

ANNUAL REPORT
VOLUME I

2012/2013

30 JUNE 2013

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VOLUME II - ANNUAL FINANCIAL STATEMENTS

Quality Certification

I, Ramakarane Sugar Tshepiso Rankgotho, Municipal Manager of Setsoto Local Municipality, hereby confirm that the annual report for 01 July 2012 to 30 June 2013 has been prepared in accordance with the Municipal Finance Management Act, 56 of 2003 and Regulations made under this Act.

To the best of my knowledge, the report conforms to the requirements of the following section of the Act in terms of Chapter 12 - Financial Reporting and Auditing:

Section 121: Preparation and adoption of annual reports

- The report adhere to section 121 (2) (a) (b) and (c);
- The report fully comply with section 121 (3)(a)-(k); and
- The report meet the requirements of section 121 (4) (a)-(h)

**RAMAKARANE STR
MUNICIPAL MANAGER**

Chapter 1

CHAPTER 1 - MAYOR'S FORWARD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

During the 2012/2013 IDP Review process, the community and the municipality reaffirmed their vision for the next three years and beyond. The community felt that the vision statement is still relevant now like it was relevant in 2011/2012 when it was reviewed.



Focusing on the identified needs, developmental issues and priorities, the common aspirations and local identity of all concerned parties which gives a form of a picture of the **“preferred future”** a statement that describes how the future will look if the organisation achieves its ultimate aims and is reflected in the following shared vision statement that drives us towards a compelling future that is to the benefit of the citizenry, this vision was agreed upon to be:

“A unified, viable and progressive municipality”

This report for the 2012/2013 financial year portrays the activities that the municipality has undergone in order to live up to these aspirations and local identity as encapsulated in the above vision statement. The report is compiled and tabled to the municipal council in terms of section 46 of Local Government: Municipal Systems Act, 32 of 2000 and sections 121 and 127 (2) of the Local Government: Municipal Finance Management Act, 56 of 2003, and the Mayor is required to table the report within seven months after the end of each financial year.

Deriving from the legislative framework, a closer collaboration was enhanced between the three spheres of government in order to forge synergy between the policies of National, Provincial and Local Government. For the municipality to achieve the desired outcomes for the year under review, the municipality aligned its development goals to that of the NDP, MDG's, MTSF, FSGDS and well as the TMDM's IDP. The alignment was as follows:

Key Policy Development and Alignment in 2012/2013				
NDP	MDG	FSGDS	TMDM IDP	Setsoto IDP
<ul style="list-style-type: none"> • Creating jobs and improving livelihoods • Expanding infrastructure 	<ul style="list-style-type: none"> • To eradicate extreme poverty and hunger • To ensure environmental sustainability 	<ul style="list-style-type: none"> • Economic Development and Employment Creation 	<ul style="list-style-type: none"> • District Economic Development 	<ul style="list-style-type: none"> • Local Economic Development • Basic Services and infrastructure
<ul style="list-style-type: none"> • Fighting corruption and enhancing accountability 	<ul style="list-style-type: none"> • To develop global partnership for development 	<ul style="list-style-type: none"> • Justice and Crime Prevention • Efficient administration and Good Governance 	<ul style="list-style-type: none"> • Good Governance 	<ul style="list-style-type: none"> • Financial Viability and Management • Good Governance and Public Participation
<ul style="list-style-type: none"> • Transforming society and uniting the nation 	<ul style="list-style-type: none"> • To promote gender equality and empower women • Improve maternal health • To reduce child mortality • To achieve universal primary education 	<ul style="list-style-type: none"> • Social and Human Development 	<ul style="list-style-type: none"> • Organisational Development and Transformation 	<ul style="list-style-type: none"> • Organisational Development and Transformation

In trying to achieve the above priorities, the municipality has implemented strategies and programs to enhance the provision of services to our communities. Some of the many strategies that the municipality has improved on the following:

- Organisational Redesign
- Development of Revenue Enhancement Strategies
- Utilisation of the total approved MIG rollover for the 2011/2012 financial year
- Filling of critical position on the organisational structure
- Implementation of parity amongst employees on the same level
- Preparation of the Annual Financial Statement in the required format
- Creation of 763 full-time jobs and 1600 work opportunities through Expanded public Works Programme
- Appointment of an external service provider for debt collection

Even though progress was made during the 2012/2013 financial year, the municipality experience challenges and the following interventions will be undertaken in this regard during the year ahead:

- (a) Addressing the service delivery backlogs, particularly regarding water and sanitation, by sourcing available national and provincial funding to augment key service delivery projects that were not completed in the prior years and to replace ageing, poor infrastructure and fleet.
- (b) Filling of key strategic positions in line with the amended approved organisational structure so as to find stability within the administration
- (c) Addressing all issues raised by the Auditor General in the audit report 2011/2012 as per the approved Action Plan 2013/2014
- (d) Enhancing Ward Committees System by implementation of approved ward operational plans so as to have an effective public participation
- (e) Updating the assets register to be fully GRAP compliant

Finally, I would like to express my sincere gratitude to all Councillors, Senior Management, all officials, the communities of Setsoto Local Municipality, stakeholders and Thabo Mofutsanyana District Municipality for their dedication, support and co-operation, with the institution to positively implement project and programmes as per the approved IDP, Budget and SDBIP, and also to record service delivery progress during the year under review.

Special mention must be made of the National and Provincial Government for their support in implementing the recommendations of section 106 report and the services rendered by their respective sector departments.

**COUNCILLOR JAKOBO T B
MAYOR**

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW



The Annual Report 2012/2013 has been prepared in line with Local Government: Municipal Finance Management Act, 56 of 2003, sections 121(1); (2) (a)-(c); (3) (a)-(k); (4) (a)-(h) and 127 (2), the National Treasury Circular 11, as well as the customised template and guidelines for municipal annual reports provided by the Department Corporative Governance and Traditional Affairs.

To the best of my knowledge, the Annual Report serves as a record of and accounting mechanism to communities on the organisation's achievements and challenges, as well as the corrective and remedial measures implemented to address the challenges.

To strengthen and streamline the organisation and its operations to enable the organisation to speed up service delivery to the residents of the municipality, the following actions will be prioritised for the year ahead:

- (i) Gradual implementation of the approved organisational structure with the filling of key critical positions enjoying priority
- (ii) Review the Service Level Agreement with the services provider to ensure that we receive value for money with our partnership
- (iii) Implementation of Ward Committees Operational Plans to enhance community Participation
- (iv) Implementation of the revenue Enhancement Strategy
- (v) Addressing all issues of qualified audit opinion received from the Auditor-General and introducing corrective measures towards obtaining a clean audit
- (vi) Review of Supply Management Policy, bid committees, systems and processes
- (vii) Promoting financial discipline and sound financial management
- (viii) Cascading performance management system to middle management
- (ix) Addressing fraud and corruption in the organisation through awareness campaigns targeted at councillors and employees
- (x) Ensuring that we instil an integrated risk management within all in the institution

The past year have been the most challenging one since I have joined the organisation just over a year ago, and I would like to extent my sincere appreciation to the political leadership of the council, the senior management, middle management, all officials of the municipality, communities and stakeholders of Setsoto Local Municipality, the National and Provincial Sector Departments, for their hardwork and dedication, which culminated in the progress made by the organisation during the 2012/2013 financial year.

MR RAMAKARANE STR
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

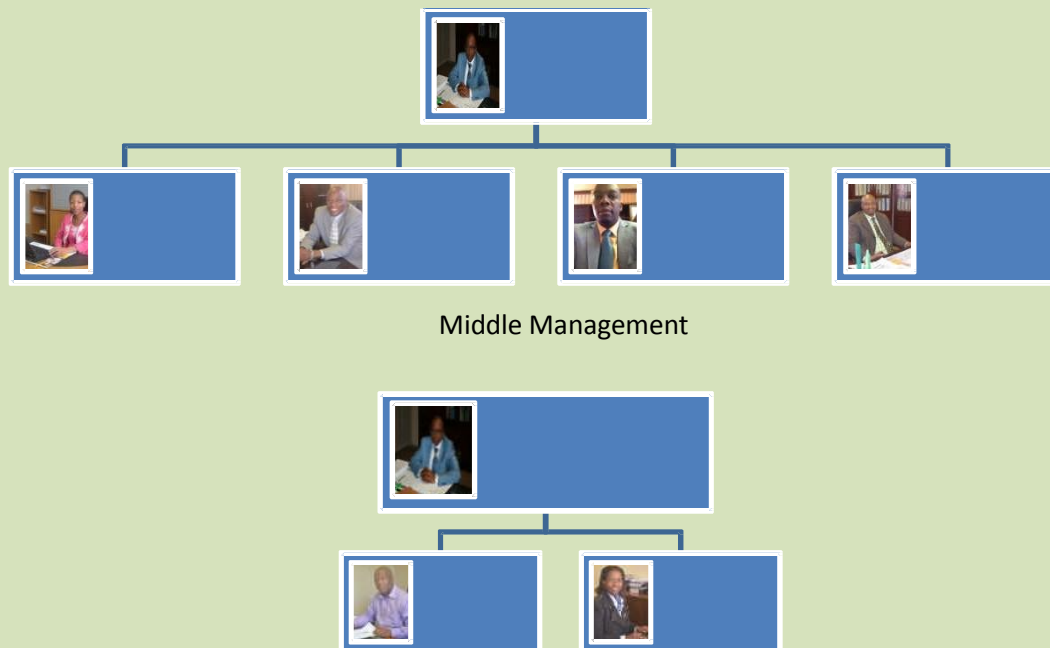
Municipal Functions Overview

The Setsoto Local Municipality was established in terms of section 14 of the Local Government: Municipal Structures Act, 117 of 1998, and was published in Provincial Gazette 184 dated 28 September 2000. The new municipality is a category B Municipality with a collective executive system combined with a ward participatory system as contemplated in section 3(b) of the Determination of Types of Municipality Act, 1 of 2000.

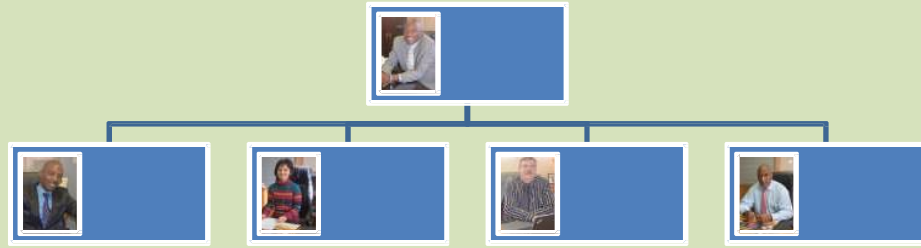
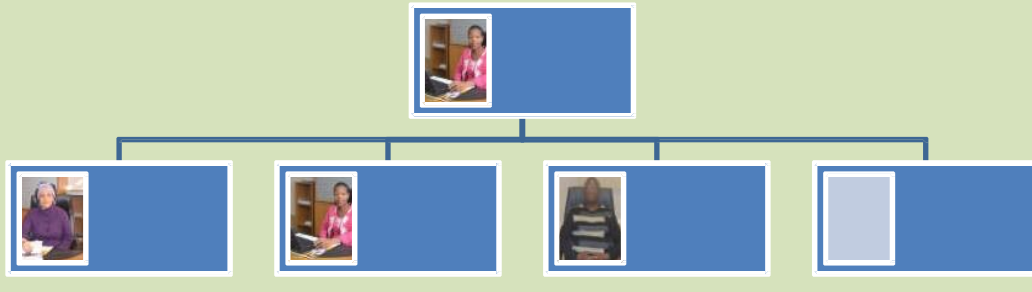
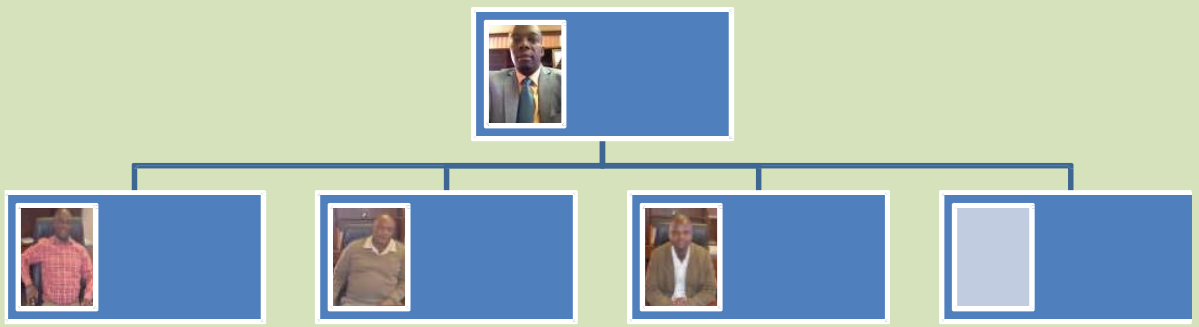
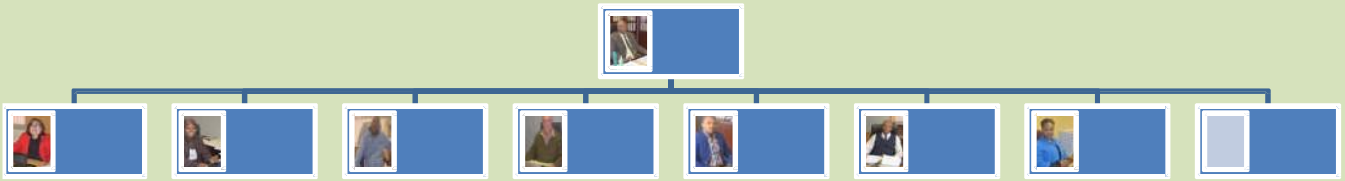
The powers and functions assigned to the new Municipality are stipulated in section 156 and 229 of the Constitution and section 83 and 84 of the Local Government: Municipal Structures Act, 117 of 1998, as amended. More specifically, the powers and functions of the municipality relating to section 84 of the Act were promulgated in Provincial Gazette 126 of 30 June 2005 and are as follows:

Section 84(1) (e)	Solid Waste
Section 84 (1) (f)	Roads
Section 84 (1) (j)	Firefighting services
Section 84 (1) (l)	Cemeteries
Section 84 (1) (n)	relating to any of the above functions

The administrative structure comprises of five administrative departments with the Municipal Manager as Head of Administration. The organisational hierarchy is as follows:



T 1.2.1



1.2.2 Population Profile

The size of the population within of the municipality is estimated at 112 597 people, as indicated in the table below. The figure is calculated on the basis of census 2011 incorporating annual growth based on the average annual growth rate of the Free State Province.

Municipal Population Overview

Age	Population Details								
	Year-2			Year -1			Year 0		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 to 4	6 144	5 856	12 000	3 483	3 484	6 967	6 591	6 559	13 150
5 to 9	6 588	6 576	13 164	5 722	5 711	11 433	6 159	6 145	12 305
10 to 19	13 874	13 626	27 500	12 055	11 840	23 895	11 106	10 907	22 013
20 to 29	11 750	13 250	25 000	12 587	14 195	26 782	9 959	10 512	20 472
30 to 39	8 257	9 531	17 788	7 039	8 124	15 163	6 986	8 063	15 049
40 to 49	2 777	3 723	6 500	2 553	2 879	5 432	4 800	6 432	11 232
50 to 59	4 339	6 009	10 348	3 743	5 169	8 912	3 881	5 374	9 255
60 to 69	2 584	4 068	6 652	2 253	3 525	5 778	2 134	3 359	5 493
70+	1 247	2 995	4 242	765	1 873	2 638	1 257	3 017	4 274
Total	36 958	86 236	123 194	50 200	56 800	107 000	52 633	59 964	112 597

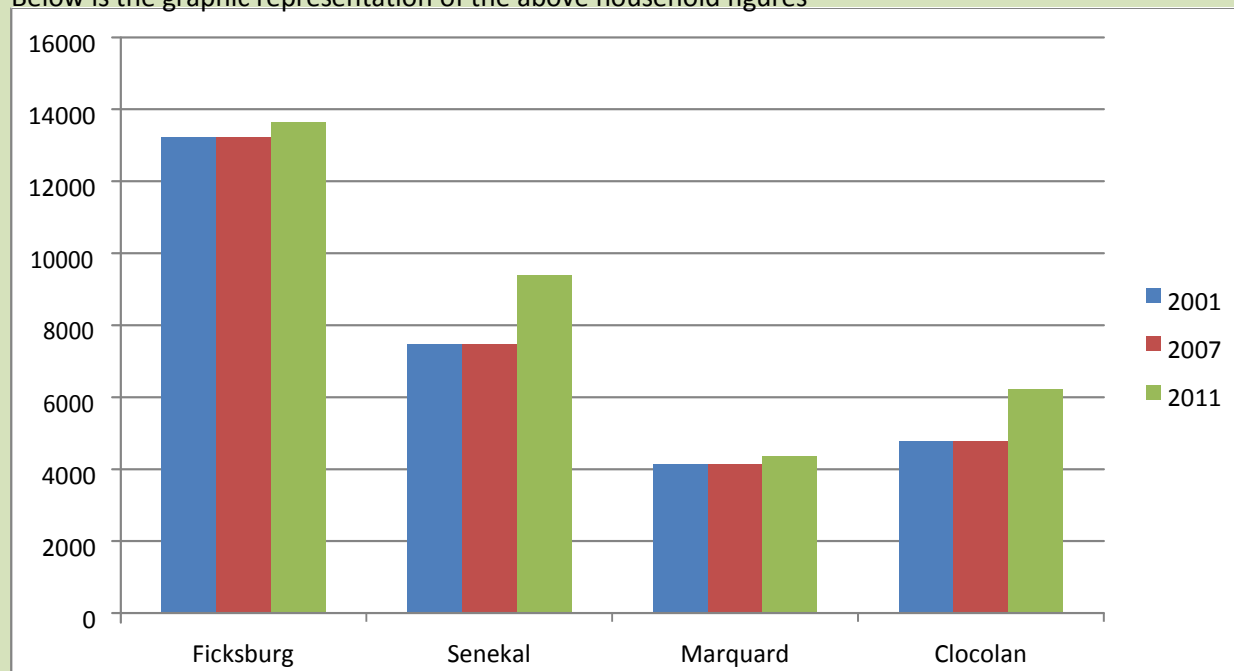
Source: Statistics SA T 1.2.2

Environmental Overview

Area	Households			
	Census 2011	Community Survey 2007	Census 2011	Percentage Growth
Ficksburg	13 230	13 230	13 621	3%
Senekal	7 467	7 467	9 387	26%
Marquard	4 141	4 141	4 360	-8%
Clocolan	4 762	4 762	6 219	31%
Total	29 590	29 590	33 687	14%

Source Statssa Community Survey 2007 and Census 2011 T1.2.3

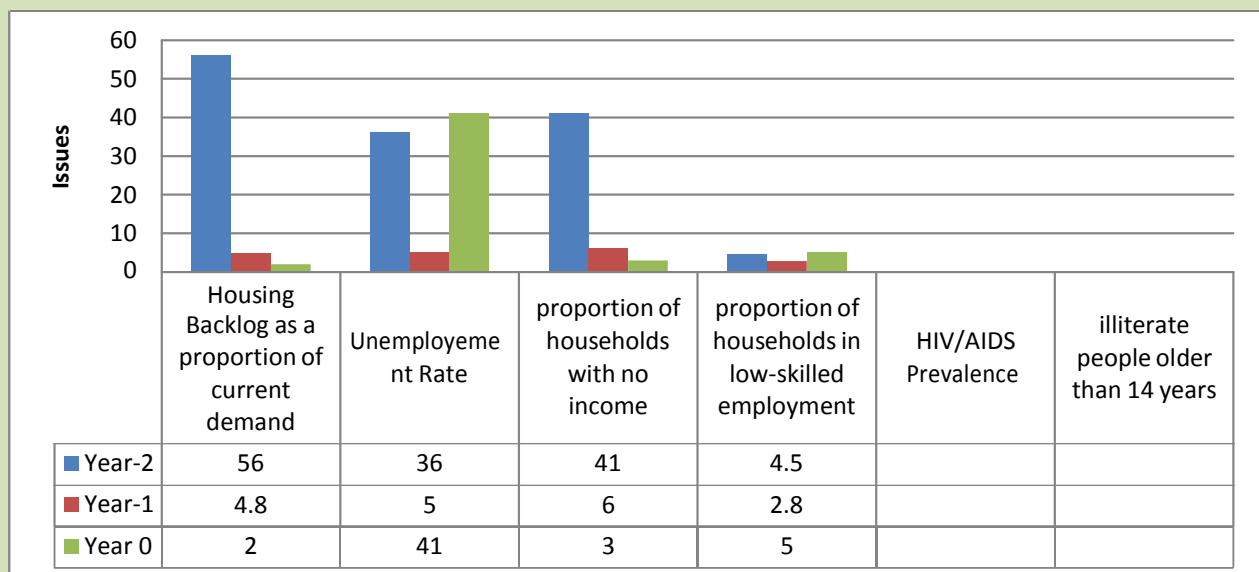
Below is the graphic representation of the above household figures



Socio Economic Status						
Year	Housing Backlog as a proportion to current demand	Unemployment rate	Proportion of households with no income	Proportion of population in low skilled employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -2	56%	36%	41%			
Year-1						
Year 0						

Source: Census 2011

T 1.2.3



Source: Census 2011

T 1.2.5

Overview of Neighbourhoods within Setsoto Local Municipality		
Settlement Type	Households	Population
Ficksburg	1 679	
Caledon Park	11 442	
Megheleng	500	
Sub-total	13 621	43 071
Senekal	1 090	
Matwabeng	8 297	
Sub-total	9 387	28 708
Marquard	584	
Moemaneng	3 876	
Sub-total	4 460	16 308
Clocolan	763	
Hlohlohwane	4 548	
Sub-total	6 219	10 998
Farms	2 913	
Sub-total	2 913	13 512
Total	36 600	112 597

Source: Census 2011

T 1.2.6

Major Natural Resource	Relevance to Community
Diamond	Job creation
Sandstone	Job creation

Source: IDP 2012/2013

T 1.2.7

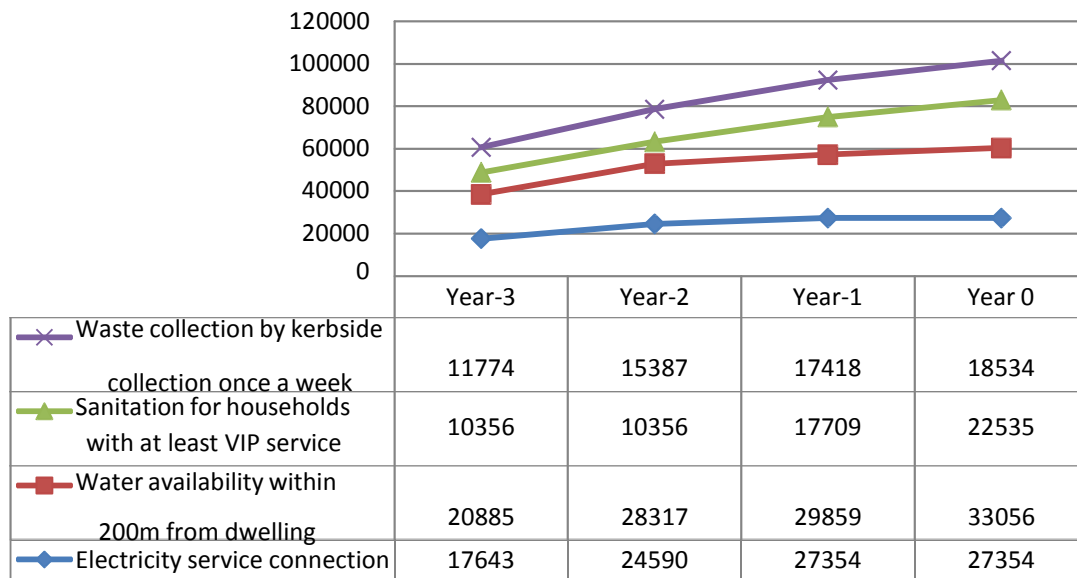
1.3 SERVICE DELIVERY OVERVIEW

At the end of the financial year under review, the municipality has performed very well in terms of service provision. The following are the achievement:

- Water available within a 200m radius: 33 056 of the 33 687
- Waste collection by kerbside collection once a week: 18 534 of 33 687
- Sanitation for households with at least VIP: 22 535 of 33 687
- Electricity service connection: 27 354 of 33 687

T 1.3.1

Proportion of households with access to basic services



Source: Census 2011

T 1.3.2

1.4 FINANCIAL HEALTH OVERVIEW

The municipality should enhance its efforts to collect revenue that is due to it by the consumers. The Revenue Enhancement Strategy that has been developed should be implemented as soon as possible to ensure that revenue is collected..

In an effort to alleviate the plight of the consumers and to clean its books, the municipality has written off debt to the amount of R191 million, and is encouraging communities to come and register for indigent subsidy.

As it stands the financial position of the municipality is not satisfying as the municipality is relying heavily on the equitable share allocation which is almost 51% of the total operating budget. This trend needs to be changed if the municipality is to meet all its obligations.

Financial Overview: Year 0			
Details	Original Budget	Adjustment Budget	Actual
Income			
Grants	251 415 000	252 307 000	273 373 394
Taxes, levies and tariffs	131 839 258	138 005 238	134 924 847
Other	35 324 168	52 241 445	36 184 620
Sub Total	339 821 426	365 397 684	444 482 861
Less: Expenditure	339 819 100	482 211 324	559 480 221
Net Total Surplus(deficit)	2 326	(116 813 640)	(114 997 360)

T 1.4.2

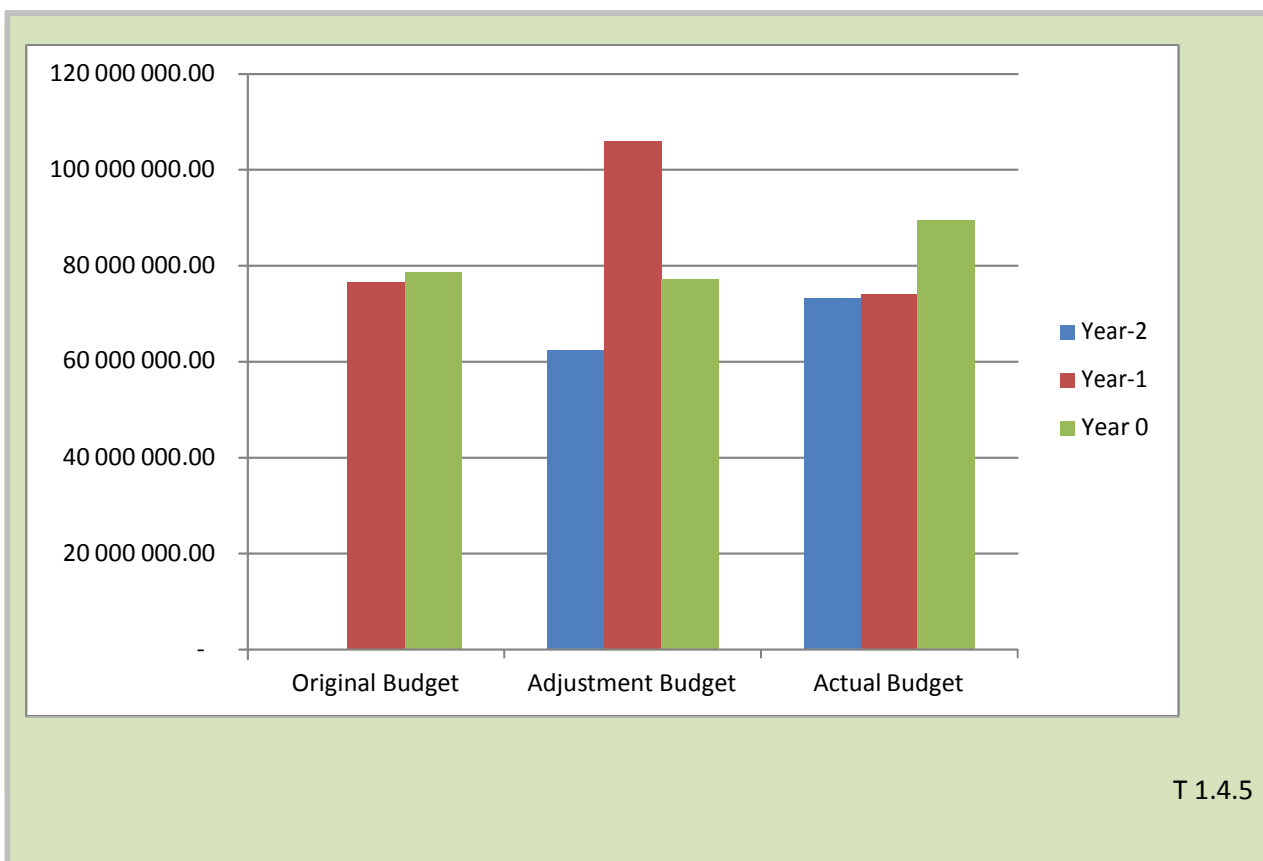
172

Operating Ratios	
Detail	%
Employee cost	23 %
Repairs and maintenance	6. %
Finance Charges and Impairments	51%

T 1.4.3

Total Capital Expenditure: Year-2 to Year 0			
Detail	Year-2	Year-1	Year 0
Original Budget		76 650 000	78 757 000
Adjustment Budget	62 478 000	106 071 000	77 157 000
Actual	73 266 644	74 100 343	87 216 559

T 1.4.4



T 1.4.5

COMMENT ON CAPITAL EXPENDITURE

According to the AFS the total capital expenditure is R87 216 559.00 but the records from PMU show that the expenditure is R89 556 570.00 which gives a difference of R2 340 011.00

T 1.4.5.1

1.5 ORGANISATIONAL DEVELOPMENT PERFORMANCE OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

A comprehensive report on organisational development performance will be dealt with in Chapter 4

T 1.5.1

1.6 AUDITOR GENERAL REPORT

Auditor General Report: Year 0 (Current Year)

The report will be included after the Auditor General Audit Report in December 2013

T 1.6.1

ANNUAL REPORT PROCESS

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 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	August
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	Sept-Oct
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
11	Municipalities receive and start to address the Auditor General's comments	November
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
13	Audited Annual Report is made public and representation is invited	December
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	January
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

T 1.7.1

1.7 STATUTORY ANNUAL REPORT PROCESS COMMENT ON THE ANNUAL REPORT PROCESS

The process of finalising the submission of the annual report to the Office of the Auditor General was delayed with a few days due to the delay of the finalisation of the annual financial statements. The annual financial Statements were due for finalisation and review on the 19th August 2013.

Though the municipality experience this delay, the annual report processes will be dealt with according to the legislative requirement until the oversight report is tabled to council not later than the 28th February 2014. The annual report will also be tabled to council not later than 25th January 2014 and made public for further engagements and comments.

T 1.7.1.1

Chapter 2

CHAPTER 2- GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance is the act of governing. It relates to decisions that define expectations, grant power, or verify performance. It consists of either a separate process or part of management or leadership processes. These processes or systems are typically administered by a government.

In the case of a business or of a non-profit organisation like a municipality, governance relates to consistent, cohesive policies, guidance, processes and decision-rights for a given area of responsibility. For example, managing at a corporate level might involve evolving policies on privacy, on internal investment, and on the use of data.

To distinguish the term governance from government; “governance is what government does”. It might be geo-political government (nation-state), a corporate government (business entity), a socio-political government (tribe, family etc.), or a number of different kinds of governments, but governance is the physical exercise of management of power and policy, while government is the instrument (usually collective) that does it.

As a process, governance may operate in an organisation of any size: from a single human being to all of humanity; and it may function for any purpose, good or evil, for profit or not. A reasonable purpose of governance might aim to assure, (sometimes on behalf of others) that an organisation produces a worthwhile pattern of good results while avoiding an undesirable patterns of bad circumstances.

Perhaps the moral and natural purpose of governance consists of assuring, on behalf of those governed, a worthy pattern of good while avoiding and undesirable pattern of bad. The ideal purpose, obviously, would assure a perfect pattern of good with no bad. A government comprises a set of inter-related positions that govern and that use or exercise power, particularly coercive power.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The council constituted of 35 Councillors at the beginning of the financial year with the following representation:

ANC: 26
DA: 6
COPE: 2
Freedom Front: 1

After the bi-election the composition changed to the following:

ANC: 25
DA: 6
COPE: 2
Freedom Front: 1
Independent: 1

The administration is headed by the municipal manager assisted by four directors and twenty one managers who report directly to the directors. The administration of the municipality is situated within the four towns of the municipality whereby three are administratively linked to the head office by the administrative officers and supervisors in the different towns.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Setsoto Local Municipality was established in terms of section 14 of the Local Government: Municipal Structures Act, 117 of 1998, and was published in Provincial Gazette 184 dated 28 September 2000. The new municipality is a category B Municipality with a collective executive system combined with a ward participatory system as contemplated in section 3(b) of the Determination of Types of Municipality Act, 1 of 2000.

The political governance of the municipality is constituted as follows:

Speaker:	Councillor Mohlomi P
Mayor:	Councillor Jakobo T
Councillor:	Mthibedi M
Councillor:	Mthimkulu M
Councillor:	Mokhuoane K
Councillor:	Motsei M
Councillor:	Selasi M
Councillor:	Mabeleng
Councillor:	Nakasi M
Councillor:	Bath H
Councillor:	Koalane K
Councillor:	Hlakane
Councillor:	Thamae M
Councillor:	Makae T
Councillor:	Makhalanyane T
Councillor:	Mohala V
Councillor:	Kere L
Councillor:	Mavaleliso P
Councillor:	Maduna M
Councillor:	Semahla M
Councillor:	Maphisa M
Councillor:	Muso T
Councillor:	Tsolo T
Councillor:	Malebo T
Councillor:	Mahlangu M
Councillor:	Fuso
Councillor:	Mohase
Councillor:	Strydom
Councillor:	Setlai
Councillor:	Marwick
Councillor:	Du Toit
Councillor:	Lubbe
Councillor:	Bester

Councillor Lithebe passed away in August 2012 and was replaced by Councillor Hlakane in Ward 12, Meqheleng, Ficksburg while Councillor Modiri resigned and his position filled by Councillor Mabaleng after the successful bi-election held in Ward 6 Matwabeng, Senekal. The committees of council are composed as follows:

EXECUTIVE COMMITTEE MEMBERS

Mayor: Councillor Jakobo T-Chairperson
Councillor Koalane K
Councillor Makae T
Councillor Mthimkulu M (Mrs)
Councillor Makhalanyane T
Councillor Mahlangu M (Ms)
Councillor Strydom

COUNCIL COMMITTEES

URBAN PLANNING AND HOUSING COMMITTEE

Councillor Mthimkulu M (Mrs)
Councillor Selasi M
Councillor Kere L
Councillor Raboroko
Councillor Bester (Mrs)

INFRASTRUCTURE COMMITTEE

Councillor Makhalanyane T-Chairperson
Councillor Mohapi L (Mrs)
Councillor Motsei M (Mrs)
Councillor Nakasi H
Councillor Fuso
Councillor Du Toit

COMMUNITY SERVICES AND SOCIAL DEVELOPMENT COMMITTEE

Councillor Makae T-Chairperson
Councillor Mkhuloane K Councillor
Maduna M Councillor Muso T
(Mrs) Councillor Mohase
Councillor Strydom
Councillor Bester (Mrs)

FINANCE COMMITTEE

Councillor Koalane K-Chairperson
Councillor Mohapi V (Mrs)
Councillor Semahla M (Mrs)
Councillor Maphisa M (Mrs)
Councillor Tsolo T
Councillor Marwick

ADMINISTRATION AND HUMAN RESOURCES

Councillor Mahlangu M (Ms)-Chairperson
Councillor Bath H
Councillor Thamae M
Councillor Mavaleliso P
Councillor Malebo T
Councillor Setlai

AUDIT AND PERFORMANCE AUDIT COMMITTEE

The council establish a single Audit and Performance Audit committee to audit the financial information and the non-financial information performance, During the year one member of the committee resigned and one member who was the chairperson passed on an the committee currently does not form a quorum.

The council has resolved to advertise these vacant posts in the Audit and Performance Audit Committee to be able to exercise its oversight role effectively and efficiently.

AUDIT AND PERFORMANCE AUDIT COMMITTEE MEMBERS

Name	Qualification	Active/Inactive
Tau L W	B.Com Accounting	Active
Moletsane D S	B.Com Accounting (Honours)	Inactive
Tshake M S	Accounting (Honours)	Inactive
Makhale K T	N.Dip. Cost and Management Accounting	Active

T 2.1.1

POLITICAL STRUCTURE

Mayor: Councillor Jakobo T B

Speaker: Councillor Mohlomi M P

EXECUTIVE COMMITTEE MEMBERS AND PORTFOLIOS

Name	Portfolio
Councillor Jakobo T B	Chairperson: Executive Committee
Councillor Makhalanyane G T	Chairperson: Infrastructure
Councillor Koalane K E	Chairperson: Finance
Councillor Mahlangu M A	Chairperson: Administration and Human Resources
Councillor Makae T E	Chairperson: Community Services and Social Development
Councillor Mthimkulu L M	Chairperson: Urban Planning and Housing
Councillor Strydom E P	Member of Community Services and Social Development

T 1.2.1

COMMENT ON COUNCILLORS

The current council was elected on the 18 May 2011 and was inaugurated on the 2nd of June 2011. The council is constituted by 35 Councillors of whom 25 are from the ANC, the council majority, 6 from the DA, major opposition party, 2 from COPE, 1 Independent and 1 from Freedom Front.

Of this number 18 are ward representative Councillors and 17 are party /proportional representative Councillors. The council is made up of twenty-one (21) male and fourteen (14) female Councillors.

T 2.1.2

POLITICAL DECISION-MAKING

Council is the overall decision-making structure of council. The administration prepared items for different committees of council for submission, deliberation and recommendation to Executive Committee.

The Executive discusses item submitted by the committees of council and make resolutions on those matters that are within their delegated powers and function as approved by council. On those matters that only council has the power to resolve the Executive Committee will then submit the recommendations for council resolution and those they have already resolved for notification.

Upon the submission of reports by the Executive Committee to Council, Council will note the Executive Committee's resolutions and discuss and resolve on those recommendations from the Executive Committee. The Council Support Services will then compile a progress report to management for implementation and report back.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The administrative structure comprises of four administrative units with a Municipal Manager as head of the administration situated in the head centre in Ficksburg. The other towns within the Municipal area are Clocolan, Marquard and Senekal and our link with these towns is through the Administrative Liaison Officers and Supervisors reporting to their respective Managers who then report to their respective Directors

The organizational structure and levels of administration and existing human resources are indicated in the organisational development and transformation plan attached to this document. The following are the different departments within the municipality:

- Department of the Office of the Municipal Manager
- Department of Corporate Services headed by Director Corporate Services
- Department of Technical Services headed by Director Technical Services
- Department of Financial Services headed by Director Financial Services
- Department Economic and Community Services headed by Director Economic and Community Services

T 2.2.1

Accounting Officer		
Title	Name	Function
Mr	Ramakarane STR	Accounting Officer
Directors		
Title	Name	Function
Mr	Banda G T	Director Financial Services
Ms	Zondi F T	Acting Technical Director
Mr	Ntheli M K	Director Economic and Community Services
Mr	Masejane T B	Director Corporate Services
Managers		
Ms	Lebeko S D	Manager Internal Audit
Mr	Makhele M S	Manager IDP
Ms	Mihailescu S	Manager Administration and Support Services
Ms	Monare B	Manager Human Resources
Mr	Kobeli N S	Manager Legal and Communication
Mr	Potgieter J	Manager Salaries
Mr	Mthimkhulu T J	PA to Mayor
Mr	Molelekoa B J	Manager Housing
Ms	Malebo N	PA to Speaker
Mr	Van Tonder N	Manager Income, Budget and AFS
Mrs	Marx M	Manager Expenditure
Mr	Motsohi T	Manager Supply Chain Management
Mr	Skosana S G	Manager Asset
Mrs	Viljoen F N	Manager Electricity, Roads and Storm Water
Mr	Mokhetoa M	Manager Water
Mr	Koalane M J	Manager Sewer
Mr	Mosholi M	Acting Manager Security

T 1.2.1

Title	Name	Function
Mr	Zondo T	Manager LED
Mr	Lebone M C	Acting Manager Fleet Management

T 2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

South African Government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. All spheres of government must observe and adhere to the principles of co-operative governance and intergovernmental relations contained in Chapter 3 of the Constitution of the Republic of South Africa and must conduct their activities within the parameters that Chapter 3 provides.

All spheres of government and organs of state within each sphere must

- (a) preserve the peace, national unity and indivisibility of the Republic;
- (b) secure the well-being of the people of the Republic;
- (c) provide effective, transparent, accountable and coherent government for the Republic as a whole;
- (d) be loyal to the Constitution, the Republic and its people;
- (e) respect the constitutional status, institutions, powers and functions of government in the other spheres;
- (f) not assume any power or function except those conferred on them in terms of the Constitution;
- (g) exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and
- (h) co-operate with one another in mutual trust and good faith by
 - i. Fostering friendly relations
 - ii. Assisting and supporting one another
 - iii. Informing one another of, and consulting one another on, matters of common interest;
 - iv. Co-ordinating their actions and legislation with one another;
 - v. Adhering to agreed procedures; and avoiding legal proceedings against one another.

Oversight, monitoring and early-warning systems play critical role in helping to make cooperative governance work more effectively. The Intergovernmental relations Framework Act, 13 of 2005 improve integration among all spheres of government in both policy development and implementation.

T 3.2.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

These structures promote and facilitate cooperative governance and intergovernmental relations between the respective spheres of government.

Structure	Composition	Function
President Co-ordinating Council	President Minister of Corporate Governance and Traditional Affairs 9 Premiers	Coordination
Ministerial Clusters	National Ministers	Promote programme integration
Director-General Clusters	National Directors-General	
Forum of SA Directors- General	Directors-General	
Ministerial Forum	National Ministers and Provincial MECs	

T 3.2.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Same as above but only those in the provincial government

T 3.2.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality is having no legal municipality entity though this is this projects that is being practically run like an entity. Steps are underway to treat it as a normal community project or to follow all the legal steps to transform it into a legal municipal entity

T 3.2.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

Same as provincial sphere of government but only for those at the district level including local municipalities

T 3.2.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 106 of the Local Government: Municipal Systems Act, 32 of 2000, refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that compliments a formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- The preparation, implementation and review of the IDP;
- Establishment, implementation and review of the performance management system;
- Monitoring and review of performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The municipality make use of the following methods to communicate with communities:

- Radio slots
- Ward Committees
- IDP Community Representative Forum
- Budget Road Shows
- Municipal Website
- Council meetings

The municipality has drafted a Communication Strategy and the process of developing a Public Participation is underway so as to enhance communication between itself, communities and other stakeholders.

T 2.4.1

WARD COMMITTEES

The ward committee function is located in the Office of the Speaker and administrative report to the Director Corporate Services. Due to capacity constraints, it was not possible to keep proper records during the year under review.

The purpose of the ward committees is to:

- Get better participation from the community to inform council decision;
- Make sure that there is more effective communication between council and the community; and
- Assist ward councillor with consultation and report-backs to community

The ward committees have been trained to develop their respective ward operational plan and this would be effective from the beginning of the new financial year so as to enhance reporting mechanism within the Office of the Speaker. All ward committee members are receiving R 500.00 on a monthly basis to cover their out of pocket expenses.

These committees play a very important role in the development and annual revision of the IDP and PMS.

T 2.4.2

PUBLIC MEETINGS

Nature and purpose of meeting	Date of events	Number of participating Municipal Officials	Number of participating Municipal Councillors	Number of community members attending	Issues addressed Yes/No	Manner of feedback given to community
Council	23/10/2012	11	28	0	Yes	None
Council	04/10/2012	15	26	0	Yes	None
Special Council	08/11/2012	11	26	0	Yes	None
Council	29/11/2012	7	31	0	Yes	None
Council	13/12/2012	6	25	0	Yes	None
Council	24/01/2013	7	30	0	Yes	None
Ward Based Planning	13/02/2013	6	0	218	Yes	IDP Rep Forum
Ward Based Planning	18/02/2013	8	0	108	Yes	IDP Rep Forum
Special Council	28/02/2013	11	26	0	Yes	None
Ward Based Planning	19/02/2013	6	9	111	Yes	IDP Rep Forum
Ward Based Planning	26/02/2013	5	0	91	Yes	IDP Rep Forum
Council	27/03/2013	7	28	0	Yes	None
Mayoral Budget Roadshows	29/04/2013	11	5	53	Yes	IDP Rep Forum
Mayoral Budget Roadshows	02/05/2013	3	0	53	Yes	IDP Rep Forum
Council	30/05/2013	11	29	0	Yes	None
Special Council	28/06/2013		5	24	Yes	None

All council meeting and special council meeting are opened for public; the only wrong thing is that they are not made to sign the attendance register. This matter will be rectified in the new financial year.

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

The meetings are very effective as communities air their problems and frustration regarding the provision of services by the municipality.

These meetings also play a pivotal role as communities take part in their own development initiatives during the crafting of the IDP.

The only slack is that the municipality does not keep records of these interactions with communities and fails to produce evidence as to the actual proof of the taking place of these activities and this matter will be dealt properly in the new financial year.

T 2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP PARTICIPATION AND ALIGNMENT CRITERIA	
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPI's, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per 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 the stipulated timeframes?	Yes

T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is a set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled, corporate governance also include the relationships amongst the many stakeholders involved and the goals for which the institutions is governed.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk Management is the responsibility of everyone within the institution. During the year under review the municipality established a Risk Management Unit and appointed a Risk Officer. A Risk Management Committee was also established and it is chaired by a qualified external person who is not in the employ of the municipality.

Risk management is systematic and formalised processes instituted by the municipality to identify, assess, manage and monitor risks. All department have risk management champion who assist the Risk Officer to identify, minimise and mitigate the risks. A lot is still to be done for the municipality to manage risks to an acceptable tolerance level.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Local Government: Municipal Systems Act, 32 of 2000, section 83(c) refers to the implementation of an effective bidding to minimise the possibility of fraud and corruption and the Municipal Finance Management Act, 56 of 2003, section 112(1)(m)(i) identify supply chain management measures to be enforced to combat fraud and corruption, favouritism and unfair ad irregular practices.

Section 115(1) of the Municipal Finance Management Act, 56 of 2003 states that the accounting officer must take reasonable steps to ensure mechanisms and the separation of duties in supply chain management system to minimise the likelihood of fraud and corruption. The Fraud and Anti-Corruption Strategy was approved by council to conform to this requirement.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

In line with the approved Fraud and Anti-Corruption Strategy, the municipality filled all vacant position, except the position of norms and standard clerk within the division in order to enforce the separation of duties. The division is having a clear separation of duties as well as adhering to the municipality's approved Supply Chain Management Policy.

The division is also addressing all the issues raised by the Auditor General in the last audit report so as to ensure that these issued do not recur and that the municipality moves towards it operation clean audit by June 2014.

T 2.8.1

2.9 BY-LAWS

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
Indigent Support By-Law 1 of 2013	Standard Indigent Support By-law	Yes	01/03/2013-15/04/2013	Yes	Provincial gazette of 21/06/2013
Traffic Policy By-Law 2 of 2013	Standard Traffic Policy By-Law	Yes	01/03/2013-15/04/2013	Yes	Provincial gazette of 21/06/2013
Credit Control and Debt Collection Policy By-Law 3 of 2013	Standard Credit Control and Debt Collection Policy By-Law	Yes	01/03/2013-15/04/2013	Yes	Provincial gazette of 21/06/2013

T 2.9.1

COMMENT ON BY-LAWS

All the by-laws that have been developed and revised need to be implemented as soon as possible. In areas where there is no capacity the municipality is looking into other alternatives to ensure that these documents do not just end up on the shelves but implemented to the latter.

T 2.9.1.1

2.10 WEBSITES

MUNICIPAL WEBSITE: CONTENT AND CURRECNY OF MATERIAL		
Documents published on the Municipality's Website	Yes/No	Publishing Date
Current annual and adjustments budget and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year-1)	No	
The annual report (year 0) published/to be published	Yes	02/09/2013
All current performance agreements required in terms of section 57 (1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	01 August 2012
All service delivery agreements (Year 0)	Yes	01 August 2012
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above prescribed value (give value) for (Year 0)	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during Year 1	No	
Contracts agreed on Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-Private Partnership agreements referred to in section 120 made in Year 0	N/A	
All quarterly reports tabled in the council in terms of section 120 made in Year 0	No	

T 2.10.1

MUNICIPAL WEBSITE AND CONTENT

The website is up and running and the municipality need to place all the required information within the stipulated timeframe. Some information is being placed but after some delays. This matter is being given the necessary attention and it will be addressed in the new financial year.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

No surveys were undertaken in the year under review

T 2.11.1

Satisfaction Survey Undertaken during: Year -1 and Year 0

Subject matter of survey	Survey method	Survey dates	Number of people included in survey	Survey results indicating satisfaction or better (%)
Overall satisfaction with	See T 2.11.1			
(a) municipality				
(b) municipal Service Delivery				
(c) Mayor				
Satisfaction with				
(a) Refuse				
(b) Road maintenance				
(c) Electricity				
(d) Water supply				
(e) information supplied by municipality to the public				
(f) Opportunities for consultation on municipal affairs				

T 2.11.2

CORNCERNING T 2.11.2

See T 2.11.1

T 2.11.2.1

COMMENT ON SATISFACTION LEVELS

See T 2.11.1

T 2.11.2.2

Chapter 3

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

INTRODUCTION

The service delivery performance is managed by the office of the IDP Manager responsible for Integrated Development Planning and Performance Management Systems. Departments report their performance in terms of the Service Delivery and Budget Implementation Plans as per Circular 13 of the Local Government: Municipal Finance Management Act, 56 of 2003.

In order to monitor these activities, the performance management systems framework is implemented as per the Local Government: Municipal Systems Act, 32 of 2000 and the Municipal Planning and Performance Management Regulations of 2001

T 3.0.1

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

The municipality provide the following basic services to the communities:

- Water
- Sanitation
- Refuse Removal
- Electricity

T 3.1.0

3.1 WATER PROVISION

INTRODUCTION TO WATER PROVISION

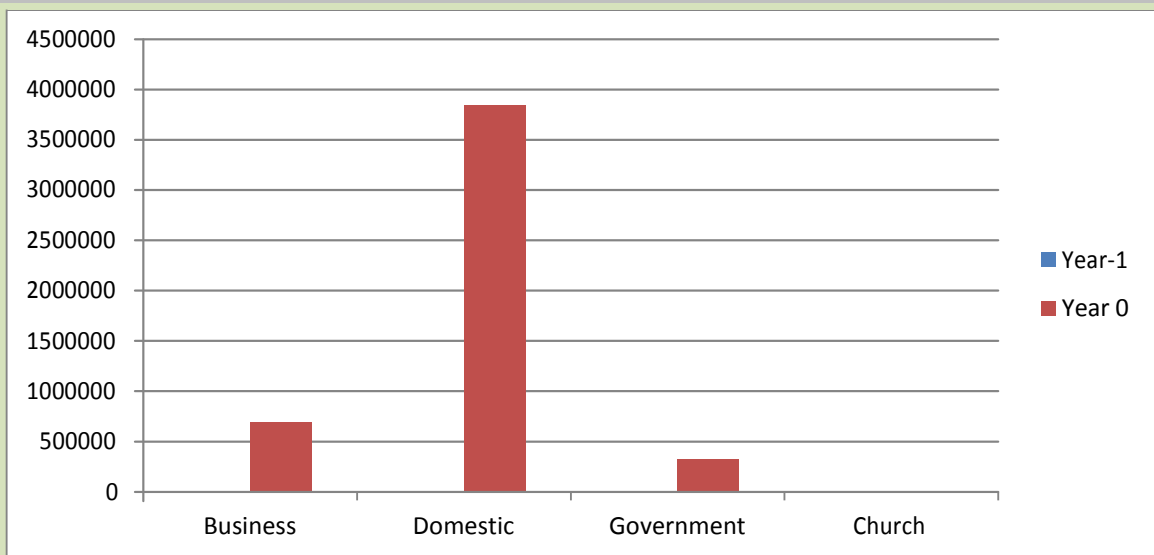
The total of 33 056 households receives water within a radius of 200 metres.

T 3.1.1

Total Use of Water by Sector				
	Business	Domestic	Government	Church
Year-1				
Year 0	686 476	3 835 223	317 123	6 346

Source: Census 2011

T 3.1.2



Source: Census 2011

T 3.1.2.1

COMMENT ON WATER USE BY SECTOR

Lot of water is being consumed by the residents and the municipality will have to start metering the water so that it can get value for money.

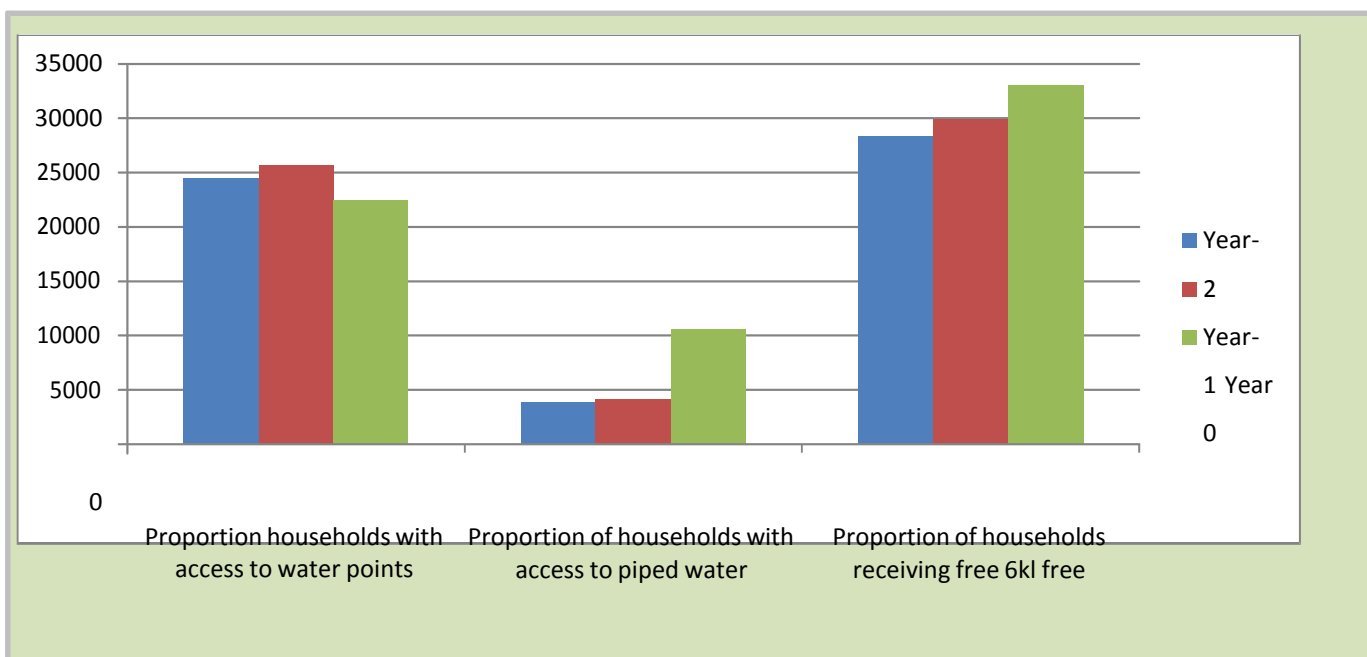
T 3.1.2.2

Description	Water Service Delivery Levels			
	Year-3	Year-2	Year-1	Year 0
	Actual Number	Actual Number	Actual Number	Actual Number
Water: (above minimum level)				
Piped water inside dwelling	3 740	3 847	4 137	10 575
Piped water outside yard (but not in dwelling)	7 630	10 356	10 886	20 020
Using public tap (within 200m from dwelling)	9 375	13 907	14 618	2 461
Other water supply (within 200m)	140	207	218	0
Minimum Service Level and Above sub-total	20 885	28 317	29 859	33 056
Minimum Service Level and Above percentage	92%	96%	96%	98%
Water: (below minimum level)				
Using public tap (more than 200m from dwelling)	238	355	311	0
Other water supply (more than 200m from dwelling)	320	918	933	631
No water supply	0	0	0	0
Below Minimum Service Level sub-total	1 200	1 273	1 244	631
Below Minimum Service Level Percentage	8%	4%	4%	2%
Total Number of Households	22 643	29 590	31 103	33 687

Source; Census 2011

T 3.1.3

Households-Water Service delivery Levels below the minimum						
Description	Year-3	Year-2	Year-1	Year 0		
	Actual Number	Actual Number	Actual Number	Original Budget Number	Adjustment Budget Number	Actual Number
Formal Settlement						
Total Households	22 643	29 590	31 103	31 103	2 584	33 687
Households below minimum service level	1 200	1 273	1 244	1 244	(613)	631
Proportion of households below minimum service level	5%	4%	4%	4%	-10%	2%
Informal Settlement						
Total Households	558	1 273	1 244	1 244	18	1 262
Households below minimum service level	558	1 273	1 244	1 244	18	1 262
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%
Source: Census 2011						T 3.1.4



Source: Census 2011

T 3.1.5

Financial Performance Year 0: Water Services					
Details	Year-1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	50 037 435.24	22 898 889	42 592 609.72	119 212 387	76 619 777.30
Expenditure					
Employees	7 634 101	8 023 922	9 459 897	10 221 826	761 929
Repairs and Maintenance	4 720 354	1 226 975	6 801 449	18 159 605.68	11 358 156
Other	7 947 722	12 151 032	15 042 684	220 384 322.56	205 341 638
Total operational Expenditure	20 302 177	21 401 929	31 304 030	248 765 755	217 461 725
Net Operational Expenditure	29 735 258	1 496 960	11 288 580	(129 553 368)	(140 841 947.70)
T 3.1.8					

Capital Expenditure: Water Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Development of 1000 sites	22 162 000	22 162 000	12 509 170	5 573 785	22 162 000
Bulk water supply	10 000 000	10 000 000	9 994 777	5 222	10 000 000
Development of boreholes in Senekal	21 561 925	24 580 594	18 228 968	6 351 626	24 580 594
Upgrading of bulk water supply in Ficksburg	30 000 000	32 677 200	50 566 505	12 110 695	32 677 200
Upgrading of water treatment works in Marquard	7 763 400	11 506 134	11 353 610	152 524	11 506 134
Augmentation of raw water supply construction of a pipeline and reservoir in Marquard	13 202 739	24 472 152	22 376 243	2 095 908	24 472 152
Total	104 690 064	125 398 080	125 029 273	26 289 760	125 398 080
T 3.1.9					

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The water services did not report on all the indicators as contained in the approved SDBIP 2012/2013. The water services did also not submit evidence on those indicators they have reported on. This matter needs urgent intervention so that the division reports in term of the requirements

T 3.1.10

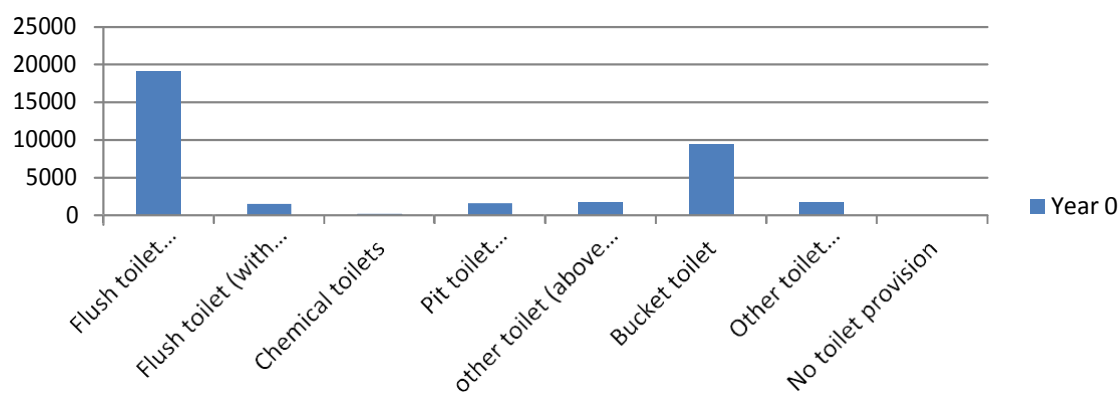
3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The total population of 22 535 received a sanitation service level of at least VIP

T 3.2.1

Sanitation above minimum level



Source: Census 201

T 3.2.2

Sanitation Service Delivery Levels				
Description	Year-3	Year-2	Year-1	Year 0
	Actual Number	Actual Number	Actual Number	Actual Number
Sanitation: (above minimum level)				
Flush toilet (connected to sewerage)	6 510	6 510	9 625	19 076
Flush toilet (with septic tank)	443	443	931	1 482
Chemical toilet	141	141	4 354	185
Pit toilet (ventilated)	599	599	2 799	1 562
Other toilet provisions (above minimum service level)	2 663	2 663	0	1 792
Minimum Service Level and Above sub-total	10 356	10 356	17 709	22 535
Minimum Service Level and Above percentage	35%	35%	57%	67%
Sanitation: (below minimum level)				
Bucket toilet	10 387	15 387	11 508	9 402
Other toilet provisions (below minimum service level)	1 900	3 847	1 886	1 750
Below Minimum Service Level sub-total	12 287	19 234	13 394	11 152
Below Minimum Service Level Percentage	54%	65%	43%	33%
Total Number of Households	22 643	29 590	31 103	33 687

Source: Census 2011

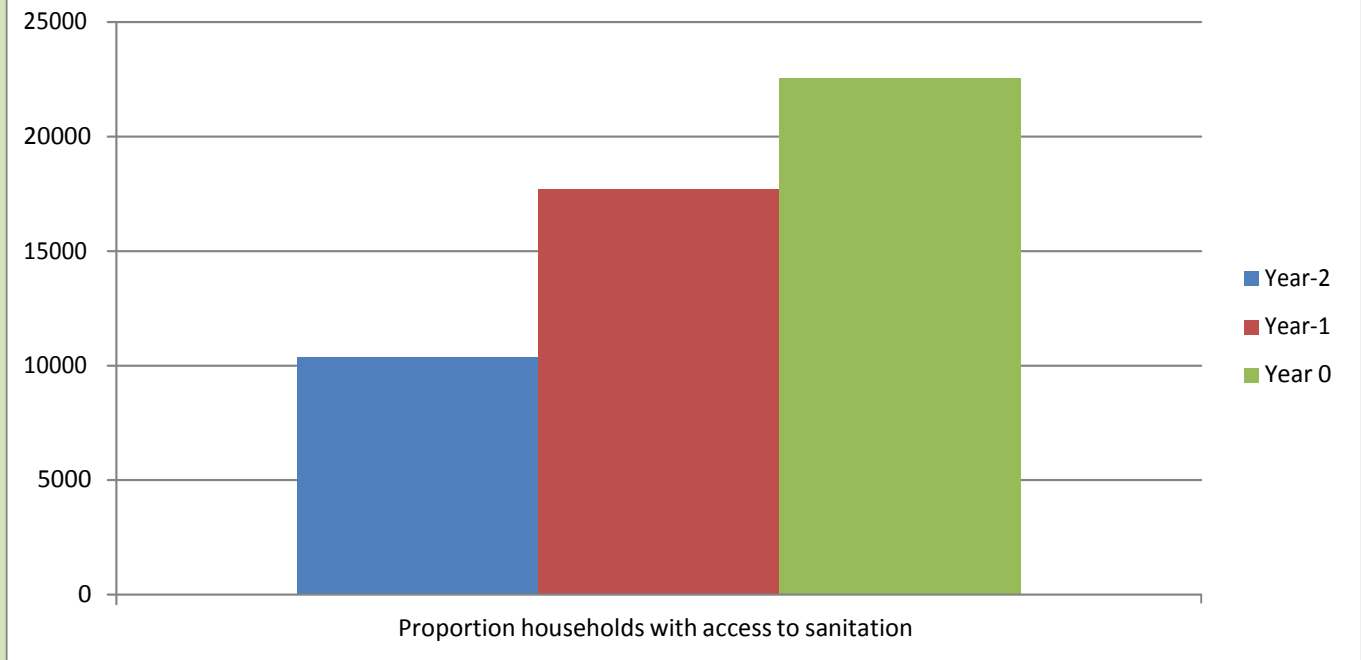
T 3.2.3

Households-Sanitation Service delivery Levels below the minimum						
Description	Year-3	Year-2	Year-1	Year 0		
	Actual Number	Actual Number	Actual Number	Original Budget Number	Adjustment Budget Number	Actual Number
Formal Settlement						
Total Households	10 356	10 356	17 709	17 709	4 826	22 535
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlement						
Total Households	9 943	2 000	2 584	2 584	8 568	11 152
Households below minimum service level	2 996	2 000	2 584	2 584	8 568	11 152
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%

Source: Census 2011

T 3.2.4

Access to Sanitation



Source: Census 2011

T 3.2.5

Waste Water (Sanitation) Service Policy Objectives Take From IDP								
Service objective (i)	Service indicators (ii)	Outline Service Targets (iii)	Year-1		Year 0		Year 1	Year 2
			Target	Actual	Target	Actual	Target	
			Previous Year		Previous Year		Current Year	Following Year
			(iv)	(v)	(vi)	(vii)	(viii)	
Service Objective								
To provide improved sanitation services	% completion of civil phase 1 of the upgrading of oxidation ponds in Moemaneng		20%	0%	40%	38%	70%	30%
	% completion of civil phase 2 of the upgrading of oxidation ponds in Moemaneng		10%	0%	10%	0%	50%	50%
	% completion of mechanical phase 3 of the upgrading of oxidation ponds in Moemaneng		10%	0%	10%	0%	50%	50%
	% completion of electrical phase 4 of the upgrading of oxidation ponds in Moemaneng		10%	0%	10%	0%	65%	35%
To ensure maintenance of sewer network	% of sewer spillages refurbished		100%		100%	110%	100%	100%
To provide sanitation services	Number of bucket removed		10 772		10 772	94 816	100 000	45 0000
	Number of septic tanks serviced		443		443	3 148	2 148	1 148
To provide basic maintenance	Number of blockages unblocked		645		645	1 685	700	500
To ensure that the final treated effluent meets the required standard/requirement of green drop	Percentage treated water going into the river				70%	73%	80%	90%
	Senekal		0		60%	Unknown	80%	100%
	Ficksburg		0		60%	Unknown	80%	100%
	Marquard		0		60%	Unknown	80%	100%
	Clocolan		0		60%	Unknown	80%	100%

Source: DTS Annual Performance Report 2012/2013

T 3.2.6

Employee: Sanitation Services						
Job Level	Year 1		Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
0-3	1	0	1	-1	-100%	
4-6	2	2	2	0	0%	
7-9	5	5	5	0	0%	
10-12	19	19	19	0	0%	
13-15	7	7	7	0	0%	
16-17	61	61	61	0	0%	
Total	94	94	94	-1	-1%	

T 3.2.7

Financial Performance Year 0: Sanitation Services					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	39 224 739	24 550 653	24 550 653	26 877 808	2 327 111
Expenditure					
Employees	9 265 940	9 425 660	10 938 156	10 824 383	113 773
Repairs and Maintenance	1 921 556	1 443 571	2 035 401	3 639 967	(1 604 566)
Other	27 528 300	24 477 800	55 364 293	3 550 840	51 813 453
Total operational Expenditure	38 715 796	35 347 031	68 337 850	18 015 190	50 322 660
Net Operational Expenditure	508 943	(10 796 378)	(43 787 153)	8 862 618	(34 924 535)
					T 3.2.8

Capital Expenditure: Sanitation Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Refurbishment of Meqheleng sewerage system	16 900 000	16 900 000	9 257 717	7 642 283	16 900 000
Upgrading of waste water treatment works in Senekal	9 503 612	23 923 708	21 729 677	2 194 031	23 923 708
Upgrading of oxidation ponds in Marquard	17 100 000	36 787 167	25 696 733	14 430 677	36 787 167
Total	43 503 612	77 610 875	56 684 127	24 266 991	77 610 875
					T 3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The municipality's focus should be on completing the unfinished projects from the 2007 Bucket Eradication Programme and resolving the issue of water particularly in Marquard and Senekal.

T 3.2.10

3.3 ELECTRICITY PROVISION

INTRODUCTION TO ELECTRICITY PROVISION

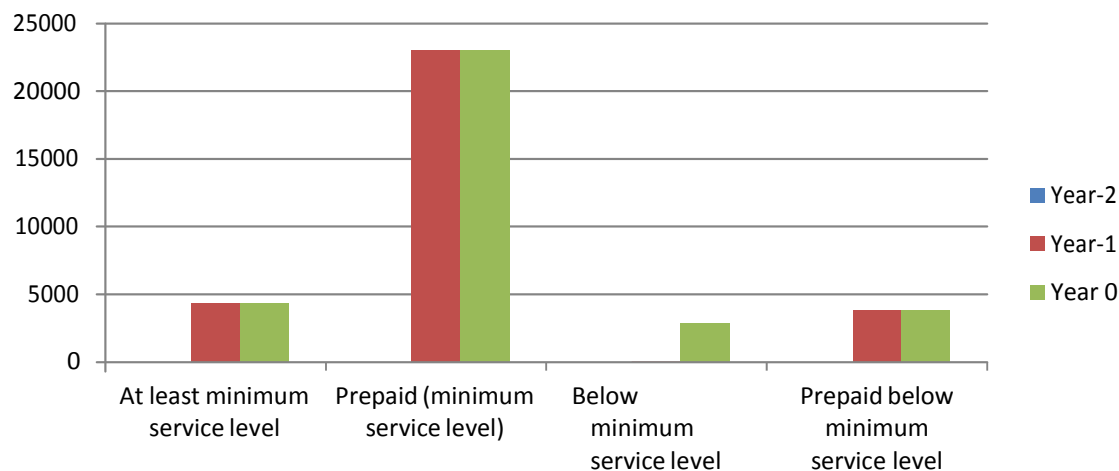
The electricity service in the municipality is of high standard and the low turnover rate on personnel in the division makes it easier to keep the levels high and reliable. Electricity networks are maintained and metering of electricity through the installation of pre-paid meters over time will improve the service.

The service is performed in the townships mainly by Eskom, while the streetlights are maintained by the municipality. Good relationships with the service provider in those areas are important in the drive to improve living conditions.

Public lighting is funded by the municipality and or MIG and a continuous process of installing streetlights or other forms of public lighting will continue. The electricity division is also responsible for electricity maintenance and stores of the municipality.

T 3.3.1

Electricity



Source: Census 2011

T 3.3.2

Electricity Service Delivery Levels				
Description	Year-3	Year-2	Year-1	Year 0
	Actual Number	Actual Number	Actual Number	Actual Number
Energy: (above minimum level)				
At least minimum service level			4 307	4 307
Prepaid at least minimum service level			23 047	23 047
Minimum Service Level and Above sub-total	17 643	24 590	27 354	27 354
Minimum Service Level and Above percentage			88%	81%
Energy: (below minimum level)				
Prepaid below minimum service level			3 706	3 792
Below minimum service level			0	0
Other energy sources			43	2 849
Below Minimum Service Level sub-total	5 000	5 000	3 749	6 641
Below Minimum Service Level Percentage	17%	17%	12%	19%
Total Number of Households	22 643	29 590	31 103	33 687

Source: Census 2011

T 3.3.3

Households-Electricity Service delivery Levels below the minimum						
Description	Year-3	Year-2	Year-1	Year 0		
	Actual Number	Actual Number	Actual Number	Original Budget Number	Adjustment Budget Number	Actual Number
Formal Settlement						
Total Households	22 643	29 590	31 103	31 103	2 584	33 687
Households above minimum service level	17 643	24 590	27 354	27 354	0	27 354
Proportion of households below minimum service level	78%	83%	88%	88%	0	88%
Informal Settlement						
Total Households	2 996	5 000	2 584	2 584	967	3 551
Households below minimum service level	2 996	5 000	2 584	2 584	967	3 551
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%

Source: Census 2011

T 3.3.4

Financial Performance Year 0: Electricity Services					
Details	Year-1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	37 869 751	42 559 526	42 625 319	42 713 276	87 957
Expenditure					
Employees	3 039 138	3 276 680	3 684 968	4 046 470	361 502
Repairs and Maintenance	1 069 930	1 762 501	1 777 368	1 468 159	(309 209)
Other	5 458 140	9 119 687	9 102 334	9 525 127	422 793
Total operational Expenditure	47 436 959	56 718 394	57 189 989	57 753 032	563 043
Net Operational Expenditure	(9 567 208)	(14 158 868)	(14 564 670)	(15 039 756)	(475 086)
T 3.3.7					

Capital Expenditure: Electricity Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Clocolan/Hloholwane: Installation of 2 high mast lights (MIS:193476)	587 122	651 438.60	499 461.79	64 316.60	651 438.60
Ficksburg/Meqheleng: Installation of 7 high mast lights (MIS: 193462)	2 043 184	2 280 035.11	1 477 017.74	236 851.11	2 280 035.11
Senekal/Matwabeng: Installation of 5 high mast lights (MIS: 193454)	1 468 123	1 628 596.52	1 089 370.14	160 473.52	1 628 596.52
Marquard/Moemaneng Installation of 2 high mast lights (MIS: 194946)	587 122	651 438.60	499 461.79	64 316.60	651 438.60
Total	4 685 551	5 211 508.83	3 642 355.92	525 957.83	5 211 508.83
T 3.3.8					

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

Delays to the project's completion was due to the following:

- Re-location of high mast lights because of failure of foundations. The failure of foundations due to underground sewer spillages.
- Other areas required additional excavation to reach firm ground

T 3.3.9

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

This section renders the following services to the community, waste removal, maintenance of sport facilities and community halls, preparation of graves and the maintenance of municipal properties.

The total urban community is having access to the above-mentioned services, but not everyone is receiving the same standard of service.

T 3.4.1

Solid Waste Service Delivery Levels				
Description	Year-3	Year-2	Year-1	Year 0
	Actual Number	Actual Number	Actual Number	Actual Number
Solid Waste: (above minimum level)				
Removed at least once a week	11 774	15 387	17 418	18 534
Minimum Service Level and Above sub-total	11 774	15 387	17 418	18 534
Minimum Service Level and Above percentage	52%	52%	56%	55%
Solid Waste: (below minimum level)				
Removed less frequently than once a week	3 551	1	3 732	841
Using communal refuse dump	592	592	311	808
Using own refuse dump	7 101	7 101	5 910	10 961
Other rubbish disposal	0	0	0	220
No rubbish disposal	2 959	2 959	3 732	2 323
Below Minimum Service Level sub-total	10 869	14 203	13 685	15 153
Below Minimum Service Level Percentage	48%	48%	44%	45%
Total Number of Households	22 643	29 590	31 103	33 687

Source: Census 2011

T 3.4.2

Households-Solid Waste Service delivery Levels below the minimum						
Description	Year-3	Year-2	Year-1	Year 0		
	Actual Number	Actual Number	Actual Number	Original Budget Number	Adjustment Budget Number	Actual Number
Formal Settlement						
Total Households	11 774	15 387	17 418	17 418	1 116	18 534
Households above minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlement						
Total Households	10 869	14 203	13 685	13 685	1 468	15 153
Households below minimum service level	10 869	14 203	13 685	13 685	1 468	15 153
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%

Source: Census 2011

T 3.4.3

Financial Performance Year 0: Solid Waste Management Services					
Details	Year-1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	25 859 559	27 656 009	27 667 562	26 985 352	682 210
Expenditure					
Employees	14 602 976	11 240 172	16 575 761	17 070 445	494 684
Repairs and Maintenance	1 705 545	939 462	988 024	3 990 886	3 002 862
Other	5 210 909	19 711 173	33 310 893	22 791 835	10 519 058
Total operational Expenditure	21 519 430	31 890 807	50 874 678	43 853 166	14 016 604
Net Operational Expenditure	4 340 129	(4 234 798)	(22 889 326)	(16 185 604)	13 334 394
T 3.4.7					

Capital Expenditure: Waste Management Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects implemented during the year under review					
T 3.4.8					

COMMENT ON WASTE MANAGEMENT SERVICES PERFORMANCE OVERALL

The rendering of the service is under pressure due to old fleet, and these old vehicles are unreliable and broke down on a regular basis. The Management is at present engaging with the Officials from the Government Garage with a view to obtain vehicles and equipment as per priority list.

The maintenance of the landfill sites is a serious problem and officials of the Department of Environmental Affairs issued a pre-directive on the condition at these sites. Without proper equipment and vehicles the maintenance of these landfill sites would never be realised.

The positive at the moment is that contractors will be appointed during July 2013 to develop new sites in Ficksburg and Senekal, and to rehabilitate the existing sites to comply with the Waste Act.

T 3.4.9

3.5 HOUSING

INTRODUCTION TO HOUSING

The strategy applied to redress past imbalances especially housing is by providing business plans to the Provincial Government along with lists which are compiled at grassroots level. Housing in this instance is still the function of the Provincial Government (Human Settlements) as it allocates RDP houses through their budget. The local municipality assists the Provincial Government in ensuring that serviced sites are available through Township Establishment in order to build RDP houses for the poor.

The municipality has data as to how many people need housing especially the poor and currently there is a new programme called FLISP which will assist local government to cater for people who do not qualify for RDP and do not afford to buy or build houses for themselves. The successes we have achieved in Year 0 is that we have managed to have serviced sites which are currently being allocated. We managed to secure farms which shall be used for human settlements development.

We need to ensure that we generate more revenue through rentals/leases of land and municipal properties and from sponsors so that we can plan ahead and accordingly. It is quite important to consider that pro-active planning can assist in this regard. Therefore, more township developments need to be established in order to address future planning and growth of our communities.

The municipality tries it utmost best to deliver or address housing backlog by providing the needy with sites and selling other sites to generate revenue. However, sites need to be serviced. People who do not qualify to build houses for themselves are given sites and to those who can afford to build houses for themselves, they buy the sites from the municipality.

It is quite important to start implementing and exploring other housing typologies and programmes that can assist to house communities. However, these are initiatives in the pipeline. However, the need for housing is being addressed accordingly and prioritised.

T 3.5

Percentage of households with access to basic housing			
Year End	Total households (including in formal and informal settlements)	Household in formal settlements	Percentage of households in formal settlements
Year-3	22 643	19 647	87%
Year-2	29 590	27 590	93%
Year-1	31 103	28 519	92%
Year 0	33 687	30 136	89%
T 3.5.1			

Households-Housing Service delivery Levels below the minimum						
Description	Year-3	Year-2	Year-1	Year 0		
	Actual Number	Actual Number	Actual Number	Original Budget Number	Adjustment Budget Number	Actual Number
Formal Settlement						
Total Households	19 647	27 590	28 519	28 519	0	28 519
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	Undefined	0%
Informal Settlement						
Total Households	2 996	2 000	2 584	2 584	0	2 584
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	Undefined	0%
Source: Census 2011						
T 3.5.2						

Housing Service Policy Objectives Take From IDP							
Service objective (i)	Service indicators (ii)	Year-1		Year 0		Year 1	Year 2
		Target	Actual	Target	Actual	Target	
		Previous Year (iii)	(iv)	Previous Year (v)	(vi)	Current Year (vii)	Following Year (viii)
Service Objective							
To plan a new cemetery in Meqheleng	Number of plans approved			1	1	1	1
	Number of layout plans approved			1	1	1	1
	Number of township registered opened			1	0	1	1
To plan new township establishment ext. 29	Number of reports			5	5	1	1
To develop housing policy	Approved policy			1	1	1	1
To review housing sector plan	Approved reviewed sector plan			1	0	1	1
To develop a living waiting list for erven	Approved consolidated living waiting list			1	1	1	1
To develop a waiting list for government subsidised houses	Approved government subsidised waiting lists			1	1	1	1
To allocate serviced residential sites	Number of sites allocated			660	0	1000	1000
Development of SDF	Approved SDF			1	1	1	1
To formalise informal settlement	Number of dwellers relocated			218	0	400	400
	Number of informal settlement upgraded			1	1	4	4
To effectively manage lease contracts	Approved contract register			1	1	1	1
To create database for commonages, lands and camps	Approved database			1	0	1	1
To maintain council properties	Number of properties renovated			4	3	4	4
Source: DCS Annual Performance Report 2012/2013							T 3.5.3

Employee: Housing Services					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0
4-6	2	2	2	0	0
7-9	3	7	3	4	57%
10-12	11	11	11	0	0
13-15	2	2	2	0	0
16-17	0	0	0	0	0
Total	19	23	19	4	57%
					T 3.5.4

Financial Performance Year 0: Housing Services

Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	22 244	1 856 925	1 858 425	177 745	-90%
Expenditure					
Employees	2 520 649	2 661 534	2 794 470	3 192 074	20%
Repairs and Maintenance	95 554	78 870	93 000	146 019	85%
Other	63 060	559 479	391 877	602 459	8%
Total operational Expenditure	2 679 263	3 299 883	3 279 347	3 940 552	47%
Net Operational Expenditure	2 657 019	1 442 958	1 420 922	3 762 807	60%

T 3.5.5

Capital Expenditure: Housing Services

Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Town Planning	300 000	100 000	114 000	14%	114 000

T 3.5.6

COMMENT ON HOUSING SERVICES PERFORMANCE OVERALL

The priority of the largest capital projects is that as there is migration and an increase in the population, we need to ensure that we do pro-active planning. Meaning we begin the processes of township establishment and ensure we plan for the future, in conjunction with these sites being serviced so that the allocation processes can run smoothly.

Illegal occupation of land is still a challenge which forces the municipality to ultimately formalize areas which were not planned or budgeted for. However, to address the need for housing we should secure funding and ensure allocations take place.

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO BASIC SERVICES AND INDIGENTS SUPPORT

Section 214(1) of the Constitution provides for the equitable division of nationally collected revenue among all government spheres to ensure that, among others, municipalities and provinces are able to perform the duties allocated to them, that they are able to provide basic services to their communities, and that they operate within a proper and efficient financial environment.

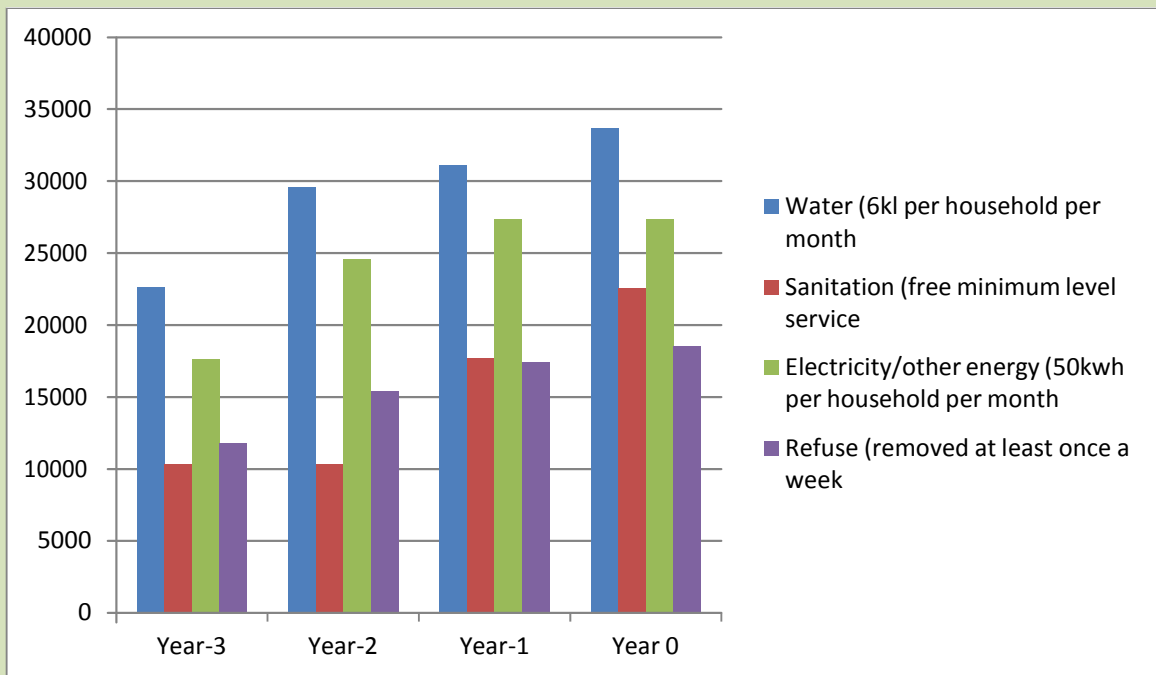
In line with the above, the municipality adopted and implements the Indigent Subsidy Policy, which assists those who cannot afford to pay for the municipal services to be assisted by government.

T 3.6.1

Percentage of households with access to basic housing

Year End	Total households (including in formal and informal settlements)	Household in formal settlements	Percentage of households in formal settlements
Year-3	22 643	19 647	87%
Year-2	29 590	27 590	93%
Year-1	31 103	28 519	92%
Year 0	33 687	30 136	89%

T 3.5.1



T 3.6.2

Free Basic Services To Low Income Households									
Number of households									
Households earning less than R1800 per month									
	Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic refuse	
		Access	%	Access	%	Access	%	Access	%
Year-2	29 590	29 590	100%						
Year-1	31 103	31 103	100%	5 554	18%	5 554	18%	5 554	18%
Year 0	33 687	33 687	100%	6 124	18%	6 124	18%	6 124	18%

T 3.6.3

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Water	0	0	0	0	0
Waste Water (Sanitation)	0	7 800 000	7 800 000	0	0
Electricity	0	0	0	0	0
Waste Management (Solid Waste)	0	0	0	0	0
Total	0	7 800 000	7 800 000	0	0

T 3.6.4

Free Basic Service Policy Objectives Take From IDP

Service objective (i)	Service indicators	Outline Service Targets (ii)	Year-1		Year 0		Year 1	Year 3
			Target	Actual	Target	Actual	Target	
			Previous Year (iii)	(iv)	Previous Year (v)	(vi)	Current Year (vii)	Following Year (viii)
Service Objective								
The IDP 2012/2013 as well as the SDBIP 2012/2013 does not contain objective regarding the Free Basic Service Policy Objectives								
								T 3.6.5

COMMENT ON FREE BASIC SERVICES PERFORMANCE OVERALL

As part of the government's overall strategy to alleviate poverty in South Africa, a policy for the provision of a free basic level of services has been published. It is fundamentally important that clear performance targets be set in strategic areas of interest to measure the extent to which municipal bureaucracies meet their targets.

Presently there is no clear policy objective in the IDP regarding the provision of free basic service level other than that it is funded out of the equitable shares.

T 3.6.6

3.7 ROADS

INTRODUCTION TO ROADS

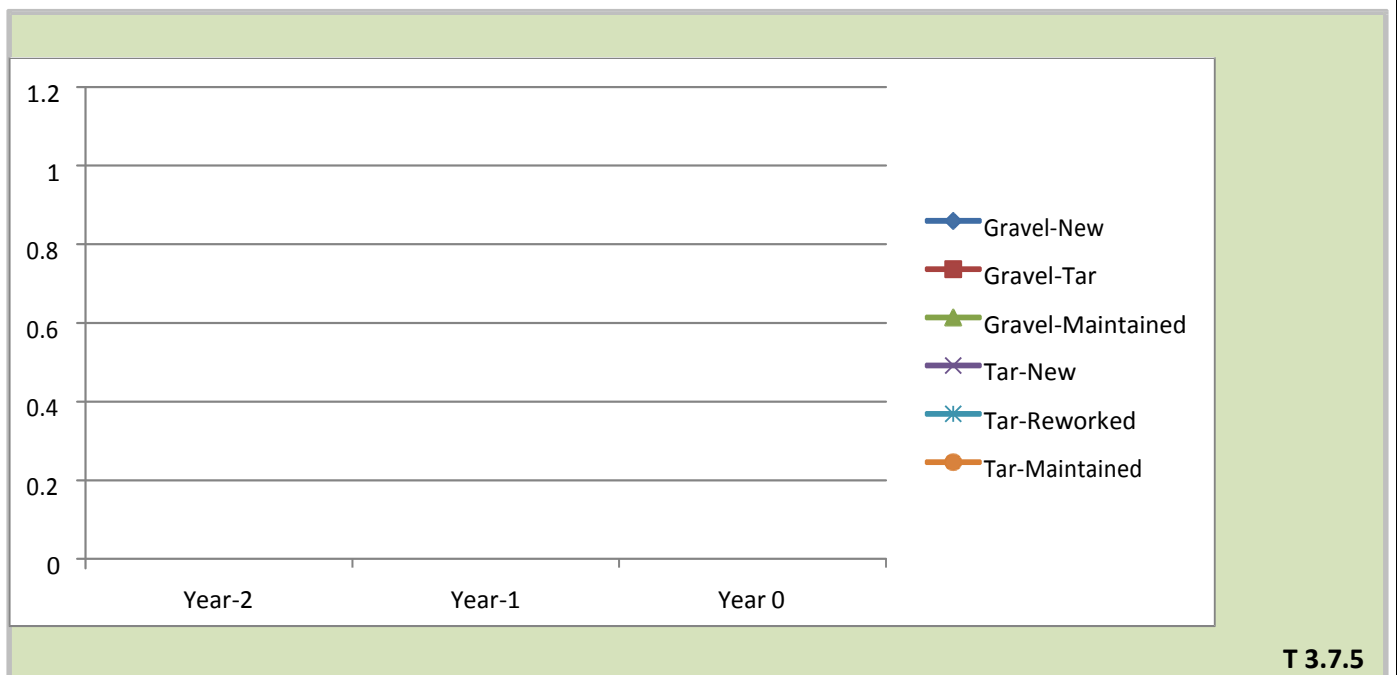
Roads division in the municipality is responsible to maintain roads and stormwater drainage. The building of new gravel roads or upgrading of roads also forms part of the competency in this division. A proper street network through the entire municipal area is important to attract new business investments in towns and also to keep current business opportunities. Infrastructure forms the heart of any economy of which the road infrastructure is the visible portion of it.

T 3.7.1

Gravel Road Infrastructure				Kilometres
	Total Gravel Roads	New gravel roads constructed	Gravel Roads upgraded to tar	Gravel roads graded/maintained
Year-2	151.91km	0	0	0
Year-1	145.61km	0	6.3km	219km
Year 0	142.71km	0	3.3km	190km
				T 3.7.2

Tarred Roads Infrastructure						Kilometres
	Total Tarred Roads	New Tar roads constructed	Existing tarred roads re-tarred	Gravel roads graded/maintained	Existing tar roads re-sheeted	Existing tar roads maintained
Year-2						
Year-1		6.3km		219.6km	32 563m ²	201km
Year 0	128.26km	3.3km	0	190km	75 898m ²	187km
						T 3.7.3

Cost of Construction/Maintenance							R'000
	Gravel Roads			Tar Roads			
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained	
Year-2							931 281
Year-1							
Year 0							
							T 3.7.4



T 3.7.5

Roads Service Policy Objectives Take From IDP							
Service objective (i)	Service indicators (ii)	Year-1		Year 0		Year 1	Year 3
		Target	Actual	Target	Actual	Target	
		Previous Year (iii)	(iv)	Previous Year (v)	(vi)	Current Year (vii)	Following Year (viii)
Service Objective							
To ensure access to an acceptable roads infrastructure	Kilometres of gravel road upgraded			0.4km	0.4km		
To ensure proper road and street network throughout the entire municipal area to benefit all residents	Kilometres of road graded	150km	219.6km	150km	190km		
	Kilometre of road constructed	16km	8.6km	16km	25km		
	Kilometres of potholes repaired	70km	201km	70km	187km		
	M ³ of road re-sealed or slurred	42 000m ²	32 564m ²	42 000m ²	75 898m ²		
	M ² of road fog sprayed	85 000m ²	0	85 000m ²	0		
	M ² of road fog sprayed	521km	0.6km	500km	0		
Source: DTS Annual Performance Report 2012/2013							T 3.7.6

Employee: Roads Services					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	2	2	2	0	0%
4-6	4	5	4	1	25%
7-9	4	4	4	0	0%
10-12	6	6	6	0	0%
13-15	25	33	25	8	24%
16-17	25	37	25	12	32%
Total	66	87	66	21	24%
					T 3.7.7

Financial Performance Year 0: Roads Services					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Water	0	574 326	0		
Waste Water (Sanitation)	0	30 012	0		
Electricity	0	356 394	0	12 169	-96%
Waste Management (Solid Waste)	0	0	0		
Total	0	960 732	0	12 169	-99%
					T 3.7.8

Capital Expenditure: Roads Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Marquard/Moemaneng: Construction of 2km paved road and stormwater drainage	5 500 000	8 654 133.61	8 057 079.88	3 154 133.61	8 654 133.61
Ficksburg/Meqheleng: Construction of 2.3km paved road and stormwater drainage	6 325 000	11 044 018.20	10 598 029.80	4 719 018.20	11 044 018.20
Clocolan/Hlohlolwane: Construction of 2.2km paved road and stormwater drainage	5 842 544	8 147 832.61	7 519 566.26	2 305 288.61	8 147 832.61
Matwabeng/Senekal: Construction of 2.2km paved road and stormwater drainage	6 050 000	9 088 307.00	855 016.32	3 038 307.00	9 088 307.00
Total	23 717 544	36 934 291.42	27 029 692.26	13 216 747.42	36 934 291.42
					T 3.7.9

COMMENT ON ROADS SERVICES PERFORMANCE OVERALL

The division struggles a lot in maintaining the roads and storm water due to lack of vehicles and equipment

T 3.7.10

3.8 WASTE WATER (STORM WATER DRAINAGE)

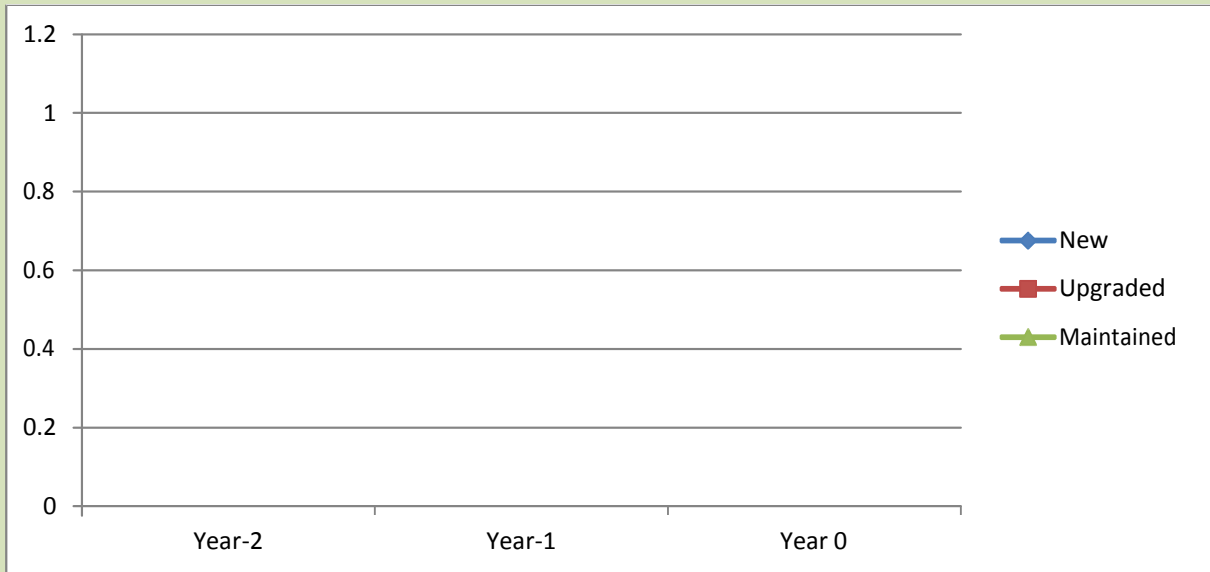
INTRODUCTION TO STORM WATER DRAINAGE

This is part of roads in the municipality

T 3.8.1

Storm Water Infrastructure				Kilometres
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
The function is located within roads as per the organogram				
				T 3.8.2

Cost of Construction/Maintenance			R'000
	Stormwater Measures		
	New	Upgraded	Maintained
The function is located within roads as per the organogram			
			T 3.8.3



T 3.8.4

Capital Expenditure: Stormwater Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Included in the roads above					
					T 3.8.8

COMMENT ON STORMWATER SERVICES PERFORMANCE OVERALL

Included in the roads above

T 3.8.9

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

This function falls within the urban Planning and Human Settlement as per the organogram. The information is contained under housing. Planning also takes part in the PMU and the IDP Division of the municipality.

T 3.9

3.9 PLANNING

INTRODUCTION TO PLANNING

The municipality annually review its Integrated Development Plan, in order to have a single strategic document for the municipal area in terms of legislation.

T 3.9.1

Application for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year-1	Year 0	Year-1	Year 0	Year -1	Year 0
Planning application received	Information not submitted					
Determination made in year of receipt						
Determination made in following year						
Application withdrawn						
Application outstanding at year end						
						T 3.9.2

Planning Policy Objectives Take From IDP

Service objective (i)	Service indicators	Outline Service Targets (ii)	Year-1		Year 0		Year 1	Year 3
			Target	Actual	Target	Actual	Target	
			Previous Year (iii)	(iv)	Previous Year (v)	(vi)	Current Year (vii)	Following Year (viii)
Service Objective								
See Housing, PMU and IDP/PMS reports								
T 3.9.3								

Employee: Planning Services

Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
See Housing, PMU and IDP/PMS reports					
T 3.9.4					

Financial Performance Year 0: Planning Services

Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Water	See Housing, PMU and IDP/PMS reports				
Waste Water (Sanitation)					
Electricity					
Waste Management (Solid Waste)					
Total					
T 3.9.5					

Capital Expenditure: Planning Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
See Housing, PMU and IDP/PMS reports					
T 3.9.6					

COMMENT ON PLANNING SERVICES PERFORMANCE OVERALL
See Housing, PMU and IDP/PMS reports
T 3.9.7

3.10 LOCAL ECONOMIC DEVELOPMENT AND TOURISM

INTRODUCTION TO ECONOMIC DEVELOPMENT
<p>According to section 153 of the Constitution of 1996, “a municipality must structure and manage its administration, budgeting and planning process to give priority to basic needs of the community”. This mandate is reinforced by the White Paper on Local Government of 1998.</p> <p>The White Paper introduces the concept of “developmental local government”, which is defined as: “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.</p>
T 3.10.1

Economic Activity per Sector				R'000
Sector	Year-2	Year-1	Year 0	
forestry and fishing			23 205	
Agriculture			179 082	
Mining and quarrying			111	
Manufacturing			44 450	
Wholesale and retail trade			117 394	
Finance, property, etc.			118 939	
Government, community and social services			105 444	
Infrastructure services			25 617	
Total			614 242	
Source; IDP 2012/2013				T 3.10.2

Economic Employment per Sector				Jobs
Sector	Year-2	Year-1	Year 0	
Forestry and fishing				
Agriculture				
Mining and quarrying				
Manufacturing				
Wholesale and retail trade				
Finance, property, etc.				
Government, community and social services				
Infrastructure services				
Total			29 754	29 754
Source; IDP 2012/2013				T 3.10.3

COMMENT ON LOCAL JOB OPPORTUNITIES

The municipality has got a great potential regarding job opportunities when it comes to tourism and agriculture. The benefit of all this will materialise after the approval of the draft LED Strategy later in the current financial year.

T 3.10.4

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created/Top 3 initiatives	Jobs Created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
Total (all initiatives)				
Year-2	464		464	Monthly Reports
Year-1	668		668	
Year 0	2 072		2 072	
Initiative A (Year 0)				
Initiative B (Year 0)				
Initiative C (Year 0)				
Source: EPWP Reports				T 3.10.5

Jobs creation through EPWP projects		
Details	EPWP Projects	Jobs created through EPWP projects
Year-2		464
Year-1		668
Year 0		2 072
Source: EPWP Reports		T 3.10.6

Financial Performance Year 0: Local Economic Development Services					
Details	Year-1	Year 0			Variance to Budget
	Actual	Original budget	Adjustment Budget	Actual	
Operating Revenue	0	0	0	0	0
Expenditure					
Employee costs	0	924 493	617 153	633 838.56	16 686
Repair and maintenance	0	0	0	0	0
Other		92 500	92 500	187 331.89	94 832
Total Expenditure	0	1 016 993	709 653	821 170	111 517
Net Expenditure	0	1 016 993	709 653	821 170	T 3.10.9

Capital Expenditure: Economic Development Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No projects implemented in the year under review					
					T 3.10.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT SERVICES PERFORMANCE OVERALL

The division has always been understaffed, but with the additional appointments made during the year, the municipality will be able to take local economic development to higher levels and create many job opportunities to the local residents.

T 3.10.11

3.11 CEMETERIES

INTRODUCTION TO CEMETERIES

During the year a new cemetery was approved to be developed in Meqheleng, and the basic streets were graded in between the blocks to assist with traffic and storm water drainage

T 3.11.1

Town	SERVICE STATISTICS FOR CEMETERIES				
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 Quarter	Total
Ficksburg	136	129	130	110	505
Senekal	93	50	75	88	306
Clocolan	56	64	71	82	273
Marquard	49	38	45	52	184
Total	334	281	321	332	1 268
					T 3.11.2

Capital Expenditure: Cemeteries Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital Projects Implemented in the year under review					
					T 3.11.6

COMMENT ON CEMETERIES PERFORMANCE OVERALL

The division works very hard to keep the graveyards in good conditions.

T 3.11.7

3.12 MUNICIPAL PROPERTIES AND PARKS

INTRODUCTION TO MUNICIPAL PROPERTIES AND PARKS

The division is located within the Department of Economic and Community Services in the municipality.

T 3.12.1

SERVICE STATISTICS FOR MUNICIPAL PROPERIES AND PARKS

Due to shortage of vehicles and equipment much was not done for the year under review.

T 3.12.2

Municipal Properties and Parks Policy Objectives Take From IDP							
Service objective (i)	Service indicators (ii)	Year-1		Year 0		Year 1	Year 3
		Target	Actual	Target	Actual	Target	
		Previous Year (iii)	(iv)	Previous Year (v)	(vi)	Current Year (vii)	Following Year (viii)
Service Objective							
To ensure that municipal properties are safe, secured and maintained	number of municipal offices maintained	?	?	1	0	1	1
	Number of community halls maintained	?	?	1	0	1	1
	Number of police stations maintained	?	?	1	0	1	1
	Number of post office maintained	?	?	1	0	1	1
	Number of sport stadiums maintained	?	?	1	0	4	4

Source: DECS Annual Performance Report 2012/2013

T 3.12.3

Employee: Municipal Properties and Parks Services					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	7	7	7	0	0%
4-6					
7-9					
10-12					
13-15					
16-17					
Total	7	7	7	0	0%

T 3.12.4

Financial Performance Year 0: Municipal Properties and Parks Services					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue	0	0	0	0	0
Expenditure					
Employee costs	0	0	6 431	0	(6 431)
Repair and maintenance	352 016	554 376	669 443	575 199	94 244
Other	10 667 411	1 228 776	2 352 474	2 950 115	597 641
Total Expenditure	11 019 427	1 783 152	3 028 348	3 525 314	685 454
Net Expenditure	11 019 427	1 783 152	3 028 348	3 525 314	685 454

T 3.12.5

Capital Expenditure: Municipal Properties and Parks Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects were implemented for the period under review					
					T 3.12.6

COMMENT ON MUNICIPAL PROPERTIES AND PARKS PERFORMANCE OVERALL

Lack of equipment and fleet hampered the functioning of the division; plans are underway to remedy the situation in the current financial year.

T 3.12.7

COMPONENT D: SECURITY AND SAFETY

INTRODUCTION TO SECURITY AND SAFETY

The objective of this division is to ensure that the municipality workforce, councillors and communities are safe and secured in their environment.

T 3.13

3.13 TRAFFIC

INTRODUCTION TO TRAFFIC

Ensure that all road users abide by the road traffic management regulations and statutes.

T 3.13.1

Details	Traffic Service Data				
	Year-1		Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number	
Number of road traffic accident during the year	Information not submitted				
Number of by-law infringement attended					
Number of traffic officers in the field per day					
Number of traffic officer on duty on an average day					
T 3.13.2					

Financial Performance Year 0: Traffic Services

Details	Year-1	Year 0		Variance to Budget	
	Actual	Original budget	Adjustment Budget		Actual
Operating Revenue	377 776	225 000	234 329	390 818	156 579
Expenditure					
Employee costs	4 413 950	4 240 742	3 597 914	4 173 203	(215 289)
Repair and maintenance	222 350	298 150	307 687	391 558	(83 871)
Other	226 196	306 541	566 227	254 148	312 079
Total Expenditure	4 862 496	4 845 433	4 471 828	4 818 909	(347 081)
Net Expenditure	4484 720	4 620 433	4 237 499	4 428 091	190 592
					T 3.13.5

Capital Expenditure: Traffic Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital project for the year under review					
					T 3.13.6

COMMENT ON TRAFFIC SERVICES PERFORMANCE OVERALL

The division is performing extremely well within the limited resources at its disposal

T 3.13.7

3.14 SECURITY

INTRODUCTION TO SECURITY

To ensure that all citizens are safe and secured within the municipal area.

T 3.14.1

Service Statistics For Security Services				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number
Information not submitted				
				T 3.4.2

Security Services Policy Objectives Take From IDP							
Service objective (i)	Service indicators (ii)	Year-1		Year 0		Year 1	Year 2
		Target	Actual	Target	Actual	Target	
		Previous Year (iii)	(iv)	Previous Year (v)	(vi)	Current Year (vii)	Following Year (viii)
Service Objective							
Ensure safety of municipality and personnel and provide security	Number of CCTV and cameras installed	?	27	100	0	100	100
	Number of panic buttons installed	0	0	7	5	2	2
	Number of sound proofs installed	?	3	3	0	3	3
	Number of guardrooms built	?	9	2	2	0	0
	Number of X-ray scanners installed	?	3	1	1	0	0
	Number of alarms installed	?	1	9	6	3	3
	Number of LDV bakkies purchased	0	0	2	0	2	2
	Number of intercom installed	0	0	1	0	1	1
	Number of bullet proof vest purchased	0	0	7	6	1	1
	Number of fire arms purchased	0	0	4	0	4	4

Source: DECS Annual Performance Report 2012/2013

T 3.14.3

Employee: Security Services					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	31	31	31	31	31
7-9					
10-12					
13-15					
16-17					
Total	32	32	32	32	32

T 3.14.4

Financial Performance Year 0: Security Services					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue					
Expenditure					
Employee costs					
Repair and maintenance					
Other					
Total Expenditure					
Net Expenditure					

T 3.14.5

Capital Expenditure: Security Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects implemented in the year under review					
					T 3.14.6

COMMENT ON SECURITY SERVICES PERFORMANCE OVERALL

The division has increased its manpower and believes that this will enhance its ability to safeguard the municipal personnel, and municipal properties

T 3.14.7

COMPONENT E: SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The existing sport facilities and community halls were maintained to such a standard it was accessible to the public. The vandalism of facilities by members of the public is still a major problem, resulting in that the Caledon Park Hall is not accessible anymore.

The caravan park is maintained well yearly and during the cherry festival it is fully booked. The contractors started with the development of a new stadium in Meqheleng, and the plan is to develop the stadium over a three year period.

T 3.15

3.15 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number

T 3.15.1

Capital Expenditure: Sport and Recreation Services					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects implemented for the year under review					
					T 3.15.5

COMMENT ON SPORT AND RECREATION SERVICES PERFORMANCE OVERALL

The division is still very young and it will perform once it has resources.

T 3.15.6

COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES AND OTHER SERVICES

These offices ensure that government is effective, efficient and economical in providing sustainable services to communities.

T 3.16

3.16 ADMINISTRATION AND COUNCIL SUPPORT

INTRODUCTION TO ADMINISTRATION AND COUNCIL SUPPORT

To support council and council committees with secretariat services and administration.

T 3.16.1

SERVICE STATISTICS FOR ADMINISTRATION AND COUNCIL SUPPORT				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number
				T 3.16.2

ADMINISTRATION AND COUNCIL SUPPORT SERVICES POLICY OBJECTIVES TAKE FROM IDP

Service objective	Service indicators	Outline Service Targets	Year-1		Year 0		Year 1	Year 2
			Target	Actual	Target	Actual	Target	
			Previous Year (iii)	(iv)	Previous Year (v)	(vi)	Current Year (vii)	Following Year (viii)
(i)		(ii)						
To ensure proper management of the division through the effective communication		Number of divisional meetings	0	0	3	3		
Source: DECS Annual Performance Report 2012/2013								T 3.16.3

EMPLOYEE: ADMINISTRATION AND COUNCIL SUPPORT SERVICES

Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	Salary information need to be unbundled and employees paid out of the correct vote				
4-6					
7-9					
10-12					
13-15					
16-17					
Total					
T 3.16.4					

FINANCIAL PERFORMANCE: ADMINISTRATION AND COUNCIL SUPPORT SERVICES

Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue					
Expenditure					
Employee costs					
Repair and maintenance					
Other					
Total Expenditure					
Net Expenditure					
T 3.16.5					

CAPITAL EXPENDITURE: ADMINISTRATION AND COUNCIL SUPPORT SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects for the year under review					
					T 3.16.6

COMMENT ON ADMINISTRATION AND COUNCIL SUPPORT SERVICES PERFORMANCE OVERALL

The division has managed to have council’s issues attended to efficiently and effectively.

T 3.16.7

3.17 LEGAL AND COMMUNICATION

INTRODUCTION TO LEGAL AND COMMUNICATION

The division is located in

T 3.17.1

SERVICE STATISTICS FOR LEGAL AND COMMUNICATION				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number
				T 3.17.2

FINANCIAL PERFORMANCE: LEGAL AND COMMUNICATION SERVICES					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue					
Expenditure					
Employee costs					
Repair and maintenance					
Other					
Total Expenditure					
Net Expenditure					
T 3.17.5					

CAPITAL EXPENDITURE: LEGAL AND COMMUNICATION SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects implemented during the year under review					
T 3.17.6					

COMMENT ON LEGAL AND COMMUNICATION SERVICES PERFORMANCE OVERALL

T 3.17.7

3.18 HUMAN RESOURCES

INTRODUCTION TO HUMAN RESOURCES

T 3.18.1

SERVICE STATISTICS FOR HUMAN RESOURCES				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number
T 3.18.2				

EMPLOYEE: HUMAN RESOURCES SERVICES					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	4	4	4	4	0%
7-9	2	2	2	0	0%
10-12	1	1	1	0	0%
13-15	2	2	2	2	0%
16-17	0	0	0	0	0%
Total	10	10	10	0	0%

T 3.18.4

FINANCIAL PERFORMANCE: HUMAN RESOURCES SERVICES					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue	529 583.38	600 000	600 000	632 000	(32 000)
Expenditure					
Employees					
Repairs and Maintenance					
Other					
Total Operating Expenditure					
Net Operational Expenditure					

T 3.18.5

CAPITAL EXPENDITURE: HUMAN RESOURCE SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects for the year under review					

T 3.18.6

COMMENT ON HUMAN RESOURCES SERVICES PERFORMANCE OVERALL

T 3.18.7

3.19 INFORMATION TECHNOLOGY

INTRODUCTION TO INFORMATION TECHNOLOGY

T 3.19.1

SERVICE STATISTICS FOR INFORMATION TECHNOLOGY				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number

T 3.19.2

INFORMANTION TECHNOLOGY SERVICES POLICY OBJECTIVES TAKE FROM IDP

Service objective	Service indicators	Outline Service Targets	Year-1		Year 0		Year 1	Year 2
			Target	Actual	Target	Actual	Target	
			Previous Year		Previous Year		Current Year	Following Year
			(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective								
To ensure that the institution has an effective information and technological infrastructure in place	Number of compatibility reports		1	1	1	1	1	1
	Number of reports on e-mail/internet maintenance		12	12	12	12	12	12
	Number of security reports on system		12	12	12	12	12	12
	Approved reviewed IT Strategy		1	1	1	1	1	1
	Approved reviewed IT Disaster and Recovery Plan		1	1	1	1	1	1
	Number of IT Steering Committee meeting		0	0	4	1	4	4
	% of request from users attended to		100%	100%	100%	100%	100%	100%
	Number of SharePoint 2010 servers		100	100	100	100	100	100
	Number of client access licenses MS Office 2010		100	100	100	100	100	100
	Number of MS Exchange installed		1	1	1	0	1	1
	Number of MS Exchanger server		1	1	1	1	1	1
	Number of backup domain controller installed		0	0	1	1	1	1
	Number of licenses for back up domain controller		0	0	1	1	1	1
T 3.19.3								

EMPLOYEE: INFORMATION TECHNOLOGY SERVICES					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	1	1	1	0	0%
7-9	0	0	0	0	0%
10-12	0	0	0	0	0%
13-15	0	0	0	0	0%
16-17	0	0	0	0	0%
Total	2	2	2	0	0%

T 3.19.4

FINANCIAL PERFORMANCE: INFORMATION TECHNOLOGY SERVICES					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue					
Expenditure					
Employees					
Repairs and Maintenance					
Other					
Total Operating Expenditure					
Net Operational Expenditure					

T 3.19.5

CAPITAL EXPENDITURE: INFORMATION TECHNOLOGY SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value

T 3.19.6

COMMENT ON INFORMATION TECHNOLOGY SERVICES PERFORMANCE OVERALL

T 3.19.7

3.20 RISK MANAGEMENT

INTRODUCTION TO RISK MANAGEMENT

The adoption of the MFMA and Treasury Regulations issued in terms of the Act infused that a municipal culture, must add its emphasis on external sanctions and include stronger internal controls with anticipatory management systems to assess the abuse of power, which is the central principle of risk management.

This is why risk management is central to managing the municipality as a whole, and why risk management is integral to planning, organising, directing and coordinating systems aimed at achieving municipality's goals and objectives. Risk refers to unwanted outcome, actual or potential, to the municipality's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factor(s) also present upside potential, which management must be aware of and be prepared to exploit

T 3.20.1

SERVICE STATISTICS FOR RISK MANAGEMENT

Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number

T 3.20.2

EMPLOYEE: RISK MANAGEMENT SERVICES					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3					
4-6	1	1	1	0	0%
7-9	0	0	0	0	Undefined
10-12	0	0	0	0	Undefined
13-15	0	0	0	0	Undefined
16-17	0	0	0	0	Undefined
Total	1	1	1	0	0%

T 3.20.4

FINANCIAL PERFORMANCE: RISK MANAGEMET SERVICES					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue					
Expenditure					
Employee costs					
Repair and maintenance					
Other					
Total Expenditure					
Net Expenditure					

T 3.20.5

CAPITAL EXPENDITURE: RISK MANAGEMENT SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects for the unit for the year under review					

T 3.20.6

COMMENT ON RISK MANAGEMENT SERVICES PERFORMANCE OVERALL

The Risk Management Unit developed Risk Management Policy, Risk Management Strategy,, Fraud Prevention Policy, Fraud Prevention Strategy and Risk Committee Charter. The Risk Officer facilitated the establishment of Risk Management Committee and four meetings were held during the year under review.

Presentations were made to senior and middle management on issues of risk management and fraud detection and prevention. A risk methodology was developed, risk assessments were conducted in various departments. The risk management unit also reported to the Audit Committee on issues that were affecting the risk management unit.

T 3.20.7

3.21 INTERNAL AUDIT

INTRODUCTION TO INTERNAL AUDIT

Internal Audit (IA) Unit was established in 2001 in order to achieve the requirements of section 165 of Municipal Finance Management Act no. 56 of 2003 which states: ***“Each municipality and each municipal entity must have an internal audit unit...”*** Furthermore, section 62 (1) (c) (ii), states that ***“the Accounting Officer of the municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of internal audit operating in accordance with any prescribed norms and standards”***.

The IAU has been in operation for more than 12 years (2001- 2012) and it is currently operating with six personnel and their professional developments are been taken care off through the years. The IA unit had been instrumental in assisting the municipality’s management to achieve their desired goals.

The IAU is conducting its activities in terms of the International Standards for the Professional Practice of Internal Auditing (ISPPIA), which makes emphasis on the internal audit activity to evaluate and contribute to the improvement of risk management, control, and governance processes using a systematic and disciplined approach.

The vision of internal audit is to be a professional function staffed by well-trained qualified staff, using leading edge methodologies and tools to provide value-adding services to Setsoto Municipality.

The mission is to deliver optimal service to our auditable entities including management and to provide objective feedback on the quality of organisational controls and performance.

Furthermore, Internal Audit is an independent, objective assurance and consulting function established to examine and evaluate activities, and to assist the Audit Committee, the Council and Management in the effective discharge of their responsibilities.

The IAU undergone the external quality assurance in October 2009 and the outcome reveals that the unit is in level two which is partially conforms to the ISPPIA. For the past three years the office of the Auditor General was putting a reliance on the work of the IAU.

T 3.21.1

SERVICE STATISTICS FOR INTERNAL AUDIT				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number

T 3.21.2

EMPLOYEE: INTERNAL AUDIT SERVICES					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	3	3	3	0	0%
4-6	0	0	0	0	0%
7-9	3	3	3	0	0%
10-12	0	0	0	0	0%
13-15	0	0	0	0	0%
16-17	0	0	0	0	0%
Total	6	6	6	0	0%

T 3.21.4

FINANCIAL PERFORMANCE: INTERNAL AUDIT SERVICES					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Water	0	0	0	0	0%
Waste Water (Sanitation)	0	0	0	0	0%
Electricity	0	0	0	0	0%
Waste Management (Solid Waste)	0	0	0	0	0%
Total	0	0	0	0	0%

T 3.21.5

CAPITAL EXPENDITURE: INTERNAL AUDIT SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects for the year under review					

T 3.21.6

COMMENT ON INTERNAL AUDIT SERVICES PERFORMANCE OVERALL

IAU will proactively partner with Setsoto Municipality management on the performance of financial, compliance, information technology operational, risk assessment and performance audits, as well as consulting reviews and special projects, to maximise value adding contributions from the process. Value is created with an integrated audit approach using well-trained, knowledgeable qualified staff, total quality management principles, teamwork, and innovation. The unit endeavour to improve its performance in terms of complying fully with the ISPPIA as is intending to be evaluated at the end of the financial year 2014.

T 3.21.7

3.22 INTEGRATED DEVELOPMENT PLANNING AND PERFORMANCE MANAGEMENT SYSTEMS

INTRODUCTION TO IDP AND PMS

The definition of the IDP is as follows:

“A participatory approach to integrate economic, sectoral, spatial, social, institutional, environmental and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sustainable growth, equity and the empowerment of poor and marginalised.”

An IDP is therefore a plan that guides the activities and decisions of a Municipality for the next 5 years in terms of Chapter 5 of the Municipal Structures Act, 2000. It is subject to a review process that shall be followed annually to ensure the improvement of service delivery and the effectiveness of the administration of the Municipality.

The IDP is a plan that applies to the entire Municipality based on the development plans of Provincial and National Government. The IDP is the basis for municipalities to:

- o Identify its key development priorities;
- o Formulate a clear vision, mission and values;
- o Formulate appropriate strategies;
- o Develop appropriate organisational structure and systems to realise the vision and the mission; and
- o Align resources with the development priorities.

The IDP is a legislative requirement and as such has a legal status. It supersedes all other plans that guide development at Local Government level.

Integrated Development Planning mobilises a Municipality to focus itself, develop a future-directed vision and proactively position itself in a changing environment. Furthermore, it enables a Municipality to gain a better understanding of the challenges it encounters and to identify effective methods to deal with it.

By analysing the future, a municipality, its leaders, other stakeholders and civil society can anticipate future opportunities and threats. They can develop the ability to optimise opportunities, while controlling and minimising the threats. By identifying problems before they occur, a municipality can avoid being trapped in a cycle of crises management, which consumes valuable financial and human resources – resources which could have been used to take advantage of opportunities.

T 3.22.1

SERVICE STATISTICS FOR IDP AND PMS				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number
Developed IDP Review Process Plan	1	1	1	1
Developed IDP document	1	1	1	1
Approved PMS Framework	1	1	1	1
Signing of Performance Agreements	5	5	5	5
Signing of Performance Plans	5	5	5	5
Development of Quarterly Reports	4	4	4	4
Development of a Mid-year Performance Assessment Plan	1	1	1	1
Development of Annual Performance Report	1	1	1	1
Development of Annual Report	1	1	1	1
Performance Audit Committee meeting	3	4	3	4
Community Representative Forum meeting	2	2	2	2
IDP Steering Committee meeting	4	2	4	3

T 3.22.2

EMPLOYEE: IDP AND PMS SERVICES					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	0	0	0	0	Undefined
7-9	0	0	0	0	Undefined
10-12	0	0	0	0	Undefined
13-15	0	0	0	0	Undefined
16-17	1	1	1	0	undefined
Total	2	2	2	0	0%

T 3.22.4

FINANCIAL PERFORMANCE: IDP AND PMS SERVICES					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue					
Expenditure					
Employee costs					
Repair and maintenance					
Other					
Total Expenditure					
Net Expenditure					

T 3.22.5

CAPITAL EXPENDITURE: IDP AND PMS SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Printing of IDP	200 000	200 000	145 000	-27.5%	145 000

T 3.22.6

COMMENT ON IDP AND PMS SERVICES PERFORMANCE OVERALL

T 3.22.7

3.23 INCOME, BUDGET AND ANNUAL FINANCIAL STATEMENTS

INTRODUCTION TO INCOME, BUDGET AND AFS

T 3.23.1

SERVICE STATISTICS FOR INCOME, BUDGET AND AFS				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number

T 3.22.2

INCOME, BUDGET AND AFS SERVICES POLICY OBJECTIVES TAKE FROM IDP

Service objective Service indicators (i)	Outline Service Targets (ii)	Year-1		Year 0		Year 1	Year 2
		Target	Actual	Target	Actual	Target	
		Previous Year		Previous Year		Current Year	Following Year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective							
Compliance	% response time to internal audit queries	0	0	100%	20%		
	% response time to external audit queries	0	0	100%	0%		
	Number of section 71 reports submitted as per requirements	12	12	12	12	12	12
	Number of AFS submitted within timeframe	1	1	1	1	1	1
	Draft budget submitted 90 days before the end of the financial year	1	1	1	1	1	1
Revenue Management	% collection rate	55%		75%	69%	80%	90%
	Amount collected on arrear amount	0	0	10 million	12 298 753	50%	100%
	% number of exception reports printed	0	0	100%	0%	100%	100%
Policies	% budget related policies submitted with the draft budget	0	0	100%	100%	100%	100%
	% updated asset register that is GRAP compliant	0	0	100%	50%	100%	100%

T 3.23.3

EMPLOYEE: INCOME, BUDGET AND AFS SERVICES					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	73	73	73	0	0%
7-9					
10-12					
13-15					
16-17					
Total	74	74	74	0	0%

T 3.23.4

FINANCIAL PERFORMANCE: INCOME, BUDGET AND AFS SERVICES					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue					
Expenditure					
Employee costs					
Repair and maintenance					
Other					
Total Expenditure					
Net Expenditure					

T 3.23.5

CAPITAL EXPENDITURE: INCOME, BUDGET AND AFS SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value

T 3.23.6

COMMENT ON INCOME, BUDGET AND AFS SERVICES PERFORMANCE OVERALL

T 3.23.7

3.24 EXPENDITURE MANAGEMENT

INTRODUCTION TO EXPENDITURE MANAGEMENT

T 3.24.1

SERVICE STATISTICS FOR EXPENDITURE MANAGEMENT				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number

T 3.24.2

EMPLOYEE: EXPENDITURE MANAGEMENT SERVICES					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	Included in T 3.23.4 above				
4-6					
7-9					
10-12					
13-15					
16-17					
Total					
T 3.24.4					

FINANCIAL PERFORMANCE: EXPENDITURE MANAGEMENT SERVICES					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue	Included in T 3.23.4 above				
Expenditure					
Employee costs					
Repair and maintenance					
Other					
Total Expenditure					
Net Expenditure					
T 3.24.5					

CAPITAL EXPENDITURE: EXPENDITURE MANAGEMENT SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
T 3.24.6					

COMMENT ON EXPENDITURE MANAGEMENT SERVICES PERFORMANCE OVERALL

T 3.24.7

3.25 SUPPLY CHAIN MANAGEMENT

INTRODUCTION TO SUPPLY CHAIN MANAGEMENT

T 3.25.1

SERVICE STATISTICS FOR SUPPLY CHAIN MANAGEMENT				
Details	Year-1	Year 0		Year 1
	Actual Number	Estimate Number	Actual Number	Estimate number
T 3.25.2				

SUPPLY CHAIN MANAGEMENT SERVICES POLICY OBJECTIVES TAKE FROM IDP

Service objective	Service indicators	Outline Service Targets	Year-1		Year 0		Year 1	Year 2
			Target	Actual	Target	Actual	Target	
			Previous Year		Previous Year		Current Year	Following Year
			(iii)	(iv)	(v)	(vi)	(vii)	(viii)
(i)	(ii)							
Service Objective								
Compliance	% report on contracts awarded exceeding R 100 000	0%	0%	100%	70%	100%	100%	
	% reports signed per quarter	0%	0%	100%	0%	100%	100%	
	Approved supplier data base	0	0	1	0	1	1	
	Approved central receiving point	0	0	1	0	1	1	
								T 3.25.3

EMPLOYEE: SUPPLY CHAIN MANAGEMENT SERVICES					
Job Level	Year 1	Year 0			
	Employees Number	Posts Number	Employee Number	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	Included in T 3.23.4 above				
4-6					
7-9					
10-12					
13-15					
16-17					
Total					
T 3.25.4					

FINANCIAL PERFORMANCE: SUPPLY CHAIN MANAGEMENT SERVICES					
Details	Year-1	Year 0			
	Actual	Original budget	Adjustment Budget	Actual	Variance to Budget
Operating Revenue	Included in T 3.23.4 above				
Expenditure					
Employee costs					
Repair and maintenance					
Other					
Total Expenditure					
Net Expenditure					
T 3.25.5					

CAPITAL EXPENDITURE: SUPPLY CHAIN MANAGEMENT SERVICES					
Capital projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
No capital projects were implemented during the year under review					
T 3.25.6					

COMMENT ON SUPPLY CHAIN MANAGEMENT SERVICES PERFORMANCE OVERALL

T 3.25.7

Chapter 4

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

INTRODUCTION

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTAL, TURNOVER AND VACANCIES

Description	Year -1	Employees				
		Employees No	Approved Posts	Year 0 Employees No	Year 0 Vacancies No	Year 0 Vacancies %
Managers		19	19	19	0	0%
Professionals		30	30	30	0	0%
Technicians and Trade Workers		38	38	38	0	0%
Community and Personal Service Workers		47	47	47	0	0%
Clerical and Administrative Workers		116	116	116	0	0%
Sales Workers		8	8	8	0	0%
Machine Operators and Drivers		150	150	150	0	0%
Elementary Workers		319	319	319	0	0%
Totals		727	727	727	0	0%

T 4.1.1

Vacancy Rate: Year 0			
Designation	Total Approved Posts	Vacancies (Total time that vacancies exists using fulltime equivalent)	Vacancies (as a proportion of total posts in each category)
Section 56 (excluding Finance Posts)	3	1	33
Management level 1	15	4	27
Highly skilled supervision level 4-6	30	2	7
Highly skilled supervision level 8-10	116	15	13
Total	164	22	13

T 4.1.2

Turn Over Rate: Year 0

Information not submitted

T 4.1.3

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

T 4.2.0

4.2 POLICIES

No	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
1	Employment Equity Plan	Yes	Yes	29/09/2012
2	Employment Equity Policy	Yes	No	30/05/2013
3	Promotion, Demotion and Transfer Policy	Yes	Yes	24/01/2013
4	Staff Retention Policy	Yes	Yes	29/11/2012

T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

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
Information could not be submitted as our system in previous financial year could not separate sick leave taken from sick leave taken due to injuries. It is for that reason that that it will be difficult to give a number of days as well as costs.					

T 4.3.1

NUMBER OF DAYS AND COSTS OF SICK LEAVE (EXCLUDING INJURY ON DUTY)

Type of injury	Injury Leave taken Days	Employees using injury leave No	Proportion employees using employee Days	Average injury leave per employee Days	Total estimated cost R'000
Information could not be submitted as our system in previous financial year could not separate sick leave taken from sick leave taken due to injuries. It is for that reason that that it will be difficult to give a number of days as well as costs.					

T 4.3.2

AVERAGE NUMBER OF DAYS SICK LEAVE (EXCLUDING IOD)

7 549 days

T 4.3.3

COMMENT ON INJURY AND SICK LEAVE

T 4.3.4

Number and periods of suspensions

Positions	Nature of Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reason why not Finalised	Date Finalised
				T 4.3.5

Disciplinary action taken on cases of Financial Misconduct

No information submitted

T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

No information submitted

T 4.3.7

4.4 PERFORMACE REWARDS

PERFORMANCE REWARDS BY GENDER

No information submitted

T 4.4.1

COMMENT ON PERFORMANCE REWARDS

No information submitted

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

T 4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX														
Management level	Gender	Employee s in post as at 30 June 2013	Learnerships			Skills programmes and other short courses			Other forms of training			Total		
			No	Actual 30 June 2012	Actual 30 June 2013	Target	Actual 30 June 2012	Actual 30 June 2013	Target	Actual 30 June 2012	Actual 30 June 2013	Target	Actual 30 June 2012	Actual 30 June 2013
MM and S56	Female													
	Male	4												
Councillors, senior officials and managers	Female	19					3						3	
	Male	31					6						6	
Technicians and associate professionals	Female	48					2						2	
	Male	20					2						2	
Professionals	Female	13					9						9	
	Male	34					5						5	
Others	Female	161	1				30						32	
	Male	432					21						21	
Total		762	1				78						80	

T 4.5.1

Financial Competency Development: Progress Report

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	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 on Regulation 14 (4)(e)
	A	B				
Financial Officials	6	0	6	6	0	6
Accounting Officer	1	0	1	1	1	1
Chief Financial officer	1	0	1	1	1	1
Senior Managers	4	0	4	4	4	4
Any other Financial Officials	1	0	1			1
Supply Chain Management Officials	2	0	2			1
Heads of Supply Chain Management Unit	0	0	0	0	0	01
Supply Chain management Senior Managers	1	0	1	1	1	1

T 4.5.2

SKILLS DEVELOPMENT EXPENDITURE

Management Level	Gender	Employee as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1						Total	
			Learnership		Skills programmes and other short courses		Other forms of training		Original Budget	Actual
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual		
Municipal Manager and S56	Female	1								
	Male	4								
Legislators	Female	13								
	Male	22								
Managers	Female	6								
	Male	13								
Professionals	Female	16								
	Male	14								
Technicians and associate professionals	Female	4								
	Male	34								
Community and	Female	13								

personal service workers	Male	34								
Clerical and administrative workers	Female	67								
	Male	49								
Sales workers	Female	6								
	Male	2								
Machine operators and drivers	Female	11								
	Male	139								
Elementary occupation	Female	77								
	Male	242								
Sub total	Female	213								
	Male	549								
Total		762							2 872 704	2 121 770

T 4.5.3

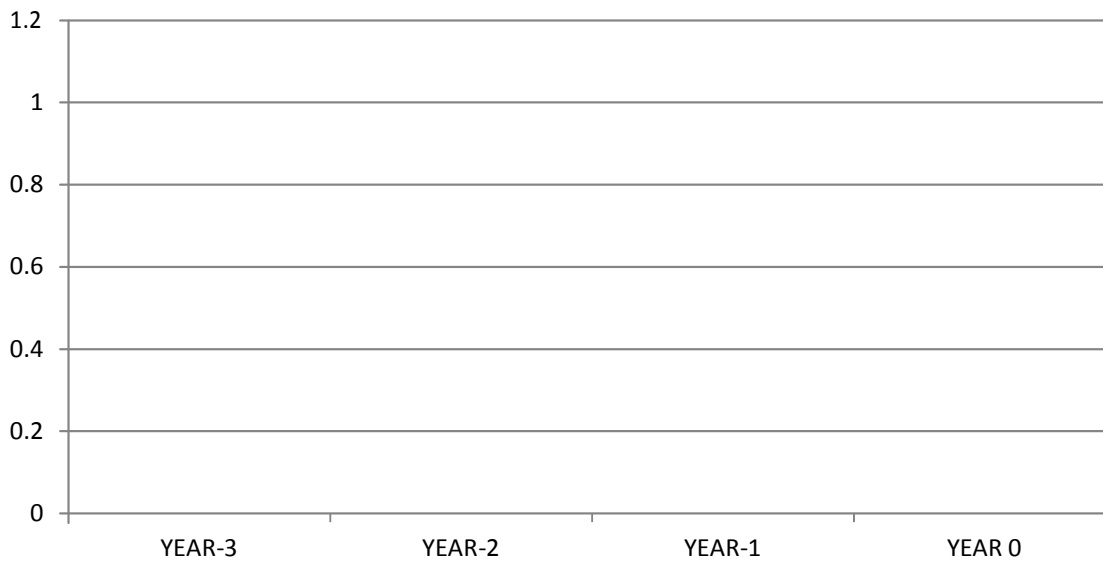
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO THE WORKFORCE EXPENDITURE

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

WORKFORCE EXPENDITURE TRENDS



T 4.6.1

COMMENT ON WORKFORCE EXPENDITURE

T 4.6.1.1

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED

No information submitted

T 4.6.2

NUMBER OF EMPLOYEES WHOSE SALARIES LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION

No information submitted

T 4.6.3

NUMBER OF EMPLOYEES APPOINTED TO POSTS NOT APPROVED

No information submitted

T 4.6.4

COMMENT ONUPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

T 4.6.6

5.1 STATEMENT FINANCIAL PERFORMANCE BASED ON ACTUAL RECEIPTS AND PAYMENTS

Description	Year 0											Year-1			
	Original Budget	Budget Adjustments (i.t.o. s28 and 31 of MFMA)	Final Adjustments	Shifting of funds (i.t.o. s31 of MFMA)	Virement (i.t.o. Council Approval)	Final Budget	Actual Outcome	Unauthorised Expenditure	Variance	Actual Outcome as a % of Final	Actual Outcome as a % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of s32 of MFMA	Balance to be recovered	Restated audit outcome
Financial Performance															
Income															
Property Rates	24 336 857	8 124 978	32 461 835	0	0	32 461 835	33 194 514	0	732 679	102%	136%	0	0	0	33 194 514
Service charges	104 241 072	(2 129 574)	102 111 498	0	0	102 111 498	101 730 333	0	(381 165)	99%	98%	0	0	0	101 730 333
Investment revenue	16 292 307	16 600 955	32 893 262	0	0	32 893 262	30 795 024	0	(2 098 238)	94%	189%	0	0	0	30 795 024
Transfers recognised-operational	172 658 000	2 492 144	175 150 144	0	0	175 150 144	273 373 394	0	98 223 250	156%	158%	0	0	0	273 373 394
Other revenue	5 439 416	(656 169)	4 783 247	0	0	4 783 247	5 389 596	0	606 349	113%	99%	0	0	0	5 389 596
Total revenue (excluding capital transfers and contributions)	322 967 652	24 432 334	347 399 986	0	0	347 399 986	444 482 861	0	97 082 875	128%	138%	0	0	0	444 482 861
Expenditure															
Employee costs	92 774 382	14 529 929	107 304 311	0	0	107 304 311	128 148 255	20 843 944	20 843 944	119%	138%	20 843 944	20 843 944	0	128 148 255
Remuneration of councillors	11 962 576	1 187 564	13 150 140	0	0	13 150 140	11 081 717	0	(2 068 423)	84%	93%	0	0	0	11 081 717
Debt impairment	54 196 701	17 488 929	71 685 630	0	0	71 685 630	70 597 892	0	(1 087 738)	98%	110%	0	0	0	70 597 892
Depreciation and Asset impairment	23 762 212	94 488 848	118 251 060	0	0	118 251 060	213 474 649	95 260 009	95 260 009	181%	899%	95 260 009	95 260 009	0	213 474 649
Finance charges	3 467 542	60 348	3 527 890	0	0	3 527 890	1 265 372	0	(2 262 518)	36%	36%	0	0	0	1 265 372
Material and bulk purchases	49 770 513	229 487	50 000 000	0	0	50 000 000	48 436 867	0	(1 087 738)	97%	97%	0	0	0	48 436 867
Transfer of grants	26 616 902	27 602	26 644 504	0	0	26 644 504	8 132 606	0	(18 511 898)	31%	31%	0	0	0	8 132 606
Other Expenditure	60 449 444	146 548 465	206 997 908	0	0	206 997 908	78 342 863	0	(140 296 594)	38%	130%	0	0	0	78 342 863
Total Expenditure	322 964 270	274 561 172	597 525 442	0	0	597 525 442	559 480 221	116 103 953	38 045 221	94%	173%	116 103 953	116 103 953	0	559 480 221
Surplus / (Deficit)	3 382	(250 128 838)	(250 125 456)	0	0	(250 125 456)	(114 997 360)	116 103 953	(135 128 096)	46%	-5039323%	116 103 953	116 103 953	0	(202 213 919)
Transfers recognised-capital	78 757 000	0	78 757 000	0	0	78 757 000	87 216 559	10 059 559	10 059 559	111%	111%	10 059 559	10 059 559	0	87 216 559
Contributions recognised	(78 757 000)	0	(78 757 000)	0	0	(78 757 000)	(87 216 559)	(10 059 559)	(10 059 559)	111%	0%	(10 059 559)	(10 059 559)	0	0
Surplus/(Deficit) after capital transfers and contributions	3 382	(250 128 838)	(250 125 456)	0	0	(250 125 456)	(114 997 360)	116 103 953	(135 128 096)	46%	-5039323%	116 103 953	116 103 953	0	(114 997 360)
Share of surplus/(deficit) of associate	0	0	0	0	0	0	0	0	0	0%	0%	0	0	0	0
Surplus/(Deficit) for the year	3 382	(250 128 838)	(250 125 456)	0	0	(250 125 456)	(114 997 360)	116 103 953	(135 128 096)	46%	-5039323%	116 103 953	116 103 953	0	(114 997 360)
Capital and funds source															
Capital Expenditure															
Transfers recognised-capital	78 757 000	0	78 757 000	0	0	78 757 000	87 216 559	10 059 559	10 059 559	111%	111%	10 059 559	10 059 559	0	87 216 559
Public contribution and donations	0	0	0	0	0	0	0	0	0	0%	0	0	0	0	0
Borrowing	0	0	0	0	0	0	0	0	0	0%	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0	0	0	0%	0	0	0	0	0
Total source of capital funds	78 757 000	0	78 757 000	0	0	78 757 000	87 216 559	10 059 559	10 059 559	111%	111%	10 059 559	10 059 559	0	87 216 559

Description	Year 0											Year-1			
	Original Budget	Budget Adjustments (i.t.o. s28 and 31 of MFMA)	Final Adjustments	Shifting of funds (i.t.o s31 of MFMA)	Virement (i.t.o Council Approval)	Final Budget	Actual Outcome	Unauthorised Expenditure	Variance	Actual Outcome as a % of Final Budget	Actual Outcome as a % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of s32 of MFMA	Balance to be recovered	Restated audit outcome
Cash flows															
Net cash from (used) operating	77 266 000	85 734 000	85 734 000	0	0	85 734 000	103 533 114	0	-140%	40%	-45%	0	0	0	103 533 114
Net cash from (used) investing	(78 753 000)	(82 148 000)	(82 148 000)	0	0	(82 148 000)	(91 343 425)	0	7%	107%	111%	0	0	0	(91 343 425)
Net cash from (used) financing	0	1 466 000	1 466 000	0	0	1 466 000	(2 093 445)	0	0%	0%	0%	0	0	0	(2 093 445)
Cash/Cash equivalents at year end	5 305 000	11 843 000	11 843 000	0	0	11 843 000	16 887 354	0	74%	174%	309%	0	0	0	16 887 354

T5 1.1

The salary budget is not in line with the approved structure and the budget figures were not according to actual workforce numbers. This matter needs to be corrected as a matter of urgency so that spending can be within the budget.

The year under review capital allocation was R 76 379 000 of which R 3 800 000 was recognized as operation which is five percent of the total allocation for the year. The actual capital allocation was the R 72 579 000.

The 2011/2012 rollover which was approved in March 2013 was R 16 925 218 and this was then added to the R 72 579 000 which then increased the total capital allocation for the year to R 93 304 218. On the basis of the above the net cash (used) from investing is R 87 216 559, which leaves a rollover of R 6 087 659 into the next financial year; and of which approval is to be sought from National Treasury.

Financial Performance of Operational Services						
Description	Year -1	Year 0			Year 0 Variance	
Operating Costs	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget

Grants

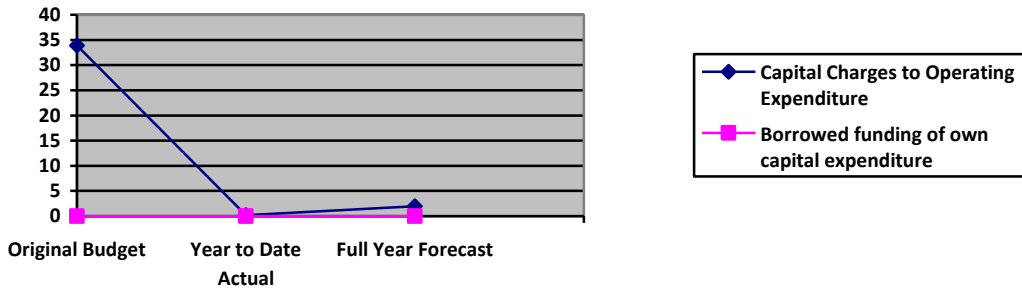
Transfers and Grant Performance						
Description	Year -1	Year 0			Year 0 Variance	
Operating Transfers and Grants	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Equitable Share	147 874 999	165 468 000	165 468 000	165 468 000	0%	0%
DBSA Grant	2 064 454	0	0	0	0%	0%
Municipal Systems Improvement Grant	790 000	800 000	800 000	800 000	0%	0%
Financial Management Grant	1 450 000	1 500 000	1 500 000	1 500 000	0%	0%
Municipal Infrastructure Grant	74 100 343	76 379 000	76 379 000	76 379 000	0%	0%
Regional Bulk Infrastructure Grant	7 869 391	0	10 000 000	11 000 000	100%	10%
Accelerated Community Infrastructure programme	0	0	3 750 000	2 857 635	100%	-24%
Police, roads and Transport Grant	3 075 980	0	0	0	0%	0%
Extended Public Works Programme	2 316 000	0	1 090 000	1 090 000	100%	0%
MIG Roll over	0	0	0	16 925 218	100%	100%
COGTA Grants	650 000	0	0	3 441 200	100%	100%
Total Operating Transfers and Grants	240 191 167	244 147 000	258 987 000	273 373 394	12%	6%

Details of Donor	Actual Grant year-1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant terminates	Date Municipal Contribution terminates	Nature and benefit from the grant received, include description of any contribution in kind
NONE						

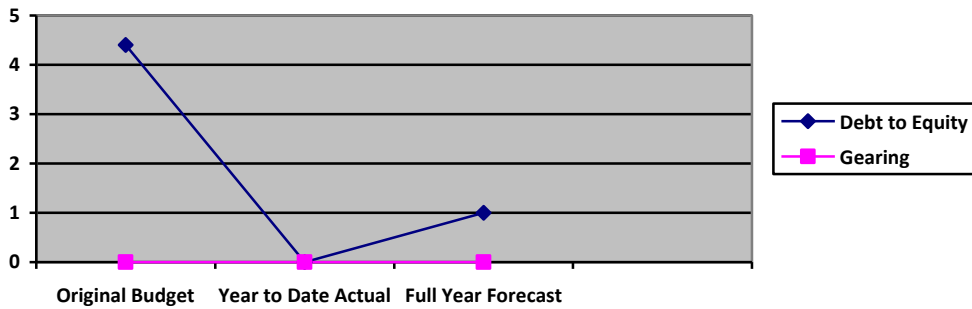
TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name				
Description				
Asset Type				
Key staff involved				
Assets Value	Year -3	Year -2	Year -1	Year 0
Capital Implications				
Future Purpose of Asset				
Describe Key Issue				
Policies in Place to Manage Asset				
Asset 2				
Name				
Description				
Asset Type				
Key staff involved				
Assets Value	Year -3	Year -2	Year -1	Year 0
Capital Implications				
Future Purpose of Asset				
Describe Key Issue				
Policies in Place to Manage Asset				
Asset 3				
Name				
Description				
Asset Type				
Key staff involved				
Assets Value	Year -3	Year -2	Year -1	Year 0
Capital Implications				
Future Purpose of Asset				
Describe Key Issue				
Policies in Place to Manage Asset				

Repairs and maintenance Expenditure Year 0				
	Original Budget	Adjustments Budget	Actual	Budget Variance
Repairs and Maintenance Expenditure	12 098 141	18 607 847	31 608 436	13 000 589
				T5.3.4

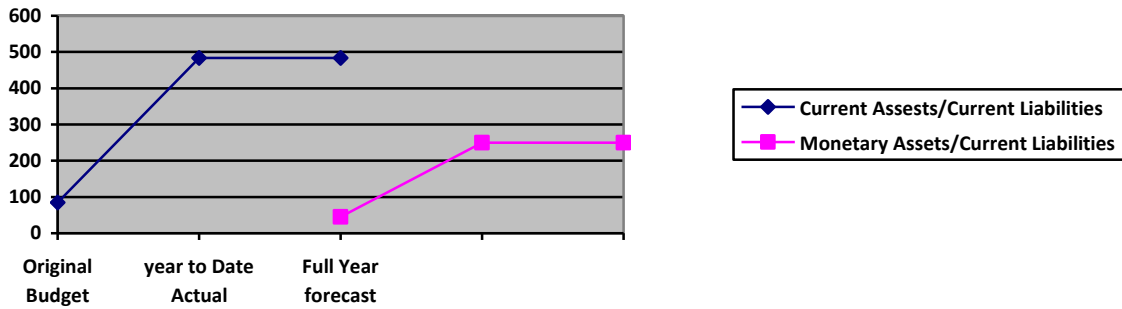
Borrowing Management



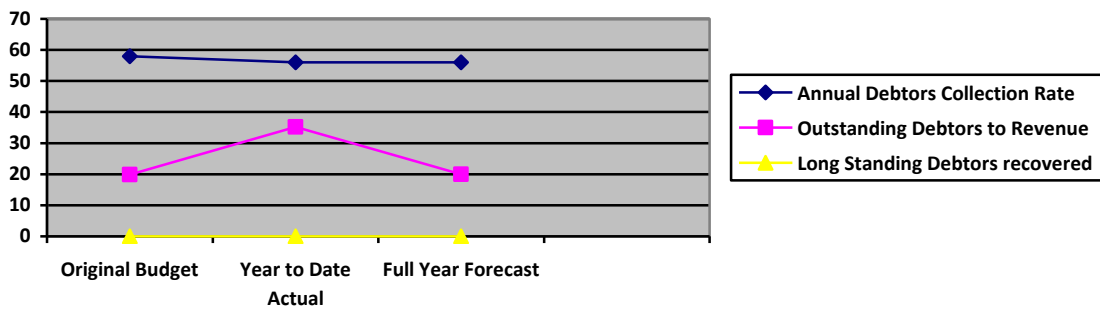
Safety of Capital



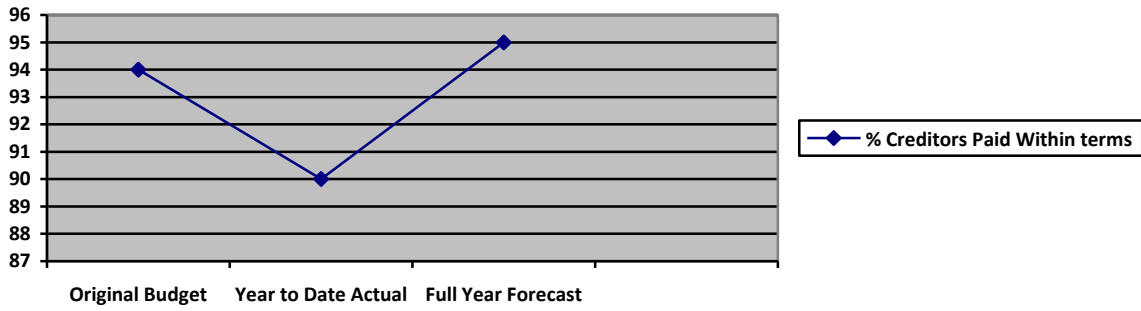
Liquidity



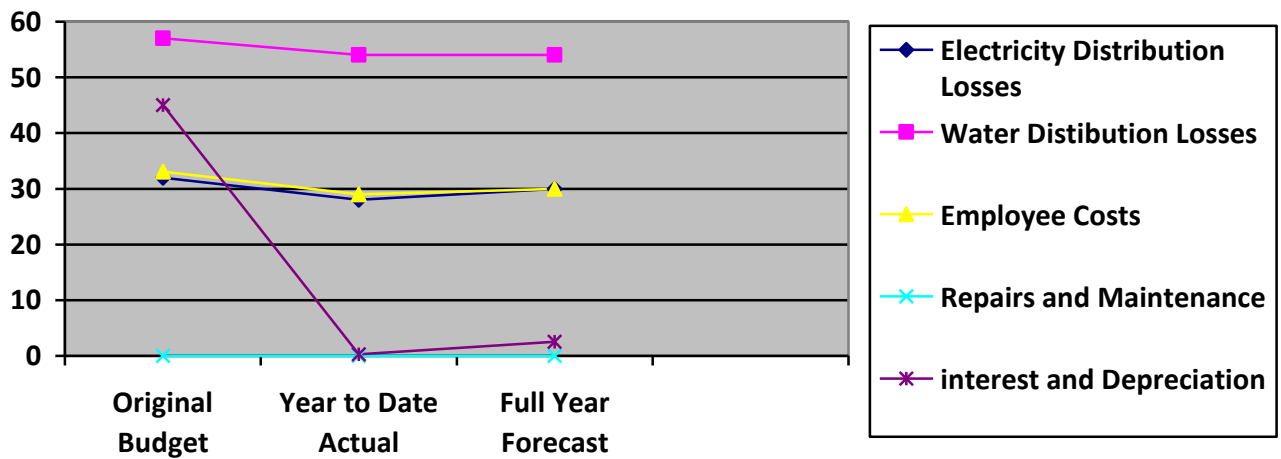
Revenue Management



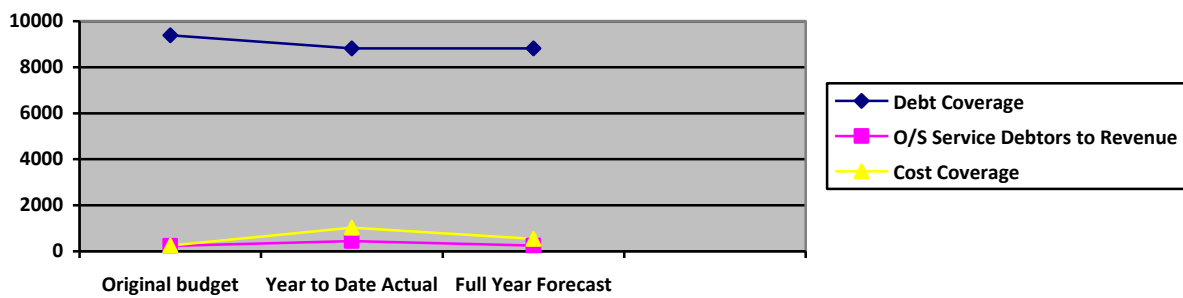
Creditors Management



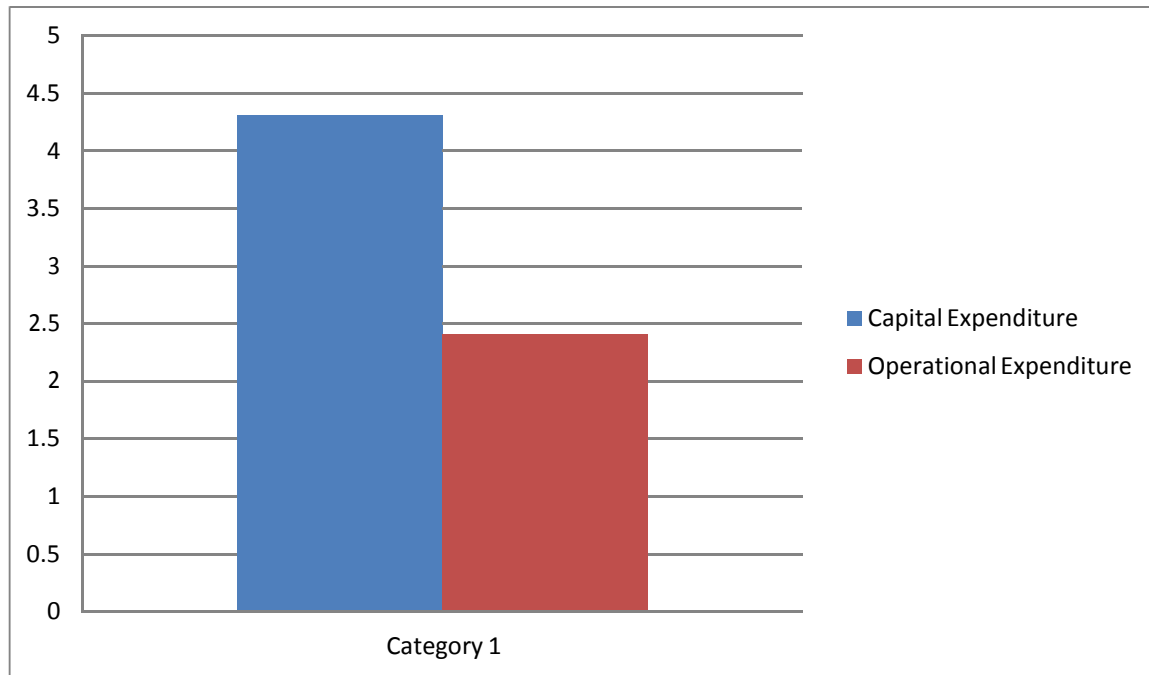
Other Indicators



IDP regulation-Financial Viability Indicators



Capital Expenditure



Source of Finance

Capital Expenditure-Funding Sources: Year -1 to Year 0						
Details	Year-1	Year 0				
	Actual	Original budget	Adjustments Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of finance						
External Loans	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	240 191 167	172 658 000	175 150 141	273 373 394	2 492 144	98 223 250
Other	0	0	0	0	0	0
Total	240 191 167	172 658 000	175 150 141	273 373 394	2 492 144	98 223 250
Percentage of finance						
External Loans	0%	0%	0%	0%	0%	0%
Public contributions and donations	0%	0%	0%	0%	0%	0%
Grants and subsidies	100%	100%	100%	100%	100%	100%
Other	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%
Capital Expenditure						
Water						
Electricity						
Sanitation						
Refuse removal						
Roads and storm water						
Housing						
Other						
Total						
Percentage of Expenditure						
Water						
Electricity						
Sanitation						
Refuse removal						
Roads and storm water						
Housing						
Other						
Total						

Capital spending of 5 largest projects

Capital Expenditure of 5 largest projects					
Name of project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustments Variance
A					
B					
C					
D					

E					
---	--	--	--	--	--

Projects with the highest capital expenditure in Year 0

A	
Objective of project	
Delays	
Future Challenges	
Anticipated citizen benefits	
B	
Objective of project	
Delays	
Future Challenges	
Anticipated citizen benefits	
C	
Objective of project	
Delays	
Future Challenges	
Anticipated citizen benefits	
D	
Objective of project	
Delays	
Future Challenges	
Anticipated citizen benefits	
E	
Objective of project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Basic Service and Infrastructure Backlogs-Overview

Service Backlogs as at 30 June Year 0: Households				
	Service level above minimum standards		Service level below minimum standards	
	Number of Households	% Households	Number of Households	% Households
Water				
Sanitation				
Electricity				
Waste Management				
Housing				

T 5.8.2

Municipal Infrastructure Grant Expenditure Year 0 on Service Backlogs						
Details	Budget	Adjustment s Budget	Actual	Variance		Major conditions applied by donor
				Original Budget	Adjustment Budget	
Road Transport						
Roads, pavement and bridges						
Storm water						
Electricity						
Generation						
Transmission and Reticulation						
Street lighting						
Water						
Dams and Reservoirs						
Water purification						
Reticulation						
Sanitation						
Reticulation						
Sewerage purification						
Waste Management						
Waste Management						
Other						
Specify						

T 5.8.3

Cash Flow

Description	Cash Flow Outcomes			
	Year 1	Current Year 0		Actual
	Audited Outcome	Original Budget	Adjustment Budget	
Cash Flow from operating activities				
Receipts				
Rate payers and others	119 938 422			94 968 470
Government-operating	166 090 825			186 946 935
Government-capital	74 100 343			87 216 559
Interests	2 365 950			2 311 523
Dividends	2 186 130			5 361 482
Payments				
Suppliers and employees	(299 202 838)			(272 034 596)
Finance charges	(1 879 221)			(1 265 372)
Transfers and Grants				
Net cash from (used) operating activities	63 599 611			103 533 114
Cash flow from investing activities	(72 943 333)			(91 343 425)
Receipts				
Proceed on disposal of PPE	0			0
Decrease/(Increase) in non-recurrent debtors	0			0
Decrease/(Increase) other non-recurrent receivables	0			0
Decrease/(Increase) in consumer deposits	0			0
Payments				

Payment of borrowing	(7 590 789)			(2 093 445)
Net Cash from (used) financing activities	(7 590 789)			(2 093 445)
Net increase/(decrease) in cash held	0			10 096 244
Cash/cash equivalents at the year begin	23 725 622			6 791 111
Effect of exchange rate movement on cash transactions	(16 934 511)			0
Cash/cash equivalent at the year end	6 791 111			16 887 354
				T 5.9.1

Actual Borrowings: Year-2 to Year 0			
Instrument	Year-2	Year-1	Year 0
Municipality			
Long term loans (annuity/reducing balance)	0	0	0
Long term loan (non-annuity)	11 417 260	8 092 102	7 722 951
Local registered stock	0	0	0
Instalment credit	0	0	0
Financial leases	6 692 285	2 159 280	702 212
PPP liabilities	0	0	0
Finance Granted by Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptance	0	0	0
Financial Derivatives	0	0	0
Other Securities	0	0	0
Municipality Total			
Municipal Entities			
Long term loans (annuity/reducing balance)	0	0	0
Long term loan (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment credit	0	0	0
Financial leases	0	0	0
PPP liabilities	0	0	0
Finance Granted by Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptance	0	0	0
Financial Derivatives	0	0	0
Other Securities	0	0	0
Entities Total	0	0	0
			T 5.10.2

Municipal and Entity Investments			
Instrument	Year-2	Year-1	Year 0
Municipality	Actual	Actual	Actual
Securities-National Government	0	0	0
Listed Corporate Bonds	0	572 429	652 242
Deposit-Banks	(17 186 049)	6 782 123	16 877 748
Deposit-public investment Commissioners	0	0	0
Deposit-Corporation for Public Deposit	0	0	0
Bankers acceptance certificate	0	0	0
Negotiable certificates of Deposit-Banks	0	0	0
Guaranteed Endowment Policies (sinking)	0	0	0
Repurchase Agreements-Banks	0	0	0
Municipal Bonds	0	0	0
Other	0	495 421	624 980
Municipality Sub-Total			
Securities-National Government	0	0	0
Listed Corporate Bonds	0	0	0
Deposit-Banks	0	0	0
Deposit-public investment Commissioners	0	0	0
Deposit-Corporation for Public Deposit	0	0	0
Bankers acceptance certificate	0	0	0
Negotiable certificates of Deposit-Banks	0	0	0
Guaranteed Endowment Policies (sinking)	0	0	0
Repurchase Agreements-Banks	0	0	0
Municipal Bonds	0	0	0
Other	0	0	0
Entities Sub-Total	0	0	0
Consolidated Total			T 5.10.4

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