Lelahla-Phepheng and 7 WC members	YES	3	4	1
Ward 14	Cllr J.D Viljoen and 10 WC members	YES	0	0	0
Ward 15	Cllr J.J. Grobbelaar and 10 WC members	YES	3	3	0
Ward 16	Cllr J Moolman and 9 WC members	YES	1	1	0
Ward 17	Cllr M.R Van der Walt and 8 WC members	YES	4	4	0
Ward 18	Cllr D.M Oswald and 7 WC members	NO	1	1	0
Ward 19	Cllr K.A Mare and 11 WC members	YES	5	10	5
Ward 20	Cllr N.L Mdola and 8 WC members	YES	1	6	5
Ward 21	Cllr R.L. Chebase and 0 WC members	NO	0	0	0

APPENDICES

APPENDIX F – WARD INFORMATION

Information on seven largest capital projects, basic service provision and top four Ward Service Delivery

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2014/15

Table 156: Municipal Audit Committee Recommendations

Name of members

(Until March 2015)

Mr. Seth Radebe (Chairperson)

Ms. Selina Lebeko

Mr. Zola Fihlani

(As from April 2015)

Mr. Zola Fihlani (Chairperson)

Mr. Siyakhula Simelane

Ms Sijabulile Makhathini

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2014/15	Recommendations adopted (enter Yes) If not adopted (provide explanation)

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Table 157: Long Term Contracts

Long Term Contracts (20 Largest Contracts Entered into during 2014/15)					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
None					

APPENDICES

Table 158: PPPs entered into

Public Private Partnerships Entered into during 2014/15					
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	R' 000 Value 2008/09

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APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The Municipality does not have any operational entities.

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Table 159: Revenue Collection by Vote

Revenue Collection Performance by Vote						
R' 000						
Vote Description	2013/14	2014/15		2014/15 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustments Budget %
Council Speaker Council	0	0	0	0	0	0
Municipal Manager	7 408	2 108	2207	2 672	78.9	82.6
Organisational development and Corporate Services	362	585	651	970	60.31	67.11
Social services	65 867	81 933	64 267	74 408	110.11	86.37
Technical and Infrastructure Services	559 945	650 191	650 127	611 266	106.37	106.35
Financial Services	160 363	170 073	182 124	194 164	87.59	93.8
Local development and Urban Planning	4 731	9 246	9 246	100 776	9.17	9.17
Total Revenue by Vote	798 676	914 136	908 622	984 256	531.33	445.42
<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						

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Table 162: Revenue Collection by Source

Revenue Collection Performance by Source							R '000
Description	2013/14	2014/15			2014/15 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget %	Adjustments Budget %	
Property rates	105 296	102 114	111 014	115 499	11.59	3.88	
Property rates - penalties & collection charges							
Service Charges - electricity revenue	179 303	219 951	219 951	197 424	(11.41)	(11.41)	
Service Charges - water revenue	179 907	276 185	273 185	254 273	(8.62)	(7.44)	
Service Charges - sanitation revenue	21 737	22 837	22 837	22 163	(3.04)	(3.04)	
Service Charges - refuse revenue	29 606	39 978	39 978	32 083	(24.61)	(24.61)	
Service Charges – other	8 508	9 136	8 556	7 144	(27.88)	(19.76)	
Rentals of facilities and equipment	4 858	5 002	5 002	4 600	(8.74)	(8.74)	
Interest earned - external investments	2 378	2 400	1 300	1 887	(27.19)	31.11	
Interest earned - outstanding debtors	18 903	18 600	15 300	14 576	(27.61)	(4.97)	
Dividends received				88	100.00	100.00	
Fines	15 856	5 023	5 023	22 876	78.04	78.04	
Licences and permits	146	172	172	149	(15.44)	(15.44)	
Agency services							
Transfers recognised - operational	104 641	118 259	117 948	114 435	(3.34)	(3.07)	
Other revenue	5 836	4 328	5 695	7 236	40.19	21.30	
Gains on disposal of PPE	5 141	5 000	5 000	1 790	(179.33)	(179.33)	
Total Revenue (excluding capital transfers and contributions)	682 116	828 986	830 961	796 223	(4.11)	(4.3)	

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

APPENDICES

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Table 163: Conditional Grants: excluding MIG

Conditional Grants: excluding MIG							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget %	Adjustments Budget %		
Neighbourhood Development Partnership Grant							
Public Transport Infrastructure and Systems Grant							
Other Specify:							
Department of Energy	7 000	8 000	8 000				
Financial Management Grant	1 600	1 600	1 600				
Municipal System Improvement Grant	934	934	934				
Water Services Operating Grants	6 000	6 000	6 000				
Extended Public Works program	1 109	1 109	1 109				
Total	16 643	17 643	17 643				
<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 T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i></p>							

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COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

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APPENDICES

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

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

Table 160: Capital expenditure – New Assets

Capital Expenditure - New Assets Programme*							
Description	R '000						
	2013/14	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/16	2016/17	2017/18
Capital expenditure by Asset Class							
Infrastructure – Total	65 920	104 589	61 653	181 342	134 039	35 431	73 200
Infrastructure: Road transport - Total	1 309	33 000	7 000	2 461	37 560	9 033	45 320
<i>Roads, Pavements & Bridges</i>	1 309	33 000	7 000	2 461	37 560	9 033	45 320
<i>Storm water</i>							
Infrastructure: Electricity – Total	24 029	13 500	10 330	7 036	53 419	23 830	27 390
<i>Generation</i>							
<i>Transmission & Reticulation</i>	24 029	13 500	10 330	7 036	53 419	23 830	27 390
<i>Street Lighting</i>							
Infrastructure: Water – Total	6 040	29 700	4 010	5 254	5 825	2 226	145
<i>Dams & Reservoirs</i>							
<i>Water purification</i>		16 000	4 010	5 254	5 825	2 226	145
<i>Reticulation</i>	6 040	13 700					
Infrastructure: Sanitation – Total	34 542	27 389	40 263	32 762	35 236	342	345
<i>Reticulation</i>	34 542	27 389	40 263	32 762	35 236	342	345
<i>Sewerage purification</i>							
Infrastructure: Other – Total		1 000	50		2 000		
<i>Waste Management</i>		1 000	50	89	2 000		
<i>Transportation</i>							
<i>Other</i>				133 737			
Community – Total		12 642					
Parks & gardens					2 081	1 273	875
Sports fields& stadia		12 642			7 704	24 270	7
Swimming pools					74	5 000	
Community halls					61		
Libraries					61	38	16
Recreational facilities					3 015	105	751

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Fire, safety & emergency						750	750	
Security and policing						4 402	13 754	324
Cemeteries								
Social rental housing								
Other								

Table continued next page

APPENDICES

Table 161: Capital expenditure – New Assets (cont.)

Capital Expenditure - New Assets Programme*							
R '000							
Description	2013/14	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/16	2016/17	2017/18
Capital expenditure by Asset Class							
Heritage assets - Total	–						
Buildings							
Other							
Investment properties - Total							
Housing development							
Other							
Other assets	4 614			4 883			
General vehicles			527	462	4 255	640	820
Specialised vehicles					9 000	5 500	1 500
Plant & equipment	1 240	500	850	829	150		
Computers - hardware/equipment	42			19			
Furniture and other office equipment		1 800	235		1 000	600	300
Abattoirs							
Markets							
Civic Land and Buildings				3 572	830	130	130
Other Buildings	3 332						
Other Land							
Surplus Assets - (Investment or Inventory)							
Other			15 000		16 410	2 436	5 238
Agricultural assets							
<i>List sub-class</i>							
Biological assets							
<i>List sub-class</i>							

APPENDICES

Intangibles	375						
Computers - software & programming	375						
Other (<i>list sub-class</i>)							
Total Capital Expenditure on new assets	70 909			186 226			
Specialised vehicles	–			9 000	5 500	1 500	
Refuse				4 000	2 500		
Fire				5 000	3 000		1 500
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1

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APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
Description	R '000						
	2013/14	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/16	2016/17	2017/18
Capital expenditure by Asset Class							
Infrastructure – Total		10 430			5 930	4 430	
Infrastructure: Road transport -Total		5 700			1 500		
<i>Roads, Pavements & Bridges</i>		5 700			1 500		
<i>Storm water</i>							
Infrastructure: Electricity – Total		3 300			3 000	3 000	
<i>Generation</i>							
<i>Transmission & Reticulation</i>		3 300			3 000	3 000	
<i>Street Lighting</i>							
Infrastructure: Water – Total		1 200			1 200	1 200	
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>		1 200			1 200	1 200	
Infrastructure: Sanitation – Total		230			230	230	
<i>Reticulation</i>							
<i>Sewerage purification</i>		230			230	230	
Infrastructure: Other – Total		1 800					
<i>Waste Management</i>		1 800					
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community							
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							

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Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets							
Buildings							
Other							
<i>Table continued next page</i>							

Table 162: Capital expenditure – Upgrade/Renewal

APPENDICES

Table 163: Capital expenditure – Upgrade/Renewal (cont.)

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2013/14	2014/15		Planned Capital expenditure			R '000
	Actual	Original Budget	Adjustment Budget	Actual	2015/16	2016/17	2017/18
	Capital expenditure by Asset Class						
Investment properties							
Housing development							
Other							
Other assets		300			2 020	2 500	
General vehicles					2 020	2 500	
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings		300					
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets							
<i>List sub-class</i>							
Biological assets							
<i>List sub-class</i>							
Intangibles							
Computers - software & programming							
Other (<i>list sub-class</i>)							

APPENDICES

Total Capital Expenditure on renewal of existing assets		10 730			2 020	2 500		
Specialised vehicles								
Refuse								
Fire								
Conservancy								
Ambulances								
* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)							T M.2	

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2014/15

Table 164: Capital Programme by Project

Capital Programme by Project: 2014/15					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	R' 000
					Variance (Act - OB) %
Water					
Augmentation of Bulk water supply					
Water treatment works plant(Dansville)					
"Project C"					
Sanitation/Sewerage					
Amelia Sanitation Phase 3					
Gortin Sanitation Phase 4					
Electricity					
Electrical Bulk Supply Substation					
"Project B"					
Housing					
"Project A"					
"Project B"					
Refuse removal					
"Project A"					
"Project B"					
Stormwater/Roads					
"Project A"					
"Project B"					
Economic development					
"Project A"					
"Project B"					
Sports, Arts & Culture					
"Project A"					
"Project B"					
Environment					
"Project A"					
"Project B"					

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Health					
"Project A"					
"Project B"					
Safety and Security					
"Project A"					
"Project B"					
ICT and Other					
"Project A"					
"Project B"					
					<i>T N</i>

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APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2014/15
TABLE 165: CAPITAL PROGRAMME BY PROJECT BY WARD

Programme	Project name	Funding source	Wards	2014/15
Local democratic governance	Municipal Manager: Website			
Facilities management	Municipal Manager: Security services: Access control, CCTV, etc.			
	Municipal Manager: Information technology			
Programme	Project name			
Revenue and cash flow management	Equipment (various)			
Programme	Project name			
Facilities management	Furniture & Equipment (various)			
	Parking shelter			
Customer care	Call Centre			
Programme	Project name			
Waste management/ Clean	Rehabilitation of dumping sites			
	Recycling plants			

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communities	EIAs-Permits dumping sites			
	New dumping site (D/Ville)			
	Transfer station			
	Capital works-landfill sites			
	Furniture & equipment			
Safe communities	Rescue equipment			
	Fire equipment			
	Buildings (fencing & equipment)			
	Disaster provision			
	Traffic (equipment, traffic calming measures, testing Centre-paving)			
Community facilities	Parks and playgrounds			
	Abrahamsrust			
	Day visitors areas			
	Etienne Rousseau theatre			
	Community halls			
	Stadiums (furniture & upgrading of sports complexes in Refenggotso and Metsimaholo)			
	Multi-Purpose Centre			
Swimming pools				

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Community facilities (Cemeteries)	Equipment, fencing, niche wall, toilets and upgrading of Zamdela cemetery			
Community facilities (Libraries)	Equipment			
Programme	Project name			
Electricity	Network strengthening Phase 3			
	Bulk supply (Amelia, Gortin & Moodraai)			
	Electricity in light industrial area (Zamdela)			
	Electricity Minnaar Street (Vaalpark)			
	Upgrading main substation (Sasolburg)			
	Review master plan to address bulk and internal supply			
	Upgrading network Phase 2 (Deneysville)			
	Upgrading network Phase 2 (Oranjeville)			
	Upgrading of streetlight network (O/V and D/V)			
	Metering equipment (NRS 047 & 048)			
	Fencing of electrical sub-station			
	Replace redundant streetlight fittings			
	Replace distribution green boxes			
	Extensions for office accommodation			
	Replacement of transformers			
	New/replacement air conditioners			
	Upgrading of high mast lights			
	Automated Meter Reading System (AMR)			
Roads and storm water	Equipment and Works (various)			
	Roads and storm water – Unie & Scott Str			
	Resealing of roads			
	Storm water channel (Chris Hani)			
	Storm water channel (Refengkgotso)			
	Gortin 7.4 km paved roads and s/water (MIS: 196940)			
	Vaal Park Taxi rank			

APPENDICES

	Upgrading of Metsimaholo roads			
	Equipment & Vehicles (various)			
Sanitation	Replace gravitational outfall sewer (Refengkgotso)			
	Sewer network and toilets: 3257 stands Amelia (phase 3)			
	Gortin & Amelia Extension 6 (sewer)			
	Gortin & Amelia Extension 6 (house connections)			
	Gortin – Phase 4			
	Vaalpark stands			
	Purchasing of various pumps, motors, fencing & equipment			
	Water	Automated Meter Reading System (AMR)		
Replacement of meters				
Bulk meter chambers				
Ringfeed residential				
Ringfeed industrial				
	Augmentation of bulk supply-upgrading of purification works-6 500 stands			
	Bulk water supply (WTW): Refengkgotso 2 537 stands			
	Vaalpark stands			
	Purchasing various equipment & pumps			
Buildings	Renovation of building, repair of basement roof, etc.			
Mechanical workshop	Equipment and vehicles			
Programme	Project name			
Human Settlements (Planned for 2765 erven) 36 x Plots to be purchased for Expansion of Refengkgotso	Portion 8 of the Farm BOSCHBANK 12	R33 Mil		
	Portion 43 of the Farm Rietfontein No 251	R20,8 Mil		
	Portion 44 of the Farm Rietfontein No 251	R20,8 Mil		
	Portion 10 of the Farm Rietfontein No 251	R20,6 Mil		
	Portion 2 of the Farm WONDERFONTEIN 350	R38 Mil		
	Portion of the Farm Rietfontein No 251		R 4 0 M il	
	Planning and surveying 2000 stands			

APPENDICES

	<p><u>Purchases finalized</u></p> <p>Plot 1 Vaaldam Small Holdings</p> <p>Plot 3 Vaaldam Small Holdings</p> <p>Plot 14 Vaaldam Small Holdings</p> <p>Plot 16 Vaaldam Small Holdings</p> <p>Plot 20 Vaaldam Small Holdings</p> <p>Plot 25 Vaaldam Small Holdings</p> <p>Plot 26 Vaaldam Small Holdings</p> <p>Plot 28 Vaaldam Small Holdings</p> <p>Plot 32 Vaaldam Small Holdings</p> <p>Plot 39 Vaaldam Small Holdings</p> <p>Plot 40 Vaaldam Small Holdings</p>	R2 3 Mil	R5,5 Mil	
	<p>11 x Plots to be re-possessed for Expansion of Refengkgotso</p>	<p><u>Bad Debt</u></p> <p>Plot 2, 4, 13, 19, 24, 36, 37, 41, 50, 51 and 52</p> <p>Vaaldam Small Holdings</p>		R2 Million (Bad Debt)
	Building of 420 CRUs – hostel 4 (Zamdela)			
	Acquisition of land for agricultural use (Zamdela)			
	Acquisition of land for agricultural use (Refengkgotso/Metsimaholo)			
	Building of 74 CRUs rental (Sasolburg Extension)			
	Demolition of 389 old units – hostel 3 (Zamdela)			
	(Vaaldam small holdings)			

APPENDICES

	Infrastructure for 800 CRUs – hostel 3 (Zamdela)			
	Building of 800 CRUs – hostel 3 (Zamdela)			
	Acquisition of land for agricultural use (Zamdela)			
	Building of 48 Social housing units (Sasolburg x18)			
Spatial development	Surveying of 2000 stands (Moidraai)			
	Planning and surveying of 1000 erven (Amelia)			
	Planning and surveying Vaalpark to R59 provincial road			
	Planning and surveying agricultural small scale farming (Amelia)			
Programme	Project name	Funding source	Wards	2014/15
	Brick and paving manufacturing plant			
	Poultry and piggery farming			
	Office accommodation			
	Equipment (Digital Camera)			

APPENDICES

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

The information required in the table below is not available at this stage.

Table 166: Service Backlogs – Schools and Clinics

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Taaibos Primary School			No electricity	
Tabu Primary School	No water (borehole)			
Clinics (NAMES, LOCATIONS)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				TP

APPENDICES

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

Table 167: Service Backlogs – Another Sphere of Government Technical Dept.

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:		
Housing:		
Licensing and Testing Centre:		
Reservoirs		
Schools (Primary and High):		
Sports Fields:		

APPENDICES

			T Q

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

Table 168: Declaration of Loans and Grants made by the Municipality

Declaration of Loans and Grants made by the municipality: 2014/15				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2014/15 R' 000	Total Amount committed over previous and future years
<i>* Loans/Grants - whether in cash or in kind</i>				<i>T R</i>

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APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Table 169: National and Provincial Outcomes for Local Government

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
<p><i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i></p>		

T S

VOLUME II

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.

Metsimaholo Local Municipality

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

GENERAL INFORMATION

Mayoral Committee	Services delivery
Executive Mayor	BT Mahlaku
Speaker	SZ Matena
Council Whip	Ms T L Soetsang
Mayoral committee	Ms K J Makhoba
	L S Semonyo
	R J Mabefu
	Ms N J Kubheka
	Ms A N Radebe
	M W Khonto
	Ms S L Tshongwe
	K T Mabasa
Councillors	Ms M A Tamane
	M D Nthebe
	M S Poho
	G B Nnune
	Ms M N Sejaki
	T E Mosia
	Ms S S Mofokeng
	Ms S B Khunou
	Ms J M Phepheng-Lelahla
	J D Viljoen
	J J Grobbelaar
	H J Moolman
	Ms M C van der Walt

D M Oswald
A K Mare
Ms N L Mdola
L R Chebase
Ms D E Mokoena
S I Ramathesele
F C Coetzer
J J Geysler
T J Mofokeng
Ms S Holt
M F Machaea
V J Maseko
P J Mahlangu
M G Ntoane
J du Plessis
M Mosia
T du Toit
N M Mtshali
S S Mofokeng

Grading of local authority

Metsimaholo Local Municipality is a grade 9 Local Authority in terms of item IV of Government Notice R999 of 2 October 2001, published in terms of the Remuneration of Public Office Bearers Act, 1998

Sasolburg
Vaalpark
Zamdela
Deneysville
Refengkgotso
Oranjeville
Metsimaholo

Accounting Officer	S M Molala
Chief Finance Officer (CFO)	A Lambat
Registered office	Civic Centre Fichard Street Sasolburg 1947
Business address	Civic Centre Fichard Street Sasolburg 1947
Postal address	P. O Box 60 Sasolburg 1947
Bankers	Standard Bank
Auditors	Auditor General
Attorneys	Kamate Attorneys Lebea and Associates Attorneys Majavu Incorporated Melato Attorneys Mollenaar & Griffiths Ndobela Attorneys Nkaiseng Attorneys Skinner and Lodewyckx Moraka Attorneys

Metsimaholo Local Municipality

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

index

The reports and statements set out below comprise the Annual Financial Statements presented to the Auditor General:

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Accounting Officers' Responsibilities and Approval	
Statement of Financial Position	
Statement of Financial Performance	
Statement of Changes in Net Assets	
Cash Flow Statement	
Accounting Policies	
Notes to the Annual Financial Statements	

The following supplementary information which form part of the annual financial statements but no opinion will be express by the Office of the Auditor-General:

Appendix A: Schedule of External loans	
Appendix B: Analysis of Property, Plant and Equipment	
Appendix C: Segmental analysis of Property, Plant and Equipment	
Appendix D: Segmental Statement of Financial Performance	
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	

Abbreviations

GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Metsimaholo Local Municipality

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

S M Molala

Accounting Officer

A Lambat

Chief Financial Officer

Metsimaholo Local Municipality

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

STATEMENT OF FINANCIAL PERFORMANCE