



Beaufort West Municipality

Annual Report

2016/17



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CHAPTER 1: EXECUTIVE SUMMARY

CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD

The format and content of the annual report is largely prescribed by Section 46 of the Local Government: Municipal Systems Act (No 32 of 2000) and Section 121 and 127(2) of the MFMA. The above legislation compels the Municipality to prepare an annual report for each financial year and the Mayor to table such a report to Council within 7 months after the end of each financial year.

It is always a daunting task to provide a complete account on the responsibilities conferred to us by electorate. Most significantly we do so being quite conscious of the fact that the general public deserves its rightful place at the apex of the accountability chain. In presenting this annual report Beaufort West Municipality sets out the performance highlights and financial management for 2016/17 financial year.

The year under review has been a hectic one as the country had to once again go through local government election on 3 August 2016. This also meant that the public representatives especially the Executive Mayor did not participate in the drawing up of the 2016/17 budget and therefore could not really influence where the municipal resources will be spent.

The year under review also had difficulties in that the Executive Mayor, who is the political head, resigned just 7 months after the local government elections, and by-elections were held in May 2017. I only became a councillor and an Executive Mayor towards the end of the fourth quarter. This means that the incumbent position was occupied by the former Mayor during the financial year under review.

However, this Annual report is a culmination of the implementation of the Council's adopted Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan (SDBIP) for the 2016/17 financial year. In essence the report is an account of Beaufort West Municipality's achievement in the year under review and as with any rigorous instrument, it also assist in identifying our successes and failures.

This report is therefore intended to attest to the collective efforts of the administrative and political areas of the Municipality to progressively address the expectation of our people.

The following projects identified in the IDP have been completed in the 2016/17 financial year:

- Upgrade of Kwa-Mandlenkosi Sport stadium.
- Upgrade of Protea /Oak streets
- Rehabilitation sanitation
- Oxidation Ponds in Murraysburg

- Upgrade of Fabriek Street, Industrial Area.

The pressure in service delivery coupled by lack of sufficient funding to undertake some community identified programs is a big challenge for the municipality. Although the municipality is trying to provide work opportunities through its own funds and funds received from provincial and national government through EPWP job creation remains one of the critical matters and if not drastically addressed could cause problems for the municipality.

It will remain true for some time to come that the challenges of poverty, unemployment will remain with us beyond the term of office of any elected political officer bearers or top management officials.

This clearly qualifies the fact that development is not an event but a process which requires multiple resources and effective leadership based on the afore mentioned facts it is safe to say that Council is extremely serious to address mala administration and corruption in the organisation. Council commissioned a forensic audit during the year under review.

I have no doubt that this will be a useful document for councillors, staff and stakeholders as we strive to continuously improve our services to the people of Beaufort West, Murraysburg, Merweville and Nelspoort.

I remain committed to working in partnership with fellow councillors, other stakeholders and the municipal administrators in realizing our vision and making it a practical reality. We are positive that Beaufort West Municipality's future holds the promise of a better managed and financially viable institution which delivers excellent services to the communities.

In concluding my foreword I would like to express my sincere gratitude to the Executive Mayoral Committee, all councillors and municipal staff members for being resilient and committed to excellent service delivery task bestowed on us for the year under review despite the difficulties which accompanied it.

J van der Linde

EXECUTIVE MAYOR



CHAPTER 1: EXECUTIVE SUMMARY

COMPONENT B: EXECUTIVE SUMMARY

I am pleased to present the Annual Report for the Beaufort West Municipality for the fiscal period 1 July 2016 to 30 June 2017. This report highlights our recent accomplishments as we continue to fulfil the priorities of the Council. Beaufort West has seen incredible change over the last year. The local government elections were highly contested and for the first time in more than twenty years a regime change took place. As the relationship between the community and the Municipality strengthens, a rich dialogue with citizens has become an essential part of our business. One of the Municipality's biggest challenges are financial sustainability. A sustainable municipality must continually reinvent and repair its critical infrastructure - the means by which people move, dispose of waste, receive the goods they need and access recreational opportunities. Such work further contributes to economic sustainability, with the addition of jobs, and enhances our municipal areas natural beauty.

The 2016/17 financial year was a challenging year for the Beaufort West Municipality. The Municipality has worked collaboratively with Beaufort West citizens to ensure their communities are places of opportunity. The Municipality's clients include individuals, provincial government, non-governmental organizations, industry, academic communities and other service providers. In the interest of promoting the well-being of our residents and communities, the Municipality is a catalyst and co-ordinator of action. The Municipality promotes intergovernmental relationships and strategic partnerships between and among the national government, the provincial government, local governmental and non-governmental organizations.

Infrastructure and municipal services establishes and maintains a relevant and enabling policy and legislative framework for Beaufort West Municipality. The Infrastructure and Community Services divisions contributes to the Municipality's overall mandate by building municipal capacity to ensure effective, efficient and accountable local governments that are positioned for long-term sustainability. The Municipality has prioritised service delivery as a key focus area and has undertaken several initiatives in the financial year under review.

- Upgrade storm water and roads in Murraysburg
- Upgrade of Oak Street
- Installation of services sites Hillside 2 for construction of top structures
- Upgrade of Mandlenkosi Stadium
- Rehabilitate oxidation ponds in Nelspoort

A new organigram was designed through a consultative process and it is envisaged that the new organigram will be implemented in July 2018.

This year Beaufort West Municipality continued to improve and extend local services to all the people and the surrounding towns. We also supported other groups and

organisations working with young people and disabled people through effective partnership working.

We participated in the Mandela Day programme and municipal workers contributed towards our old age homes.

We recognise that these are difficult financial times for the Council, and municipal officials will have to ensure that they create public value for the resident of Beaufort West. The public value approach requires us to draw a clear distinction between the ends (the goals we seek) and means (the tools we use to achieve these ends). What matters in public value strategies is what works to produce outcomes, satisfy clients, and treat them with respect and fairness. There are reasons to believe that we can improve performance on all three of these dimensions simultaneously. The people of Beaufort West deserve better services and we as public officials should be the key drivers of these services.

From a good governance perspective, a lot of work needs to be done and the Municipality has introduced measures to address weaknesses identified in the audit report. Unemployment, poverty and inequality remain our key challenges and it incumbent upon the leadership of the municipality to ensure that economic opportunities are created that will provide employment opportunities to our people.

As with any municipality, there are constant pressures in providing services and service enhancements at a reasonable and affordable cost, balancing the investment between infrastructure growth and renewal projects and ensuring risks are properly managed. Many strategies are in place or are being developed to mitigate risks faced by the Municipality and to address the ongoing operating and capital funding gaps to ensure the long-term sustainability of the Municipality. Integral to achieving sustainability is the continuing use of a comprehensive Enterprise Risk Management Framework. A number of risk management activities are undertaken on an ongoing basis across the Municipality.

As the speed of change in Beaufort West intensifies, our organisation is prepared to adapt. The goal of our employees is to provide excellent services to our residents every day. Together we are proud to serve Council and the people of Beaufort West.

K Haarhof

MUNICIPAL MANAGER



CHAPTER 1: EXECUTIVE SUMMARY

1.2 Municipal overview

This report addresses the performance of Beaufort West Municipality (BWM) in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on program performance and the general state of affairs in their locality.

The annual report reflects on the performance of the Municipality for the period 1 July 2016 to 30 June 2017. The report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), of which the Municipality must prepare an annual report for each financial year.

1.2.1 Vision and mission

The Municipality committed itself to the following vision and mission:

Vision:

“Beaufort West, land of space in the Great Karoo, strives to improve the lives of all its residents by being a sustainable, expanding and safe town”

Mission:

To reflect the will of the South African people as reflected in the Constitution and by Parliament:

- An effective municipal system, maintained at the highest standard
- To create affordable and sustainable infrastructure for all residents and tourists
- Business initiatives and the optimisation of tourism (local and foreign)
- Empowerment of personnel, management and Council members for effective service delivery
- Creating and maintaining an effective financial management system
- To develop the region as the sport and recreational mecca of the Karoo
- To create a crime-free, safe and healthy environment
- Agricultural business to improve the potential for job creation
- Creation of employment to reduce unemployment to acceptable levels
- To reduce poverty and promote the empowerment of women
- To involve HIV/Aids sufferers in economic and household responsibilities

1.3 Municipal functions, population and environmental overview

1.3.1 Population

It is estimated that about 49 586 (88%) of the people living in the Central Karoo District — with a total population of 71 011 — resides within the Beaufort West municipal area. The increase in the number of people residing in the municipal area, is due to the merging of administrative areas, i.e. the Beaufort West municipal area, the District Management Area (DMA) and in-migration from other provinces. The total population in 2001, was 43 284 people of which 6 183 resided in the then DMA. Hence, the population increased at a relatively high rate over the past 10 years from 2001 to 2011 from 43 284 to 49 586 (12% increase). In the context of a remotely located semi-arid rural area, this represents a significant growth of more than 6 000.

It is estimated that the annual population growth since 2001 has been 1.36%. Although population growth is expected to decline, it will still have a significant impact on the demand and the level of service delivery, especially in Beaufort West. The population density is at 0.3 people per km² and the urban segment of the municipal population is expected to rise.

The table below illustrates the population in the municipal area as per census 2001 – 2011:



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Population	2001	2011
Number of people residing in the Beaufort West municipal area	43 284	49 586
<i>Census 2001 and 2011</i>		

Table 1. Demographic information of the municipal area – Total population

1.3.2 Population by race

The table below reflects on the race classification of the population within the Beaufort West area:

Year	Black African	%	Coloured	%	Indian or Asian	%	White	%	Other	%	Total
2001	6 923	16	31 792	73.4	42	0.1	4 528	10.5	0	0	43 284
2011	8 103	16.3	36 433	73.5	241	0.5	4 539	9.2	270	0.5	49 586
<i>Census 2001 and 2011</i>											

Table 2. Population by race

1.3.3 Population by age

The table below includes data about the composition of the population per age category. In this regard, the population pyramid shows that a significant portion ($\pm 7\%$) of the population is younger than 20 years, which is not uncommon for a rural community.

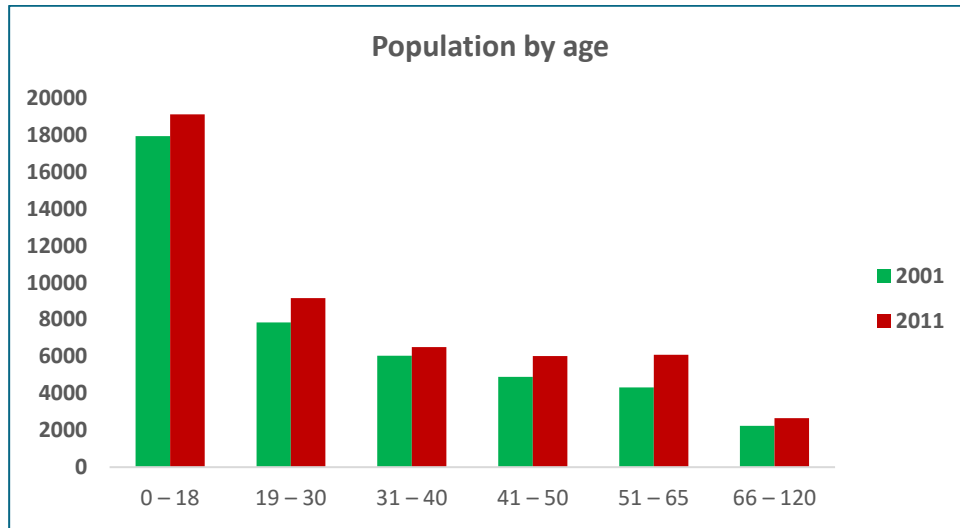
Year	0 – 18	19 – 30	31 – 40	41 – 50	51 – 65	66 – 120	Total
2001	17 938	7 848	6 048	4 896	4 321	2 233	43 284
2011	19 132	9 162	6 508	6 030	6 091	2 663	49 586
<i>Census 2001 and 2011</i>							

Table 3. Population by age



CHAPTER 1: EXECUTIVE SUMMARY

The graph below displays the population by age when comparing the census figures of 2001 with 2011



Graph 1.: Population by age

1.3.4 Households

The number of households within the municipal area increased from 14 107 households in the 2015/16 financial year to 14 168 households in the 2016/17 financial year. This indicates an increase of about 0.43% in the total number of households within the municipal area over the two-year period and represents a household size of about 5 people per household (if Census 2011 is used).

The table below indicates the growth of households over the past 4 years:

Households	2013/14	2014/15	2015/16	2016/17
Number of households	13 603	13 864	14 107	14 168

Table 4. Total Number of households

The graph below is a graphical illustration of the growth in households over the past 4 years:

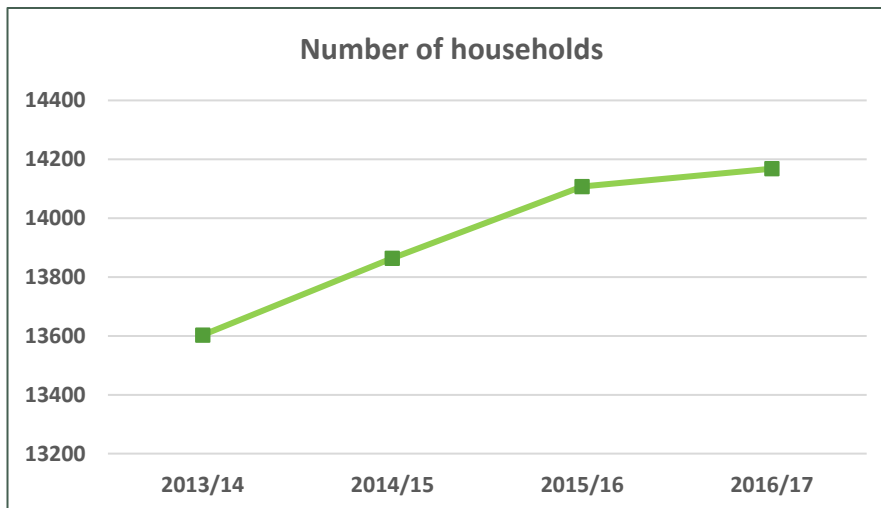


Figure 1.: Number of households



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1.3.5 Demographic Information

a) Municipal Geographical Information

Towering mountains and rolling plains welcome you to the Beaufort West region. Beaufort West, the oldest and largest town in the Central Karoo, lies in an ancient area which once was a swamp, now a semi-desert area named “thirst land”, making it rich in history. This ancient area of the Karoo is considered one of the world’s most interesting arid zones and holds intrigue for scientist, historians and eco-tourists which is fondly referred to as place of the pioneers. In February 1837, BWM became South Africa’s first and therefore oldest municipality. It is the centre of an agricultural district based mainly on sheep farming and meat production. Strategically positioned on the N1 National Road, which links Cape Town with the interior and northern parts of South Africa, BWM maintains a minimal but steady amount of growth due to the high volume of passing road traffic.



The nearby Karoo National Park is a national asset which aims to reclaim the original flora of the Karoo and is one of the chief tourist attractions in the region, boasting a

wide variety of endemic wildlife. The municipal area covers approximately 16 330 km² with the town situated 851 meters above sea level between the Gamka and Kuils Rivers. The town lies just south of a ridge of hills and north of the Nuweveld Mountains in the Central Karoo where rocks date back some 230 million years. Not only was the first reptile fossil discovered in the area, but Beaufort West has been described as the world’s richest collecting ground for fossils. The town’s historic centre displays an electric mix of historical architecture that makes a stop-over here essential.



Summer rains normally begin with light showers around October. Rain is very sporadic and mostly occurs in the form of thunderstorms. Snowfalls can occur as late as September and the first snowfalls reached ground level in 2011. Temperatures increase dramatically during November and remain high until February, reaching highs of between 38 and 48 degrees. The mid-winter months of June and July are cold and dry with temperatures falling well below zero.

In the year 2000, the smaller rural towns of Merweville and Nelspoort were incorporated into the BWM, and since June 2011 the town of Murraysburg has also been a DMA of the Municipality.



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b) Wards

The Municipality is structured into the following 7 wards:

Ward	Areas
1	Murraysburg and Murraysburg rural areas
2	Nelspoort, Nelspoort rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill
3	Part of Rustdene, Essopville and Nieuveland Park
4	Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill
5	Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town
6	Part of Rustdene and Prince Valley
7	Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Table 5. Municipal wards

Below is a map that indicates the municipal area and wards:

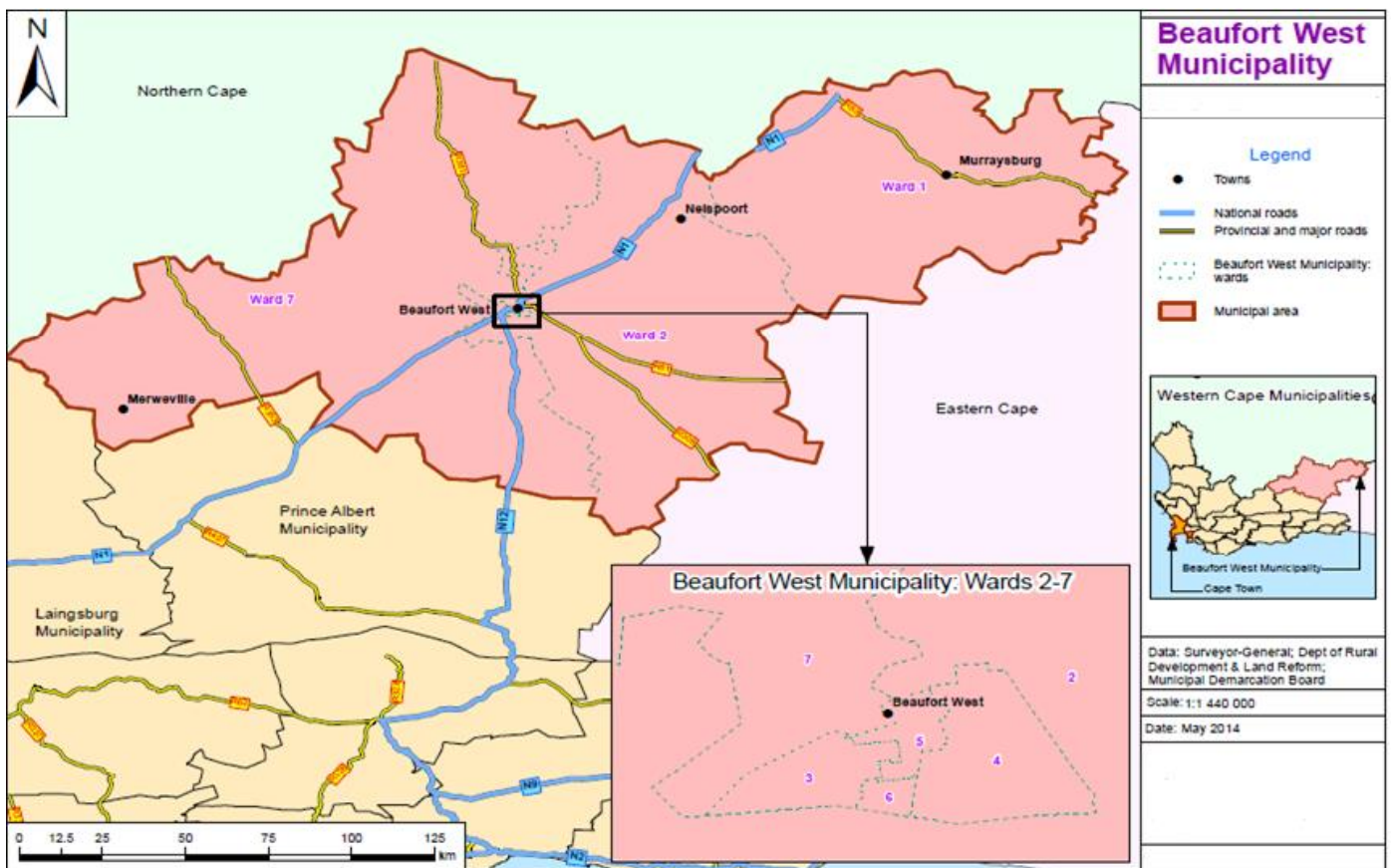


Figure 2.: Beaufort West municipal area and wards



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Merweville

Merweville is a small town situated 160 km south-west of Beaufort West and 40 km from Prince Albert Road station. This Central Karoo town lies in a picturesque area of plains often linked to the Nevada Desert region of the United States. It was established around 1897 on the farm of Jacobus van der Bijl, a jack of many trades: farmer, shopkeeper, postmaster, magistrate and justice of the peace.



He built a church that was later used as a school. Merweville lies in the koup, which means "caul fat", and was so named by early indigenous inhabitants who felt that the patches of golden veld grass, interspersed by dark brown soil, resembled the fat and blood vessels surrounding a sheep's liver. The reason for this name is quite apparent at the onset of winter when the veld is less lush and the gold and brown patches become evident. Merweville maintains a great deal of the charm of earlier days and is an ideal spot to rest, relax and unwind from the pressures of modern-day city life.

Murraysburg

Murraysburg, a typical old-world Great Karoo town that lies 160 km north-east of Beaufort West, became Ward 1 with the new demarcation and as a result became a DMA of the BWM, after it was previously a DMA of the Central Karoo District Municipality. Murraysburg, located at the foot of the Sneeuberg Mountains in a scenic mix of mountains and plains, offers tranquility for environmentalists and eco-watchers. In the late 18th century a bloody and vicious war of revenge and retaliation raged for many years between the San and farmers. Farms were attacked, houses set alight and herdsmen murdered. Farmers went out on punitive missions and killed many of the San, who hunted the livestock of the farmers.

The region was very unsettled by stock theft, murders and reprisal expeditions against the San. At the beginning of the 19th century, the San began to move towards the Kalahari and eventually the farm *Eenzaamheid* was bought from Mr. Kootjie Burger where after the farm became the town of Murraysburg. It was a "church town", meaning that the

Dutch Reformed Church (DRC) exercised full control over the town and its inhabitants.

Below picture shows the beauty of Murraysburg during a snow filled winter season:



The new town was named after Reverend Andrew Murray, minister of the DRC in Graaff-Reinet. The "burg" derives from the Dutch word meaning "place of safety".



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Nelspoort

Nelspoort, situated 56 km north of Beaufort West, is a small community in the depths of the Central Karoo. The Bushmen and Khoi visited the surrounding heads and left their mark in rock engravings. Long since the Bushmen, the area became a haven for those with chest ailments.



c) Key economic activities

As early as 1836, Beaufort West's dour but well-loved Dr. John Christie appealed to people to "breathe" the air of the Nuweveld Mountains. White farmers later established their homes here and for a while the sanatorium brought peace and healing to many tuberculosis (TB) sufferers. Established in 1924 through the efforts of Dr. Alfred Jasper Anderson and John Garlick, a philanthropist, the Nelspoort area was identified as an ideal location for "the first chest hospital on the African continent." By 1969, the first psychiatric patients were admitted. The disastrous socio-economic effects of tuberculosis had decreased by then and the disease could be treated with drugs at home. The old magic mountain method of healing with good food and fresh air was a thing of the past and thus Nelspoort devoted itself to psychiatric patients, maintaining only one TB ward. Today, both roles have declined.

Agriculture forms the backbone of the Beaufort West economy and accounts for the largest labour to date. Despite the harsh climate and poor carrying capacity of the veldt, it still offers opportunities for growth and employment creation. The Municipality is dependent upon the following main economic activities:

Key economic activities	Description
Agriculture and agri-processing	Fresh meat (mutton, game, Karoo lamb, ostrich, goat, beef)
	Processed meat (biltong, cold meats, "droë wors")
	Fresh fruit and vegetables (figs, olives, apricots, grapes, herbs)
	Processed fruit and vegetables (chutney, dried figs, olives, jams)
	Animal bi-products (skins, hides, wool, mohair, milk)
	Processed animal bi-products (leather products, dairy products, wool and mohair products)
	Other (traps for problem animals – manufacturing and servicing)
Transportation	The transportation sector in the Central Karoo is one of the strongest contributors to the regional economy and completely dominated by Beaufort West, which contributes 86.4% of the total gross domestic product in this sector
Tourism	Wide-open spaces, magnificent landscapes, panoramas and the sense of solitude attractions
	Historic and cultural attractions

Table 6. Key economic activities



CHAPTER 1: EXECUTIVE SUMMARY

1.4 Service delivery overview

1.4.1 Highlights: Basic services delivery performance

The table below shows the Municipality's achievement with regards to service delivery:

Highlight	Description
New sewerage system installed	Sewerage system installed for 264 RDP houses in Beaufort West
Rehabilitation and sanitation project	Oxidation ponds constructed in Murraysburg
Upgrade of streets and stormwater systems	Streets and stormwater systems were upgraded in Protea - and Oak Street in Beaufort West
Upgrade of existing sports stadiums	Upgrades done at Rustdene and Kwa-Mandlenkosi Sport Stadiums
Upgrade of sport fields	Upgrades done at Merweville and Beaufort West
Upgrade of main sub-station	Upgrades done at Lockweg Road in Beaufort West
Upgrade of electricity network	Upgrade to networks done in Murraysburg

Table 7. Basic services delivery highlights

1.4.2 Challenges: Basic services delivery

The Municipality faced the following challenges during the year:

Service area	Challenge	Actions to address
Water	Drought	Acquire funding from government
	Theft, sabotage and arson. Vandalism of road signs, manhole covers. Stolen cables, resulting in water pumps not working which effects delivery of electricity and water services	Whistle blowing process in place and will be implemented
	Water contamination and pollution due to waste being dumped in the river water	Cleaning of river beds and daily water tests
Waste water (sanitation)	Vandalism to Waste Water Treatment Works (WWTW) projects	Security services to be appointed
Electricity	High cost of electricity	Implementation of energy efficient products
	Ageing and overstretched equipment / infrastructure at Hillside network and older parts of town. Lack of funding resulting in insufficient maintenance leading to low standards in terms of NERSA	Acquire more funds for the maintenance of existing and ageing networks
Waste management	Illegal dumping on open spaces and vacant plots	Illegal dumping sign boards placed at open spaces and vacant plots
	Lack of funding (need to expand the landfill site in the near future)	Apply for external funding to expand landfill site. Compile business plan in support of application and appoint a service provider to assist with the development of a business plan
	Insufficient funding to enable rehabilitation and closure of illegal waste abattoir site	Obtain funding to ensure closure as per directive requirements

Table 8. Basic services delivery challenges

1.4.3 Proportion of households with access to basic services

The table below indicates the Municipality's performance relating to basic services provided:

Description	2015/16	2016/17
Electricity service connections	100%	100%
Water - available within 200m from dwelling	98%	98%
Sanitation - Households with at least Ventilated Improved Pit (VIP) services	96%	98%
Waste collection - kerbside collection once a week	100%	100%

Table 9. Households with minimum level of basic services



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1.5 Financial health overview

1.5.1 Highlights: Financial viability

The table below shows the Municipality's achievement with regards to financial viability:

Highlight	Description
Provincial and national government support	Financial support received from government to assist with capacity constraints and tighten internal controls and procedures in the finance department

Table 10. Financial viability highlights

1.5.2 Challenges: Financial viability

The table below indicates the challenges faced during the financial year:

Challenge	Action to address
Cash flow position remains vulnerable	Integrated Recovery Plan to be implemented to improve financial feasibility
Long-term financial feasibility	
Resources not growing with population, service demand and escalation costs	
Limited resources spent on none core functions and unfunded mandates of the Municipality	
Consumer resistance due to escalating tariffs	
High dependency on grants and subsidies	Finance task team to investigate all other streams of income
Increasing indigents	Indigent audits to be performed
Excessive regulating environment	Financial assistance from government to help with capacity and funding for compliance with all related laws and legislation

Table 11. Financial viability challenges

1.5.3 National Key Performance Indicators – Municipal financial viability and management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators (KPI) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These KPI's are linked to the National Key Performance Area (KPA) namely: Municipal financial viability and management.

KPA and Indicator	2015/16	2016/17
Debt coverage ((Total operating revenue-operating grants received): debt service payments due within the year)	25 times	24 times
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	19.94%	31.7%
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure)	0.6 times	0.4 times

Table 12. National KPI's for financial viability and management

1.5.4 National KPI - Good governance and public participation

The following table indicates the Municipality's performance in terms of the National KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This KPI is linked to the National KPA - Good governance and public participation.

KPA and Indicators	Municipal achievement	Municipal achievement
	2015/16	2016/17
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (After roll over projects)	50.55%	30.71%

Table 13. National KPIs - Good governance and public participation performance

1.5.5 Financial overview

The table below indicates the Municipality's financial overview for the financial year:



CHAPTER 1: EXECUTIVE SUMMARY

Details	Original budget	Adjustment budget	Actual
	R '000		
<i>Income</i>			
Grants (transfer recognition)	94 442	120 593	104 609
Taxes, levies and tariffs (property and services)	139 157	141 322	103 492
Other (investments and own)	60 638	57 466	61 979
Sub total	294 237	319 381	270 080
Less expenditure	277 760	277 707	240 101
Net surplus/(deficit)	16 477	41 674	29 979

Table 14. Financial overview

1.5.6 Total capital expenditure

The table below indicates the Municipality's capital expenditure for the financial year:

Detail	2015/16	2016/17
	R '000	
Original budget	20 024	34 168
Adjustment budget	36 429	60 119
Actual	18 487	45 236
% Spent	51	75

Table 15. Total capital expenditure

1.6 Auditor-General report

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our Country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follows:

- **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation
- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements
- **Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements



CHAPTER 1: EXECUTIVE SUMMARY

BWM implemented MGRO as initiated by Provincial Treasury. MGRO is a Municipal Governance and Review Outlook plan to monitor the performance of municipalities within certain focus areas to ensure clean administration within the Western Cape.

1.6.1 Audited outcomes

The table below indicates the audit opinion received for the past 3 financial years:

Year	2014/15	2015/16	2016/17
Opinion received	Unqualified	Unqualified	Disclaimer

Table 16. Audit outcomes



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CHAPTER 2

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are considered and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 Governance structure

2.1.1 Political governance structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programs in the municipal area.

a) Council

The Council comprises of 13 elected Councillors before the Local Government elections on 3 August 2016, made up from 7 Ward Councillors and 6 Proportional Representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties.

Below is a table that categorise the Councillors within their specific political parties and wards for the 2016/17 financial year prior to the Local Government elections on 3 August 2016:

Council members	Capacity	Political party	Ward representing or proportional
T Prince	Executive Mayor	ANC	Proportional
J Diedericks [Since 21.04.2016]	Executive Deputy Mayor	ICOSA	Proportional
S Motsokane	Speaker	ANC	Ward 4
G Adolph	Full-time Councillor	ANC	Ward 6
L Basson	Councillor	DA	Proportional
E Beyers [Resigned 15.05.2016]	Councillor	ICOSA	Proportional
J Bostander [Resigned 29.02.2016]	Councillor	ANC	Ward 7
G de Vos	Councillor	ANC	Ward 3
L Deyce	Councillor	ANC	Ward 1
M Furmen	Councillor	ANC	Ward 5
R Hugo	Councillor	DA	Proportional
G Murray	Councillor	DA	Proportional
A Slabbert	Councillor	DA	Ward 2
G Simon	Councillor	DA	Proportional
<p><i>No Council meetings were scheduled for the period 1 June 2016 to 3 August 2016.</i></p> <p><i>The Municipality has 13 Councillors. Councillor J Diedericks replaced Councillor E Beyers in the same financial year hence the reflection of 14</i></p>			

Table 17. Council (before 3 August 2016)

The table below categorises the Councillors within their specific political parties and wards for the 2016/17 financial year after the local government elections on 3 August 2016:

Council members	Capacity	Political party	Ward representing or proportional	Number of meetings attended
K Malooi [Resigned 15.02.2017]	Executive Mayor	DA	Ward 7	5



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Council members	Capacity	Political party	Ward representing or proportional	Number of meetings attended
J van der Linde [Since 24.05.2017]	Executive Mayor	DA	Ward 7	1
A Slabbert	Deputy Executive Mayor	DA	Ward 2	7
E Wentzel	Speaker	DA	Ward 6	7
O Haarvoor	Full-time Councillor	DA	Ward 2	7
K Alexander	Councillor	DA	Ward 1	7
L Basson	Councillor	DA	Ward 3	7
N Constable	Councillor	KDF	Proportional	7
L Deyce [Since 08.11.2016]	Councillor	ANC	Proportional	4
J Jonas [Resigned 10.10.2016]	Councillor	ANC	Proportional	1
E Lawrence	Councillor	ANC	Proportional	6
Z Lambert	Councillor	ANC	Proportional	7
M Kilani	Councillor	ANC	Ward 5	7
S Motsoane	Councillor	ANC	Ward 4	7
T Prince	Councillor	ANC	Proportional	4

Table 18. Council (after 3 August 2016)

The table below indicates the Council meeting attendance for the 2016/17 financial year:

Meeting dates	Council meetings attendance	Apologies for non-attendance
30 August 2016	11	2
26 September 2016	13	0
31 October 2016	12	0
13 December 2016	13	0
23 January 2017	12	1
31 May 2017	11	(2)
30 June 2017	13	0

Numbers between brackets indicate non-attendance without apology

Table 19. Council meetings

b) Executive Mayoral Committee

Prior to 3 August 2016, the Executive Mayor of the Municipality, Alderman T Prince assisted by the Mayoral Committee, headed the executive arm of the Municipality. After 3 August 2016 the Executive Mayor, Councillor K Malooi assisted by the Mayoral Committee, headed the executive arm of the Municipality. On 15 February 2017, Mr Malooi resigned as Councillor for ward 7 and on 24 May 2017, Alderman JJ van der Linde was elected as Councillor for ward 7 whereafter he was elected as Executive Mayor on 31 May 2017. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in the Executive Mayor to manage the day-to-day affairs. The Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 01 July 2016 to 2 August 2016:

Name of member	Capacity
Alderman T Prince	Executive Mayor
Councillor E Beyers	Deputy Executive Mayor
Councillor G Adolph	Full-time Councillor

Table 20. Mayoral Committee members



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The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 10 August 2016 to 15 February 2017

Name of member	Capacity
Councillor K Malooi [Resigned 15.02.2017]	Executive Mayor
Councillor A Slabbert	Deputy Executive Mayor
Councillor O Haarvoor	Full-time Councillor

Table 21. Mayoral Committee members

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 24 May 2017 to 30 June 2017

Name of member	Capacity
Alderman J van der Linde	Executive Mayor
Councillor A Slabbert	Deputy Executive Mayor
Councillor O Haarvoor	Full-time Councillor

Table 22. Mayoral Committee members

The table below indicates the dates of the Mayoral Committee meetings and the number of reports submitted to Council for the 2016/17 financial year:

Meeting date	Number of reports submitted to Council
23 November 2016	1
02 Junie 2017	

Table 23. Executive Mayoral Committee meetings

c) Portfolio Committees

The MSA provides for the establishment of Section 79 and Section 80 Committees.

Section 79 Committees are Council committees, appointed by Council for a specific purpose and accounting to Council section 79 Committees must be composed to reflect the way in which parties and interest are reflected in Council.

Council has established the following Section 79 Committees:

- Financial and Development Committee
- Corporate Services and Social Development Committee
- Human Resource (HR) Development Committee
- Municipal Resource Development Committee

The portfolio committees for the 2016/17 financial year term and their chairpersons for the period 1 July 2016 to 2 August 2016 were as follows:

Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
Financial and Development Committee			
T Prince	E Beyers	0	0
	G de Vos		
	M Furmen		
	D Welgemoed		
Corporate Services and Social Development Committee			
SM Motsokane	G Adolph	0	n/a
	E Beyers		
	J Bosander		
	A Slabbert		



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Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
<i>Financial and Development Committee</i>			
<i>HR Development Committee</i>			
M Furmen	G Adolph	0	n/a
	L Deyce		
	G Murray		
	A Slabbert		
<i>Municipal Resource Development Committee</i>			
G de Vos	E Beyers	0	n/a
	S Motsoane		
	T Prince		
	D Welgemoed		
	A Willemse		

Table 24. Portfolio Committees

The portfolio committees for the 2016/17 financial year term and their chairpersons for the period 10 August 2016 to 15 February 2017 were as follows:

Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
<i>Financial and Development Committee</i>			
K Malooi	O Haarvoor	1	13 September 2016
	T Prince		
	A Slabbert		
<i>Corporate Services and Social Development Committee</i>			
K Alexander	L Basson	1	17 September 2016
	E Lawrence		
	S Motsoane		
	E Wentzel		
<i>HR Development Committee</i>			
E Wentzel	N Constable	1	17 September 2016
	Z Lambert		
<i>Municipal Resource Development Committee</i>			
N Constable	O Haarvoor	2	17 September 2016 8 December 2016
	M Kilani		
	A Slabbert		

Table 25. Portfolio Committees

The portfolio committees for the 2016/17 financial year term and their chairpersons for the period 16 February 2017 to 30 June 2017 were as follows:

Chairperson	Other members	Number of minutes submitted to Council	Meeting Dates
<i>Financial Services and Development Committee</i>			
J van der Linde	O Haarvoor	1 Special meeting	26 June 2017
	T Prince		
	A Slabbert		



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Chairperson	Other members	Number of minutes submitted to Council	Meeting Dates
<i>Corporate Services and Social Development Committee</i>			
K Alexander	L Basson	0	0
	E Lawrence		
	S Motsokane		
	E Wentzel		
	L Basson		
<i>HR Development Committee</i>			
E Wentzel	N Constable	0	0
	Z Lambert		
<i>Municipal Services and Infrastructure Committee (Community Development Committee and Technical Services Committee)</i>			
N Constable	O Haarvoor	0	0
	M Kilani		
	A Slabbert		

Table 26. Portfolio Committees

2.1.2 Administrative governance structure

The Municipal Manager is the accounting officer of the Municipality. He is the head of the administration and primarily must serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

Name of official	Department	Performance agreement signed
		Yes/No
J Booysen [Resigned 30.11.2016]	Municipal Manager	Yes
F Sabbat [Resigned 28.02.2017]	Director: Financial Services	Yes
L Smit [Resigned 28.02.2017]	Director: Engineering Services	Yes
R van Staden	Director: Electro Technical Services	Yes
A Makendlana	Director: Corporate Services	Yes
R Klink	Director: Community Services	Yes
C Wright [Since 01.03.2017]	Acting Director: Engineering Services	No, acting capacity
K Kymdell [Since 01.03.2017]	Acting Director: Financial Services	No, acting capacity
R van Staden [Since 20.02.2017 until 12.06.2017]	Acting Municipal Manager	No, acting capacity
K Haarhoff [Since 13.06.2017]	Acting Municipal Manager	Seconded to Beaufort West Municipality by Western Cape Provincial Department of Local Government

Table 27. Administrative governance structure



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COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2 Intergovernmental relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhere to agreed procedures and avoid legal proceedings against one another.

a) Intergovernmental structures

To adhere to the principles of the Constitution as mentioned above, the Municipality participates in the following intergovernmental structures:

Name of structure	Members	Outcomes of engagements/topics discussed
Municipal Managers Forum	South African Local Government Association (SALGA), neighbouring municipalities' Municipal Managers	District based initiatives
Premiers Coordinating Forum	Municipal Manager and the Executive Mayor	Responsive, effective and efficient local government system
SALGA Working Groups	All Councillors participates in the different SALGA working groups	Cooperative governance, consultation, coordination and participative decision-making
Integrated Development Plan (IDP) Managers Forum	IDP Manager	IDP process plans adopted, progress with regards to joint planning initiatives as agreed upon by the Municipality and sector departments
Local Economic development (LED) Managers Forum	IDP manager	Department of Economic Development to assist in review of the LED strategy
Supply Chain Management (SCM) Forum	Manager: SCM	Enhanced municipal financial and administrative capability
Integrated Waste Management Forum	Waste Management: Superintended	Waste minimisation and campaigns
IDP Indabas	IDP Manager and all directors	Agree on joint priorities and commit resources to implement these priorities
Provincial Public Participation and Communication Forum	Personal assistant to the Speaker	Ensure the coordinated and coherent implementation and establishment of the ward participatory process to encourage the involvement of communities and organisations in matters of local government
Provincial Skills Development Forum	Skills Development Facilitator	Ensure and improve training delivery system in the province
HR Practitioner's Forum	Manager: HR	Educational attainment, skills development, science and innovation and labor market / employment policies

Table 28. Intergovernmental structures

b) Joint projects and functions with sector departments

All the functions of government are divided between the different spheres of government. The Municipality therefore share their area and community with other spheres of government and their various sector departments and must work closely with national and provincial departments to ensure the effective implementation of various projects and functions.

The table below provides detail of such projects and functions:

Name of project/ function	Expected outcomes of the project	Sector departments involved	Contribution of sector department
Agri-parks	Revival of agricultural projects	Department of Rural Development	Funding
Youth-hub	Skills development centre, swimming pool, gym and community hall	Department of Rural Development	Funding and HR
Redesign and review of organizational structure	New organogram	Department of Local Government	Funding

Table 29. Joint projects and functions

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the MSA 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 complements formal representative government with a system of participatory governance. 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;



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- 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.

2.3 Public meetings

The table below indicates the public meetings arranged and dates that it took place on:

Venue	Ward	Date
Murraysburg Town Hall, Beaufort Street, Murraysburg	1	14 November 2016
Voortrekker Hall, Voortrekker Street, Beaufort West	2	15 November 2016
Restvale Primary School, Nelspoort	2	16 November 2016
Full Gospel Church, Booysen Avenue, Nieuwveld Park	3	17 November 2016
Kwa-Mandlenkosi Community hall, Kwa-Mandlenkosi	4	21 November 2016
Pinkster Eenheid Church, Ebenezer Avenue, Rustdene, Beaufort West	6	22 November 2016
Voortrekker Hall, Voortrekker Street, Beaufort West	7	28 November 2016
George Fredericks Primary School, Merweville	7	29 November 2016
Rustdene Hall, De Vries Street, Beaufort West	5	06 December 2016

Table 30. Public meetings

2.4 Ward committees

Ward committees supports the ward councillor who receives reports on development, participate in development planning processes and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

With the local municipal elections that took place on 3 September 2016, the composition of councillors changed. The sections to follow will provide information on the ward representation pre- and post elections.

2.4.1 Ward Committees (1 July 2016 - 2 August 2016)

The tables below indicate each ward with their associated members and dates of meetings:

a) Ward 1: Murraysburg and Murraysburg rural areas

Name of representative	Capacity representing	Dates of meetings held during the year
L Deyce	Ward Councillor	26 July 2016
M Sibhozo	Unemployment	
N Tshikolo	Welfare	
G Douglas	Religion	
M Saba	Women	
G Zahela	Senior citizen	
F Tshikolo	Environmental interest group	
S Bans	Health	
D Booysen	Community based organisation	
S Pieterse	Youth	

Table 31. Ward 1: Committee meetings (before election)



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b) Ward 2: Nelspoort, Nelspoort Rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill

Name of representative	Capacity representing	Dates of meetings held during the year
A Slabbert	Ward Councillor	18 July 2016
J Lodewyk	Community safety	
T Horn	Health	
F Maxegwana	Sport	
J de Bruyn	Women	
M Breda	Religion	
T Plaatjies	Community-based organisation	
S Solomons	Education	
J Jonas	Women	
E Booysen	Youth	

Table 32. Ward 2: Committee meetings (before election)

c) Ward 3: Part of Rustdene, Essopville and Nieuwveld Park

Name of representative	Capacity representing	Dates of meetings held during the year
G de Vos	Ward Councillor	21 July 2016
P Williams	People with disabilities	
C Berg	Employment	
L Bosman	Welfare	
J Frieslaar	Community safety	
L Simon	Labour (workers)	
J Williams	Sport	
J Knecht	Religion	
C Snyman	Health	
E Williams	Environment	
A Johannes	Youth	

Table 33. Ward 3: Committee meetings (before election)

d) Ward 4: Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill

Name of representative	Capacity representing	Dates of meetings held during the year
S Motsoane	Ward Councillor	20 July 2016
M Menziwa	Health	
N Nggandela	Community safety	
S Ntsulelo	Senior citizen	
J Diedericks	Women	
S Ngqwala	Religion	
E Lawrence	Housing	
B Kedama	Business	
J Plaatjies	Education	

Table 34. Ward 4: Committee meetings (before election)



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e) Ward 5: Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town

Name of representative	Capacity representing	Dates of meetings held during the year
M Furmen	Ward Councillor	28 July 2016
K Grant	Women	
G Metsing	Youth	
S Nguqu	Community safety	
J Maloy	Senior citizen	
K Siwa	Religion	
E Biesies	Health	
G Louw	Welfare	
H Dick	Community-based organization	
S Phillips	Unemployment	
B Vumazonke	People with disabilities	

Table 35. Ward 5: Committee meetings (before election)

f) Ward 6: Part of Rustdene and Prince Valley

Name of representative	Capacity representing	Dates of meetings held during the year
G Adolph	Ward Councillor	25 July 2016
C Arendse	Health	
F Martin	Religion	
E Lottering	Welfare	
A Dassie	Government services	
J Jacobs	Unemployment	

Table 36. Ward 6: Committee meetings (before election)

g) Ward 7: Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Name of representative	Capacity representing	Dates of meetings held during the year
J Bostander	Ward Councillor	18 July 2016
S Nkanyezi	Sport and culture	
J Mdudumani	Business	
E Lottering	Sport	
A Minnie	Youth	
R van Wyk	Women	
K Links	Caring hands	
H Willemse	Transport	
M Damon	Safety and security	
E Hough	Women and safety	
E Roman	Women and children	

Table 37. Ward 7: Committee meetings (before election)



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2.4.2 Ward Committees (3 August 2016 – 30 June 2017)

The tables below indicate each ward with their associated members and dates of meetings:

a) Ward 1: Murraysburg and Murraysburg rural areas

Name of representative	Capacity representing	Dates of meetings held during the year
O Haarvoor	Ward Councillor	13 April 2017 25 May 2017 08 June 2017
N Louw	Education	
V Miliwana	Unemployment	
N Fywers	Health	
J Martin	Welfare and development	
G Zalela	Senior citizens and the disabled	
S Tshikolo	Environmental interest group and sports	
A Hoffman	Religion and health	
J Jonas	Community based organisation and safety	
A Johnson	Woman	
D Oerson	Youth	

Table 38. Ward 1: Committee meetings (after election)

b) Ward 2: Nelspoort, Nelspoort Rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill

Name of representative	Capacity representing	Dates of meetings held during the year
K Alexander	Ward Councillor	13 April 2017 25 May 2017 08 June 2017
J Lodewyk	Community safety	
D Booysen	Health	
J Bosman	Woman, children and unemployment	
S November	Youth	
M Breda	Religion	
A Peers	Community based organisation and business	
S Solomons	Education	
A Jonkers	Youth forum	
B Maxlegwana	Unemployment	
R Wilkers	Sports	

Table 39. Ward 2: Committee meetings (after election)

c) Ward 3: Part of Rustdene, Essopville and Nieuweld Park

Name of representative	Capacity representing	Dates of meetings held during the year
L. Basson	Ward Councillor	25 April 2017 22 Mei 2017 13 Junie 2017
M Meyers	People with disabilities	
J Paulse	Employment	
L Bosman	Welfare	
K Conradie	Community safety	
A Plaatjies	Labour (workers)	
E Jacobs	Sport	
G De Vos	Religion	
E Lottering	Health	



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Name of representative	Capacity representing	Dates of meetings held during the year
N Fortuin	Environment	
J Wentzel	Youth	

Table 40. Ward 3: Committee meetings (after election)

d) Ward 4: Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill

Committee to be established on 25 October 2017

e) Ward 5: Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town

Name of representative	Capacity representing	Dates of meetings held during the year
M Kilani	Ward Councillor	Committee established in the 2017/18 financial year
J Johnson	Community safety	
S Dyson	Health	
S Louw	Religion	
E Grootboom	Senior citizens	
A Lottering	Woman	
M De Boer	Youth	
J Ceasar	Welfare	
G Louw	Community based organization	
E Mapotolo	Unemployment	
A Mdlikiva	People with disabilities	

Table 41. Ward 5: Committee meetings (after election)

f) Ward 6: Part of Rustdene and Prince Valley

Name of representative	Capacity representing	Dates of meetings held during the year
E Wentzel	Ward Councillor	7 March 2017 11 April 2017 17 June 2017
E Links	Health	
F Martin	Religion	
J Esua	Welfare	
R Asonis	Government services	
A Daniels	Unemployment	
L Beyers	Women	
E Mostert	Sport	
M Kratshi	Youth	
M McDonald	Business	
V Louw	Safety and security	

Table 42. Ward 6: Committee meetings (after election)

g) Ward 7: Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Name of representative	Capacity representing	Dates of meetings held during the year
J Van der Linde	Ward Councillor	21 March 2017 10 April 2016 15 June 2017
T Sam	Sport and culture	
F Everson	Business	
E Baadjies	Sport	
D Klein	Youth	



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Name of representative	Capacity representing	Dates of meetings held during the year
E Daniels	Women	
J Spogter	Caring hands	
T Bostaander	Transport	
M Van der Horts	Safety and security	
C Van Zyl	Women and safety	
E Roman	Women and children	

Table 43. Ward 7: Committee meetings (after election)

2.5 Functionality of Ward Committees

The purpose of a ward committee is:

- to get better participation from the community to inform Council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the IDP of the area.

The table below provides information on the ward committees and their functionality before the local municipal elections held on 3 August 2016:

Ward number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Committee functioning effectively (Yes / No)
1	Yes	1	1	Yes
2	Yes	1	1	Yes
3	Yes	1	1	Yes
4	Yes	1	1	Yes
5	Yes	1	1	Yes
6	Yes	1	1	Yes
7	Yes	1	1	Yes

Table 44. Functioning of ward committees (before elections)

The table below provides information on the composition of ward committees and their functionality after the local municipal elections held on 3 August 2016:

Ward number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Committee functioning effectively (Yes / No)
1	Yes	3	3	Yes
2	Yes	3	3	Yes
3	Yes	3	3	Yes
4	No	0	0	No
5	Yes	0	0	Yes
6	Yes	3	3	Yes
7	Yes	3	3	Yes

Table 45. Functioning of ward committees (after elections)



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2.6 Representative forums

2.6.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2016/17 financial year:

Name of representative	Capacity	Meeting dates
Alderman HT Prince	Employer: Councillor	<p>Council was in recess since July 2016 until after the elections in August 2016.</p> <p>The meeting scheduled for 17 November 2016 was postponed.</p> <p>The meeting scheduled for 27 February 2017 was postponed due to suspension of all Council meetings until the by-election in May 2017</p>
Alderman JJ van der Linde	Employer: Councillor	
O Haarvoor	Employer: Councillor	
K Alexander	Employer: Councillor (Chairperson)	
N Constable	Employer: Councillor	
K Haarhoff	Employer: Acting Municipal Manager	
CB Wright	Employer: Acting Director Engineering Services	
H Maans	Labour: SAMWU	
W Magida	Labour: SAMWU	
I Jacobs	Labour: SAMWU (Chairperson)	
E Molowitz	Labour: SAMWU	
G Daniels	Labour: SAMWU	
G Cedras	Labour: IMATU	
W van der Horst	Labour: IMATU (Chairperson)	
C Lottering	Labour: IMATU	

Table 46. Labour Forum

COMPONENT D: CORPORATE GOVERNANCE

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

2.7 Risk management

To maintain an overall positive perception of the Municipality and confidence in the Municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the Municipality. Section 62(1) of the MFMA stipulates that the Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality. BWM has instituted a systematic and formalised process to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, risk management is essentially a good governance measure instituted to ensure the municipality accomplish its vision, mission and strategic plans.

The Municipality has an approved Risk Management Policy, Framework and Implementation Plan as approved by Council on 23 January 2017 (resolution number 8.15 5/12/2/1). The policy is reviewed annually by the Risk Committee and submitted to the Municipal Manager for approval.

The risk management function is facilitated internally by the internal audit division and externally by a service provider to ensure the following functions are performed:

- Assisting management to develop and implement the Risk Management Policy, Strategy and Implementation Plan;
- Coordinating risk management activities;
- Facilitating identification and assessment of risks;
- Recommending risk responses to management; and
- Developing and disseminating risk reports.



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a) Risk assessment process

The risk assessment for the 2016/17 financial year was completed during June 2014 where risks were identified and categorised into the following groups:

- Operational risks
- Strategic risks

The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk has before taking controls into consideration). The risk rating is determined by a 10 X 10 risk matrix.

b) Top strategic risks

As part of the risk assessment, management identifies current controls, which mitigates the inherent risks identified. After considering controls, the identified risks will receive a residual risk.

After the residual risks have been determined it will be categorised again according to high, medium and low risks, whereafter management determines which of the risks require further actions to mitigate the impact it may have.

The top ten risks of the Municipality for the financial year were as follow:

Risk level	Risk	Directorate	Impact	Likelihood	Risk rating
Medium	Financial feasibility in the long term – Consumer resistance due to escalating tariffs. Increase in bad debts due to inability of consumers to pay	Strategic	9,5	9,5	90,25
Medium	Non-existent reserves to replace infrastructure/assets should uninsured damages occur	Strategic	9	10	90
Medium	Excessive water losses – revenue losses	Strategic	9	9,75	87,75
Medium	Insufficient funding to enable rehabilitation and closure of illegal waste abattoirs site	Community Services	9	9,25	83,25
Medium	Lack of a skilled workforce – vacancies not filled throughout operations teams	Engineers Department	9	9	81
Medium	Ineffective middle management	Strategic	9	9	81
Medium	Implementation of LED initiatives which are not sustainable in the long term that hampers long term growth of the region	Strategic	9	9	81
Medium	Poor external audit outcomes	Strategic	9	9	81
Medium	Current critical vacancies in top management	Strategic	9	9	81
Medium	Impact on drought	Strategic	9	9	81

Table 47. Strategic risks

c) Organisational risk assessment

The table below reflects the annual risk assessments for the past two financial years, reflecting the change in the risk profile:

2015/16			2016/17		
Risk categories	Risks	% of all risk	Risk categories	Risks	% of all risks
High	71	24	High	68	25
Medium	192	65	Medium	177	65
Low	31	11	Low	26	10
Total	294	100	Total	271	100

Table 48. Risk profile

d) Risk Committee

The role of the Risk Committee is to provide timely and useful enterprise risk management reports to the Audit Committee of the Municipality. The reports contain the current top risks of the Municipality, which includes:

- Key strategic and financial risks facing the Municipality (all extreme and high risk exposures)



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- Key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

The Risk Committee consists of the following members:

Name of Committee Member	Capacity	Meeting dates
L Hawker	Member	18 July 2016 14 March 2017
A Makendlana	Member	
J Booysen	Member	
F Sabbat	Member	
L Smit	Member	
R van Staden	Member	
R Klink	Member	
R Naidoo (internal audit and risk management)	Member	

Table 49. Members of the Risk Committee

2.8 Anti-corruption and anti-fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in a SCM system to minimize the likelihood of corruption and fraud.

a) Developed strategies

Name of strategy	Developed Yes/No	Dates adopted
Anti-corruption Strategy and Response Plan	Yes	30 August 2016

Table 50. Strategies and response plan

2.9 Audit and Performance Audit Committee

a) Functions of the Audit Committee (AC)

The AC has the following main functions as prescribed in Section 166(2)(a-e) of the MFMA, and the Local Government Municipal and Performance Management Regulation:

- To advise Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, Division of Revenue Act (DoRA) and other applicable legislation
- Respond to Council on any issues raised by the Auditor-General in the audit report
- Carry out investigations into the financial affairs of the municipality as Council may request
- Review the quarterly reports submitted by internal audit
- Evaluate audit reports pertaining to financial, administrative and technical systems
- Evaluate the compliance to existing policies and relevant legislation
- Review the performance management system and make recommendations in this regard to Council
- Assess whether the performance indicators are sufficient
- Determine possible reasons for discrepancies between performance and targets
- Identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- To review the annual report of the municipality
- Investigating cases of fraud, misbehaviour and conflict of interest involving employees
- Review the plans of internal audit and ensure that the plan addresses the high-risk areas and ensure that adequate resources are available



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- Review audit results and action plans implemented by management
- Provide support to internal audit
- Ensure that no restrictions or limitations are placed on internal audit

b) Functions of the Performance Audit Committee

The regulations require that the Performance Audit Committee (PAC) is comprised of a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the municipality. Section 14(2)(b) of the Regulations further stipulates that the PAC must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the PAC who is neither a Councillor nor an employee of the municipality as the chairperson of the committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a PAC. While the regulations preclude the appointment of a Councillor as chairperson of the PAC, the MFMA excludes the involvement of a Councillor in the composition of a PAC entirely.

In accordance with the requirements of Section 14(2)(e) of the Regulations, if the chairperson is absent from a specific meeting of the committee, the members present must elect a chairperson from those present to act as chairperson for that meeting.

Further, Section 14(2)(f) of the Regulations provides that, in the event of a vacancy occurring amongst the members of the PAC, the municipality concerned must fill that vacancy for the unexpired portion of the vacating member's term of appointment.

Section 14(3)(a) of the Regulations requires that the PAC of a municipality must meet at least twice during each financial year. However, additional special meetings of the PAC may be called for by any member of the committee where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

In terms of Section 14(4)(a) of the Regulations the PAC has the responsibility to -

- review the quarterly reports produced and submitted by the internal audit process;
- review the Municipality's performance management system and make recommendations in this regard to the Council of the Municipality; and
- at least twice during each financial year submit a performance audit report to the Council of the municipality.

c) Members of the PAC

The table below indicates the names of the members of the AC and PAC:

Name of representative	Capacity	Meeting dates
A Hooker	Chairperson	29 August 2016
K McKay	Member	08 December 2016
T Solomon	Member	15 March 2017
L Hawker	Member	22 June 2017

Table 51. Members of the AC and PAC

2.10 Internal audit

Section 165(2)(a) and (b)(iv) of the MFMA requires that the internal audit unit of a municipality prepare a risk based audit plan and an internal audit program for each financial year; advise the accounting officer and report to the AC on the implementation on the internal audit plan and matters relating to:

- internal audit;
- internal controls;
- accounting procedures and practices;
- risk and risk management;
- performance management;
- loss control;
- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation, and



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- perform other duties as may be assigned to it by the accounting officer.

The Municipality has an in-house internal audit function.

a) Annual audit plan

The table below provides detail on audits completed:

Description			Date completed
Phase 1			
Operational and strategic risk assessment			June 2014
Phase 2			
Compilation of Risk Based Audit Plan			15 May 2017
Phase 3			
Type of audit engagement	Department	Detail	Date completed
Income section	Financial	Audit of policies, procedures, prepaid water and electricity, credit water and electricity meters	30 November 2016
Grants – Division of Revenue Act (DoRA)	Strategic	To ensure that grant processes comply with the DoRA requirements	30 April 2017
Housing section	Strategic	To ensure that the housing procedures comply with the housing code	31 October 2016
Building control and town planning section	Engineers	To ensure building plans and inspections comply with applicable laws and regulations	30 September 2016
Waste management section	Community Services	To ensure that licensing agreements exists for the various landfill sites and are adhered to	30 November 2016
Ad-hoc assignment: mSCOA review	Financial	Review of the validity reported progress of the mSCOA self-assessment and related municipal fact sheet.	05 May 2017
Quarterly audit of predetermined objectives	Strategic	Quarterly audit of the Performance Management System	15 December 2016 28 February 2017 31 May 2017
Income section: Back to Basics	Financial	External audit findings: Root cause analysis tests	Continuous
Expenditure section: Back to Basics	Financial		Continuous
SCM section: Back to Basics	Financial		Continuous
HR and Payroll section: Back to Basics	Financial and Corporate		Continuous
Zoning and re-zoning section	Strategic	To ensure that zonings and re-zonings are appropriately approved & executed	31 October 2016
Ad-hoc investigation: Traffic income at Murraysburg office	Financial	An investigation conducted into the misappropriation of traffic income at the Murraysburg office	23 August 2016
Special investigation: LGSETA Funds	Municipal Manager	A special investigation conducted into the misappropriation of LGSETA funds	30 June 2017

Table 52. Internal audit plan

2.11 By-laws and policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of the by-laws developed and reviewed during the financial year:



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By-law developed/revised	Date proclaimed	Public participation conducted prior to adoption of by-Law Yes/No
Tariff Policy	30 June 2017	No*
Rates Policy		
Cash and Investment Management Policy		
Credit Control and Debt Collection Policy		
Virement Policy		
Expenditure Management Policy		
Funding and Reserves Policy		
Budget Policy		
Borrowing Policy		
Supply Management Policy		
Asset Management Policy		
Subsistence and Travelling		
Risk Management Policy and Framework		
Municipal Corporate Governance Information and Communication Technology Policy <ul style="list-style-type: none"> • ICT User Access Management Policy • ICT Security Controls Policy • ICT Operating System Security Controls Policy • ICT Disaster Recovery Policy • ICT Service Level Agreement Management Policy (External Service Providers / Vendors) • ICT Service Level Agreement Management Policy (ICT and Municipality) • ICT Data Backup and Recovery Policy 	25 January 2017	n/a
By-Law relating to the 1 st Amendment of the By-Law on Municipal Land Use Planning for Beaufort-West Municipality	31 May 2017	Yes
* Public Participation Process was not followed with the review of the By-Laws due to political instability. The 1st Council meeting convened after the resignation of the Executive Mayor on 24 May 2017. As a result the draft budget was not tabled by 31 March 2018		

Table 53. By-laws developed and reviewed

2.12 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication Strategy	Yes
Communication Policy	Yes
Functional complaint management systems	Yes

Table 54. Communication activities

Additional communication channels utilised

Channel	Yes/No	Number of people reached
SMS system	Yes	n/a

Table 55. Additional communication channels



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2.13 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The table below gives an indication about the information and documents that are published on our website:

Description of information and/or document	Yes/No and/or Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	23 August 2016
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical and postal address of the Municipality	Yes
Financial information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Tabled Budget 2016/17	6 April 2017
Adjusted Budget 2016/17	5 September 2016 and 5 July 2017
Asset Management Policy	7 October 2015
Customer Care, Credit Control and Debt Collection Policy	7 October 2015
Indigent Policy – Part of Credit Control Debt Collection Policy	No
Funds and Reserves Policy	7 October 2015
Investment and Cash Management Policy	7 October 2015
Rates Policy	7 October 2015
SCM Policy	7 October 2015
Tariff Policy	11 September 2015
Virement Policy	7 October 2015
Petty Cash Policy – Part of SCM Policy	No
Travel and Subsistence Policy	7 October 2015
Long Term Financial Policy	No
Borrowing Policy	7 October 2015
SDBIP 2016/17	14 June 2016
Budget and Treasury Office Structure	No
IDP and public participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2016/17	6 June 2016
IDP Process Plan for 2016/17	29 September 2015
SCM (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	No
Long-term borrowing contracts	Yes
SCM contracts above R 30 000	No
Service delivery agreements	No
Public invitations for formal price quotations	Yes
Reports (Sections 52(d), 71, 72 and 75(1)(e) and 129(3) of the MFMA)	
Annual Report of 2015/16	15 December 2016
Oversight reports	No
Mid-year budget and performance assessment	31 January 2017



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Description of information and/or document	Yes/No and/or Date Published
Quarterly reports	Yes
Monthly budget statement	Yes
LED (Section 26(c) of the MSA)	
LED Strategy	No
Economic profile	No
LED projects	No
Performance management (Section 75(1)(d) of the MFMA)	
Performance agreements for employees appointed as per S57 of MSA (Municipal Manager only)	8 July 2016
Assurance functions (Sections 62(1), 165 and 166 of the MFMA)	
Internal Audit Charter	2 February 2017
AC Charter	2 February 2017
Risk Management Policy, Strategy and Implementation Plan	2 February 2017

Table 56. Website checklist

2.14 SCM

The SCM Policy of BWM is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

2.14.1 Competitive bids in excess of R200 000

a) Bid committee meetings

The following table details the number of Bid Committee meetings held for the 2016/17 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
13	16	14

Table 57. Bid committee meetings

The members of the bid committees for the financial year were:

Bid Specifications Committee	Bid Evaluation Committee	Bid Adjudication Committee
C de Koker	C de Koker	C de Koker
M Lawrence	M Lawrence	M Lawrence
D le Roux	D le Roux	D le Roux
A Makendllana	A Makendllana	A Makendllana
E Klink	F Sabbat	F Sabbat
F Sabbat	R Eland	E Klink
S Pothberg	S Pothberg	S Pothberg
J Smit	J Smit	J Smit
P. Lande	E Klink	R Eland
P Strümpher	P Strümpher	P Strümpher
R van Staden	R van Staden	R van Staden
E van Staden	P Lande	J van Wyk
C Wright	C Wright	C Wright
V Ruiters	V Ruiters	V Ruiters



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Bid Specifications Committee	Bid Evaluation Committee	Bid Adjudication Committee
H Meintjies	H Meintjies	H Meintjies
R Summers	R Summers	R Summers
J Abrahams	J Abrahams	J Abrahams
J van Wyk	J van Wyk	
R Eland	R Maans	
R Maans	S Moses	
S Moses	L Lakay	
L Lakay		

Table 58. Members of bid committees

b) Awards made by the Bid Adjudication Committee

The ten highest bids awarded by the Bid Adjudication Committee are as follows:

Bid number	Date of award	Title of bid	Successful bidder	Value of bid awarded (R)
SCM 20/2017	26 June 2017	Contract for the upgrade of existing Merweville Sportsground	Bay Projects (Pty)Ltd	10 495 880
SCM 03/2017	22 December 2016	Provision of security services for a period of 3 years	Mafoko Security Patrols	1 923 721.41
SCM 06/2017	5 October 2016	Upgrade of Protea and Oak Streets	De Jagers Loodgieters Kontrakteurs	3 547 788.30
SCM 35/2016	16 October 2016	Upgrade of the Murraysburg Wastewater Treatment Works	De Jagers Loodgieters Kontrakteurs	6 849 596.61
SCM 14/2017	3 February 2017	Contract for the construction of a new cashier office	Slyahlangana Construction (Pty) Ltd	950 403.21
SCM 15/2017	15 May 2017	Klein Hans Rivier Scheme Boreholes: Supply and installation of mechanical and electrical equipment	De Jagers Loodgieter Kontrakteurs	1 356 976.60
SCM 07/2017	28 November 2016	Maintenance of electrical installation: Pump stations and extension and maintenance of electrical wiring building for 3 year period	TG Elektries	92 066.40
SCM 01/2017	28 November 2016	Supply and delivery of bitumen products for 3 year	Dense-Seal (Pty) Ltd Sandobel 165 (Pty) Ltd Tosas (Pty) Ltd	Tariff base tender
SCM 29/2016	28 December 2016	Professional services for the upgrade of Merweville Sport Ground and other sport grounds	Neil Lyners & Associates (RF) (Pty) Ltd	571 400.00
SCM 13/2017	28 March 2017	Provision of a comprehensive banking service	Nedbank	75 225.60

Table 59. Ten highest bids awarded by Bid Adjudication Committee

c) Awards made by the accounting officer

The following award was made by the accounting officer of the Municipality:

Bid number	Date of award	Title of bid	Successful bidder	Value of bid awarded (R)
SCM 20/2017	26 June 2017	Contract for the upgrading of existing Merweville Sportsground	Bay Projects (Pty)Ltd	10 495 880

Table 60. Awards made by the Accounting Officer



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d) Appeals lodged by aggrieved bidders

No appeals have been received for the 2016/17 financial year. Only enquiries on tender outcomes.

2.14.2 Deviation from normal procurement processes

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Percentage of total deviations number	Value of deviations (R)	Percentage of total deviations value
Emergency	14	7.73	355 435.30	9.80
Sole Supplier	68	37.57	2 490 042.00	68.60
Any other exceptional case where it is impossible or impractical to follow the official procurement process	99	54.70	785 094.00	21.63
Total	181	100	3 630 572.00	100

Table 61. Summary of deviations

Clause 36(1)(a)(v)- Deviations- impractical and or impossible:

Type of deviation	Number of deviations	%	Value of deviations (R)
Any contract relating to the publication of notices and advertisements by the Municipality	26	22.59	582 820.30
Any contract with an organ of state, a local authority or a public utility corporation or company	6	4.00	103 303
The appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000	35	41.56	1 072 322
Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required to call for bids	72	31.85	821 776
Total	139	100	2 580 222.00

Table 62. Clause 36(1)(a)(v)- deviations- impractical and or impossible

2.14.3 Logistics management

The system of logistics management must ensure:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores are coded and are listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the storekeeper.



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Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information must be communicated timely to the stores section for them to order stock more than the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

As at 30 June 2017, the value of stock at the municipal stores amounted to R3 207 174.57 (R2 924 398 in 2015/16). For the 2016/17 financial year no surpluses, no deficits and no damaged stock items were reported.

The system of disposal management must ensure the following:

- *Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise, as community value makes up for the lower market value*
- *Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous*
- *Firearms are not sold or donated to any person or institution within or outside the republic unless approved by the National Conventional Arms Control Committee*
- *Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise*
- *All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed*
- *Where assets are traded in for other assets, the highest possible trade-in price is negotiated*
- *In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment*

Assets must be disposed of in terms of Council's Asset Management and Immoveable Property Management Policy.



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2016/17 in terms of the deliverables achieved compared to the KPI's and objectives in the IDP. It includes an overview on achievement in 2016/17 when compared to actual performance in 2015/16.

3.1 Overview of performance within the organisation

Performance management is a process which measures the implementation of the organisation's strategy. It is a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalised through the legislative requirements on the performance management process for local government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195(1) are linked with the concept of performance management, regarding the principles of inter alia:

- the promotion of efficient, economic and effective use of resources;
- accountable public administration;
- to be transparent by providing information;
- to be responsive to the needs of the community; and
- to facilitate a culture of public service and accountability amongst staff.

The MSA, 2000 requires municipalities to establish a performance management system. Further, the MSA and the MFMA requires the IDP to be aligned to the municipal budget and to be monitored for the performance of the budget via the service delivery and the budget implementation plan (SDBIP).

Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation but also to the individuals employed in the organisation and the external service providers and municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance.

The Municipality adopted a performance management framework that was approved by Council on in 2009.

3.1.1 Legislative requirements

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the Municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Organisational performance

Strategic performance indicates how well the Municipality meet its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the Municipality's Top Layer SDBIP per strategic objective and the National KPI's prescribed in terms of Section 43 of the MSA.

3.1.3 The performance system followed for 2016/17

a) The IDP and the budget



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The IDP and the budget for 2016/17 was reviewed and approved by Council on 31 May 2016. The IDP and performance management processes are integrated. The IDP fulfills the planning stage of performance management. Performance management in turn, fulfills the implementation, management, monitoring and evaluation of the IDP.

The SDBIP was prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 13 June 2016.

The Municipality could not table a Municipal Adjustment Budget in terms of Section 28(1) of the MFMA due to political instability caused by the resignation of the former Executive Mayor. This resulted in Council being a hang Council and therefore no Council meeting were convened until the 24th of May 2017 by-elections.

3.1.4 Performance management

a) Organisational performance

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved by the Mayor on 13 June 2016 and the information was loaded on an electronic web-based system
- The web-based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against KPI targets by the 15th of every month for the previous month's performance
- The performance system administrator reminded all departments on a monthly basis to update their actual performance on the web-based system
- The first quarterly report was submitted to Council on 31 October 2016 [item 7. 2] and the second quarterly report on 23 January 2017. The section 72 report in terms of the MFMA, was submitted to Council on the 23 January 2017. The third quarter report was submitted to Council on the 31 May 2017

b) Individual performance management

- Municipal Manager and managers directly accountable to the Municipal Manager

The MSA prescribes that the Municipality must enter into performance agreements with all Section 57 employees and that performance agreements must be reviewed annually. This process and format is further regulated by Regulation 805 (August 2006). The performance agreements for the 2016/17 financial year were signed as follows:

Performance Agreement	Date
Director: Corporate Services	22 June 2016
Director: Engineering Services	21 June 2016
Director: Financial Services	20 June 2016
Director: Electro Technical Services	30 June 2016
Municipal Manager	28 June 2016

Table 63. Performance agreement: Signed date

The appraisal of the actual performance in terms of the signed agreements should take place twice per annum as regulated. However, no performance evaluations for 2016/17 have been conducted due to the instability of Council. The final evaluation for the 2016/17 financial year will be conducted in October/November of this year.

3.2 Introduction to strategic and municipal performance for 2016/17

3.2.1 Strategic SDBIP

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents (IDP, budget and performance agreements).

In the detail below the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

The following table explains the method by which the overall assessment of actual performance against targets set for the KPI's of the SDBIP is measured:

Category	Rating	Explanation
KPI Not Yet Measured	Not yet measured	KPI's with no targets or actuals in the selected period

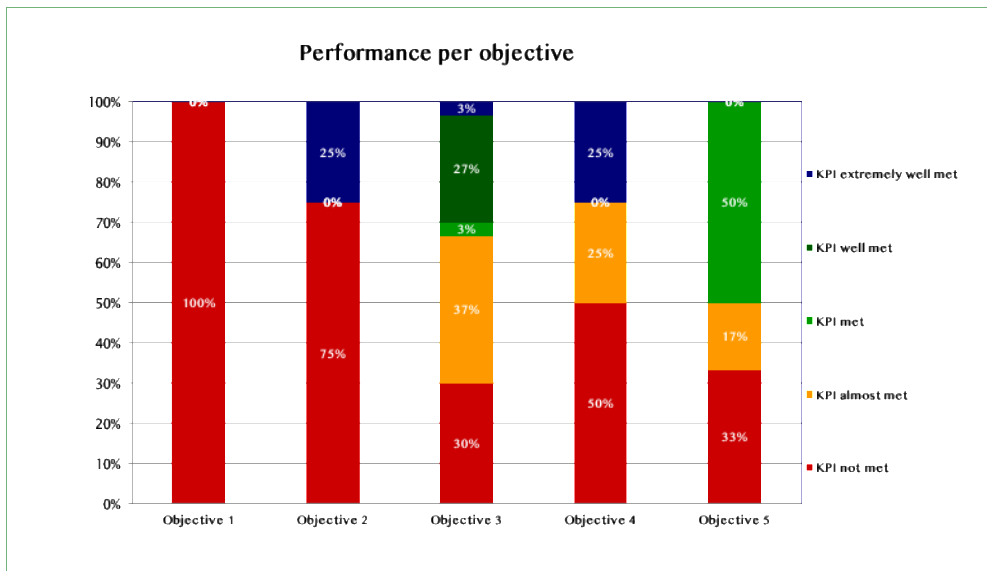
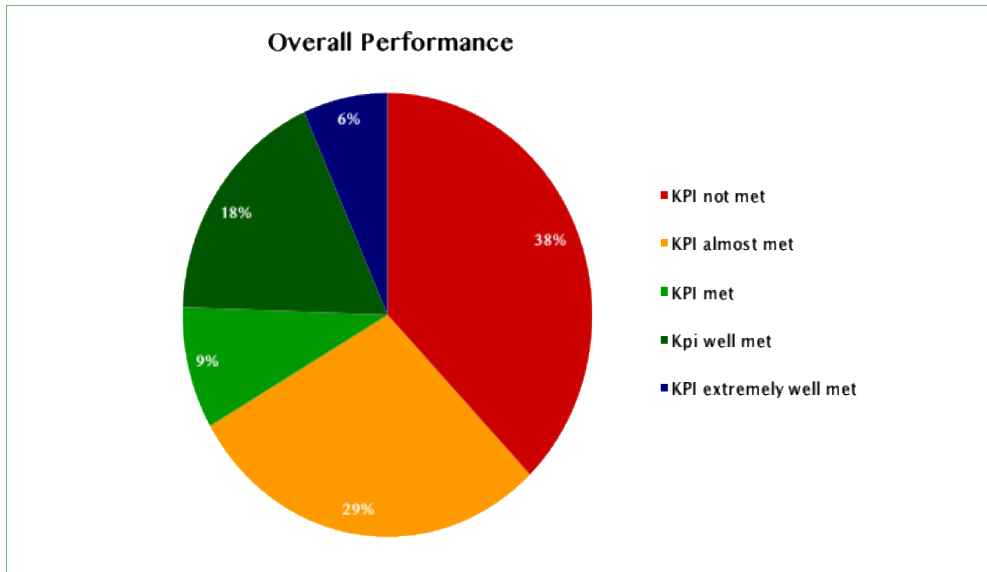


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Category	Rating	Explanation
KPI Not Met	KPI Not Met	0% > = Actual/Target < 75%
KPI Almost Met	KPI Almost Met	75% > = Actual/Target < 100%
KPI Met	KPI Met	Actual/Target = 100%
KPI Well Met	KPI Well Met	100% > Actual/Target < 150%
KPI Extremely Well Met	KPI Extremely Well Met	Actual/Target > = 150%

Figure 3.: SDBIP measurement categories

The graph below displays the overall performance in terms of the Top Layer SDBIP per strategic objectives for 2016/17:





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Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5
	To develop a local economic development strategy that responds to food security, social infrastructure, health environment, education and skills development and the gender balances in society	To embark on a turnaround strategy to address the administrative and financial challenges facing the municipality	To improve and maintain current basic service delivery and infrastructure development through the provision of basic services and specific infrastructural development projects	To improve the financial viability of the municipality	To promote good governance through ongoing communication between the council and citizens through community participation, effective information dissemination and communication and ward based consultation
KPI Not Met	1	3	9	2	2
KPI Almost Met	0	0	11	1	1
KPI Met	0	0	1	0	3
KPI Well Met	0	0	8	0	0
KPI Extremely Well Met	0	1	1	1	0
Total	1	4	30	4	6

Graph 2.: Overall performance per strategic objective

3.2.2 Detailed actual performance for 2016/17 KPI's per strategic objectives

a) To develop a local economic development strategy that responds to food security, social infrastructure, health environment, education and skills development and the gender balances in society

Ref	KPI	Unit of measurement	Wards	Actual performance of 2015/16	Overall performance 2016/17						Actual	R
					Target							
					Q1	Q2	Q3	Q4	Annual			
TL10	Create temporary job opportunities in terms of EPWP projects by 30 June 2017	Number of temporary jobs opportunities created by 30 June 2017	All	1 373	0	0	0	40	40	0	R	
Corrective measures		No comment provided										

Table 64. To develop a local economic development strategy that responds to food security, social infrastructure, health environment, education and skills development and the gender balances in society

b) To embark on a turnaround strategy to address the administrative and financial challenges facing the municipality

Ref	KPI	Unit of measurement	Wards	Actual performance of 2015/16	Overall performance 2016/17						Actual	R
					Target							
					Q1	Q2	Q3	Q4	Annual			
TL11	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	0	0	0	0	1	1	0	R	
Corrective measures		No appointments were made. Will appoint in the new financial year										
TL12	0.10% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2017 ((Actual amount spent on training/total personnel budget)x100)	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0%	0%	0%	0%	0.10%	0.10%	0%	R	
Corrective measure		No comment provided										
TL32	Construct a new Kwa Mandlenkosi pay office by 30 June 2017	Construction completed	1	New KPI for 2016/17. No comparative audited results available	0	0	0	1	1	0	R	
Corrective measure		Appointment of successful bidder was only done on 29 May 2017. Project will commence in the new financial year										
TL33	Limit vacancy rate to 30% of budgeted post by 30 June 2017 (Number of funded posts vacant	% vacancy rate	All	New KPI for 2016/17. No comparative	30%	30%	30%	30%	30%	6.90%	B	



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Ref	KPI	Unit of measurement	Wards	Actual performance of 2015/16	Overall performance 2016/17						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	divided by number of budgeted funded posts)			audited results available							

Table 65. To embark on a turnaround strategy to address the administrative and financial challenges facing the municipality

c) To improve and maintain current basic service delivery and infrastructure development through the provision of basic services and specific infrastructural development projects

Ref	KPI	Unit of measurement	Wards	Actual performance of 2015/16	Overall performance 2016/17						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL1	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre paid meters as at 30 June 2017	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2017	All	13 551	0	13 500	0	13 500	13 500	11 337	O
Corrective measure		New residential developments are aimed to take place to ensure target is met in the future									
TL2	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2017	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2017	All	11 935	0	12 462	0	12 462	12 462	12 381	O
Corrective measure		New residential developments are aimed to take place to ensure target is met in the future									
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2017	Number of residential properties which are billed for sewerage as at 30 June 2017	All	10 832	0	11 870	0	11 870	11 870	11 877	G
TL4	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2017	Number of residential properties which are billed for refuse removal as at 30 June 2017	All	10 995	0	11 346	0	11 346	11 346	11 636	G
TL5	Provide free basic water to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2017	Number of indigent households receiving free basic water as at 30 June 2017	All	4 929	0	6 153	0	6 153	6 153	7 311	G2
TL6	Provide free basic electricity to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2017	Number of indigent households receiving free basic electricity as at 30 June 2017	All	4 350	0	5 094	0	5 094	5 094	7 311	G2
TL7	Provide free basic sanitation to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2017	Number of indigent households receiving free basic sanitation as at 30 June 2017	All	3 613	0	5 953	0	5 953	5 953	5 692	O
Corrective measure		In the future, during Ward meetings and public awareness, the community will be informed and motivated to register as an indigent account holder									
TL8	Provide free basic refuse removal to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2017	Number of indigent households receiving free basic refuse removal as at 30 June 2017	All	1 290	0	2 480	0	2 480	2 480	2 971	G2



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Ref	KPI	Unit of measurement	Wards	Actual performance of 2015/16	Overall performance 2016/17						Actual	
					Target					Annual		
					Q1	Q2	Q3	Q4				
TL9	The percentage of the municipal capital budget spent by 30 June 2017 ((Actual amount spent /Total amount budgeted for capital projects)x100)	% of capital budget spent by 30 June 2017	All	50.55%	0%	15%	50%	75%	75%	30.71%	R	
Corrective measure		In future better project management will be implemented and ensure that the capital budget is spent through out the year										
TL17	Limit unaccounted for water to less than 15% during 2016/17 { (Number of Kilo litres Water Purchased or Purified - Number of Kilo litres Water Sold (incl. free basic water) / Number of Kilo litres Water Purchased or Purified × 100}	% unaccounted water by 30 June 2017	All	3.55%	15%	15%	15%	15%	15%	44%	R	
Corrective measure		We are busy with Revenue enhancement assessment which will reduce water losses in the future										
TL18	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant	All	95%	95%	95%	95%	95%	95%	100%	G2	
TL19	90% of waste water samples in the Beaufort West jurisdiction area comply with outflow water permit values	% of test results within permit values	All	92.90%	90%	90%	90%	90%	90%	86.50%	O	
Corrective measures		Due to the seasonal weather change a layer of residue formed on the reactor and the target could not be achieved. This will be taken into consideration going forward										
TL20	90% of the roads and stormwater assets maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent by 30 June 2017	All	89.03%	15%	40%	60%	90%	90%	78.54%	O	
Corrective measures		Not all of the budget could be spent due to requests to halt the restoration of streets										
TL21	90% of the sanitation assets maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent by 30 June 2017	All	49.49%	15%	40%	60%	90%	90%	62.30%	R	
Corrective measures		Budget was underspent. Will improve on planning going forward to ensure the spending of the budget										
TL22	90% of the parks and recreation maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent by 30 June 2017	All	80.55%	15%	40%	60%	90%	90%	84.97%	O	
Corrective measures		The costs of maintenance on vehicles were less than anticipated. Conduct more effective planning going forward										
TL23	90% of the water assets maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent by 30 June 2017	All	219.10%	15%	40%	60%	90%	90%	131.58%	G2	
TL24	95% of the approved project budget spent by 30 June 2017 to upgrade the Sport field in Merweville ((Actual expenditure divided by the total approved project budget)x100)	% of budget spent by 30 June 2017	7	New KPI for 2016/17. No comparative audited results available	0%	10%	50%	95%	95%	4.67%	R	
Corrective measures		Project was held back by the sport and recreation department										
TL25	Upgrade the Beaufort West Rugby Field by 30 June 2017	Upgrade completed by 30 June 2017	3; 4; 5; 6; 7	New KPI for 2016/17. No comparative audited results available	0	0	0	1	1	0	R	
Corrective measures		Project was not completed. Will be finalised in the new financial year										
TL26	Upgrade the Kwa-Mandlenkosi sport field by 30 June 2017	Upgrade completed by 30 June 2017	4; 5	New KPI for 2016/17. No comparative	0	0	0	1	1	0	R	



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Ref	KPI	Unit of measurement	Wards	Actual performance of 2015/16	Overall performance 2016/17						Actual
					Target					Annual	
					Q1	Q2	Q3	Q4			
				audited results available							
Corrective measures		<i>Project was not completed. Will be finalised in the new financial year</i>									
TL27	95% of the approved project budget spent by 30 June 2017 to upgrade Protea Street and Oak Street from gravel to paved in Beaufort West	% of budget spent by 30 June 2017	5	New KPI for 2016/17. No comparative audited results available	0%	10%	50%	95%	95%	87.71%	O
Corrective measures		<i>Project was expanded. Budget nearly spent</i>									
TL28	Complete the upgrade 410m of Konkrete & Fabriek Street to paved road by 30 June 2017	Meters paved	2	New KPI for 2016/17. No comparative audited results available	0	0	0	410	410	404	O
Corrective measures		<i>The target could not be achieved due to limited funds available</i>									
TL29	95% of the approved project budget spent by 30 June 2017 to upgrade Michael de Villiers/ James Smith Street from gravel to paved ((Actual expenditure divided by the total approved project budget)x100)	% of budget spent by 30 June 2017	6	New KPI for 2016/17. No comparative audited results available	0%	10%	50%	95%	95%	0%	R
Corrective measures		<i>Project was not done during the year. Project will start in the 2017/18 financial year</i>									
TL30	95% of the approved project budget spent by 30 June 2017 to develop tennis courts in Beaufort West ((Actual expenditure divided by the total approved project budget)x100)	% of budget spent by 30 June 2017	1	New KPI for 2016/17. No comparative audited results available	0%	10%	50%	95%	95%	0%	R
Corrective measures		<i>No budget was allocated for the project during the 2016/17 financial year</i>									
TL31	95% of the approved project budget spent by 30 June 2017 to upgrade the Waste Water Treatment Works in Murraysburg ((Actual expenditure divided by the total approved project budget)x100)	% of budget spent by 30 June 2017	1	New KPI for 2016/17. No comparative audited results available	0%	10%	50%	95%	95%	81.72%	O
Corrective measures		<i>Project deadline is set for 30 August 2017</i>									
TL38	Spend 100% of the grant for the maintenance of library services by 30 June 2017 (Actual expenditure divided by the total grant received)	% of grant spent for library services	All	New KPI for 2016/17. No comparative audited results available	0%	40%	75%	100%	100%	100%	G
TL39	Limit unaccounted for electricity to less than 12% by 30 June 2017 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100}	% unaccounted electricity	All	10.93%	12%	12%	12%	12%	12%	9.02%	B
TL40	80% of the electricity maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of the electricity maintenance budget spent	All	76.46%	10%	20%	50%	80%	80%	49.57%	R
Corrective measures		<i>Due to financial constraints, only emergency work was implemented with the allocated budget</i>									
TL41	95% of the approved project budget spent by 30 June 2017 to upgrade the main substation in Loch road ((Actual expenditure divided by the total approved project budget)x100)	% of budget spent	All	New KPI for 2016/17. No comparative audited results available	0%	10%	50%	95%	95%	87.38%	O
Corrective measures		<i>Project was completed within the targeted budget allocated</i>									



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Ref	KPI	Unit of measurement	Wards	Actual performance of 2015/16	Overall performance 2016/17						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL42	95% of the approved project budget spent by 30 June 2017 to install high mast lightening in Beaufort West ((Actual expenditure divided by the total approved project budget)x100)	% of budget spent	3; 4; 5; 6; 7	New KPI for 2016/17. No comparative audited results available	0%	10%	50%	95%	95%	100%	G2
TL43	95% of the approved project budget spent by 30 June 2017 to upgrade the electricity network in Murraysburg ((Actual expenditure divided by the total approved project budget)x100)	% of budget spent	1	New KPI for 2016/17. No comparative audited results available	0%	10%	50%	95%	95%	88.90%	O
Corrective measures		Project was completed within the targeted budget allocated									

Table 66. To improve and maintain current basic service delivery and infrastructure development through the provision of basic services and specific infrastructural development project

d) To improve the financial viability of the municipality

Ref	KPI	Unit of measurement	Wards	Actual performance of 2015/16	Overall performance 2016/17						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL13	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2017 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	Debt to Revenue as at 30 June 2017	All	25	0%	0%	0%	45%	45%	6.9%	B
TL14	Financial viability measured in terms of the outstanding service debtors as at 30 June 2017 (Total outstanding service debtors/ revenue received for services)	Service debtors to revenue as at 30 June 2017	All	19.90%	0%	0%	0%	30%	30%	37.88%	R
Corrective measures		Target not met - revenue management will be implemented in 2017/18 financial year									
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Cost coverage as at 30 June 2017	All	0.6	0	0	0	1	1	0	R
Corrective measures		Target not met due to insufficient controls over debt collection, budget, etc. This will be addressed in the 2017/18 financial year									
TL16	Achieve an annual average payment percentage of not less than 90% by 30 June 2017 (Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue x 100	Payment % achieved by 30 June 2017	All	86.60%	80%	90%	85%	90%	90%	89%	O
Corrective measures		This was due to insufficient controls over debt collection. This will be addressed in the 2017/18 financial year									

Table 67. To improve the financial viability of the municipality



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e) To promote good governance through ongoing communication between the council and citizens through community participation, effective information dissemination and communication and ward based consultation

Ref	KPI	Unit of measurement	Wards	Actual performance of 2015/16	Overall performance 2016/17						Actual	
					Target					Annual		
					Q1	Q2	Q3	Q4				
TL34	Facilitate the meeting of ward committees	Number of ward committee meetings held	All	New KPI for 2016/17. No comparative audited results available	7	7	7	7	28	3	R	
Corrective measures		Not all of the wards committees have been established. Will be finalised in the new financial year										
TL35	Compile and submit the final annual report and oversight report for 2015/16 to Council by 31 March 2017	Final annual report and oversight report for 2015/16 submitted to Council	All	New KPI for 2016/17. No comparative audited results available	0	0	1	0	1	1	G	
TL36	Submit the Top layer SDBIP for the 2017/18 budget for approval by the Mayor within 14 days after the budget has been approved	Top Layer SDBIP for the 2017/18 budget submitted to the Mayor within 14 days after the budget has been approved	All	New KPI for 2016/17. No comparative audited results available	0	0	0	1	1	1	G	
TL37	Draft the annual performance report for 2015/16 and submit to the Auditor General by 31 August 2016	Annual performance report for 2015/16 drafted and submitted to the Auditor General	All	New KPI for 2016/17. No comparative audited results available	1	0	0	0	1	1	G	
TL44	Compile the Risk based audit plan for 2017/18 and submit to Audit committee for consideration by 30 June 2017	Risk based audit plan submitted to Audit committee	All	0	0	0	0	1	1	0	R	
Corrective measures		There will be a strategic session with all the directors and MM to discuss the emerging risks within the Municipality whereafter an operational plan for 2017/18 will be drafted										
TL45	70% of the Risk based audit plan for 2016/17 implemented by 30 June 2017 [(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP)x100]	% of the Risk Based Audit Plan implemented	All	0%	0%	20%	0%	70%	70%	65.56%	O	
Corrective measures		65.56% of the audits for 2016/17 were completed										

Table 68. To promote good governance through ongoing communication between the council and citizens through community participation, effective information dissemination and communication and ward based consultation

3.2.3 Municipal functions

The municipal functional areas are as indicated below:

Municipal function	Municipal function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes



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Municipal function	Municipal function Yes / No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 69. Municipal functions

3.3 Component A: Basic Services

3.3.1 Water Services

a) Introduction to Water Services

Beaufort West is dependent of three different water sources: Surface Water (Gamka Dam, Springfontein Dam and Walker Dam), Boreholes (36 Boreholes in 6 Aquifers) and the Water Reclamation Plant (WRP).

The water sources mentioned above are used to adhere to the demand of the community. The demand is approximately 6.3 mega liters per day. This figure varies depending on the weather conditions. During summer the water consumption is much higher than during winter. The high summer consumption is balanced by abstracting water from the Gamka Dam, boreholes and water from the WRP. During winter only boreholes and the WRP are used to adhere to the demand from the community. The water quality of Beaufort West, Nelspoort, Merweville and Murraysburg is of a good standard.



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Water losses are reduced to the minimum from the source to sector meters. There is a loss of approximately 52% from sector meters to billing. A water meter audit was done and showed that the challenge faced is billing and not only water losses by leakages in the network.

b) Challenges: Water Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Water losses	Water losses during the billing process must be addressed by the finance department
Vandalism of borehole pump stations	Increase security measures at pump stations by applying for funds during the new financial year

Table 70. Water Services challenges

c) Total use of water by sector

The table below indicates the total use of water per sector:

Total use of water by sector (cubic meters)				
Financial year	Agriculture	Forestry	Industrial	Domestic
2015/16	0	0	46 276	2 437 973
2016/17	0	0	52 065	2 358 964

Table 71. Total use of water by sector (cubic meters)

e) Water service delivery levels

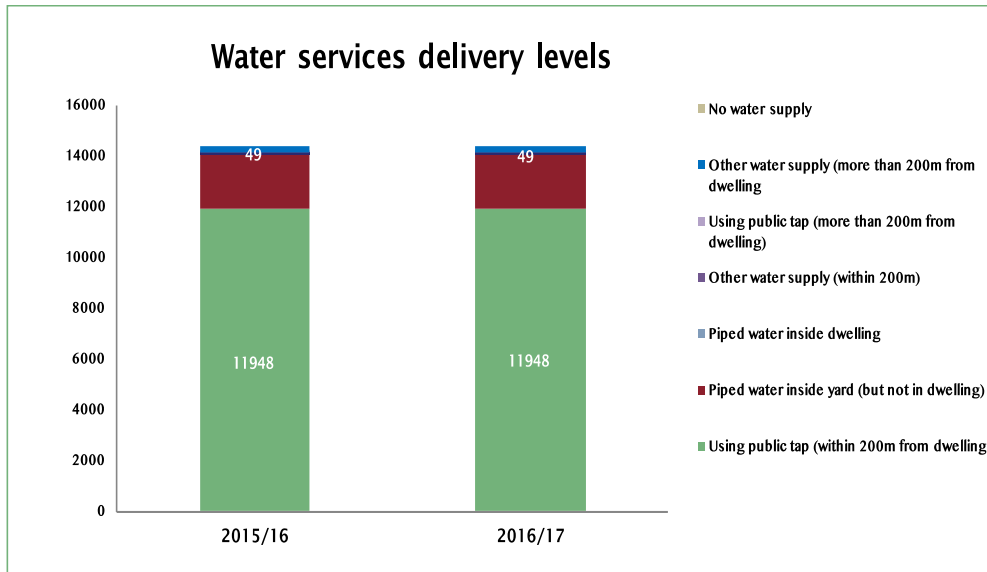
The table below indicates the water service delivery levels:

Households		
Description	2015/16	2016/17
	Actual	Actual
	No.	No.
<u>Water: (above min level)</u>		
Piped water inside dwelling	11 948	11 948
Piped water inside yard (but not in dwelling)	2 122	2 122
Using public tap (within 200m from dwelling)	49	49
Other water supply (within 200m)	31	31
Minimum service level and above sub-total	14 150	14 150
Minimum service level and above percentage	98	98
<u>Water: (below min level)</u>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	260	260
No water supply	0	0
Below minimum service level sub-total	260	260
Below minimum service level percentage	2	2
Total number of households	14 410	14 410
<i>Include informal settlements</i>		

Table 72. Water service delivery levels



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Graph 3.: Water service delivery levels

f) Access to water

The table below indicates the number of households that has access to water:

Financial year	Number of households with access to water points*	Proportion of households with access to piped water	Number of households receiving 6 kl free#
2015/16	14 150	98%	6022
2016/17	14 410	98%	DFD/ DGD

* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute
6 000 litres of potable water supplied per formal connection per month

Table 73. Access to water

g) Employees: Water Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
		Number			
Top management	25	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	1	0	0
Skilled technical, superintendents, etc.		3	3	0	0
Semi-skilled		9	6	3	33.33
Unskilled		12	11	1	8.33
Total	25	25	21	4	16

Table 74. Employees: Water Services



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h) Capital expenditure: Water Services

The table below indicates the capital expenditure incurred:

Capital projects	2016/17			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Investigation for new aquifers: Beaufort West	0	669 802	587 545	(82 257)
New total pressure reduction of water network: Beaufort West	99 858	0	0	0
GIS - Water demand management	0	301 504	249 375	(52 129)
Plant and Equipment	0	41 750	0	(41 750)
Plant and Equipment	0	2 000	0	(2 000)
S1 IRDP 264 Sites - Services	0	2 341 525	0	(2 341 525)
Total	99 858	3 356 581	836 920	(2 519 661)

Table 75. Capital expenditure: Water Services

3.3.2 Sanitation services

a) Introduction to Sanitation Services

The Municipality has four WWTW that are situated in Beaufort West, Nelspoort, Merweville and Murraysburg. The WWTW of Beaufort West and Merweville are operating within the design capacity and the finale effluent is of good quality.

A study was conducted at the Nelspoort and Murraysburg WWTW. The reports indicated that urgent upgrades are necessary at both of the treatment facilities. Both projects have been registered on the Municipal Infrastructure Grant (MIG) programme to ensure funding for the projects.

Upgrading of the Nelspoort WWTW will be done in the 2017/18 financial year. Upgrading of the Murraysburg WWTW started in the 2016/17 financial year and will be completed by August 2017.

An investigation was done at Beaufort West WWTW to determine if the biological filter can be repaired as one of the segments is busy sagging. The WWTW of Beaufort West consists of two processes; an activated sludge process and a biological trickle filter process. The effluent from the activated sludge process is redirected to the WRP and the effluent from the biological trickle filters are used for irrigation purposes. The WWTW of Nelspoort, Merweville and Murraysburg are evaporation ponds.

b) Highlights: Waste water (sanitation) services

The following table indicate the highlight of the financial year:

Highlights	Description
Upgrade of the Murraysburg WWTW	Upgrading of the WWTW to adhere to general authorisation

Table 76. Sanitation Services highlight

c) Challenges: Sanitation Services

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Vandalism of WWTW	Fencing stolen and pump station are vandalised. Increase security measures at pump stations by applying for funds during the new financial year

Table 77. Sanitation Services challenge



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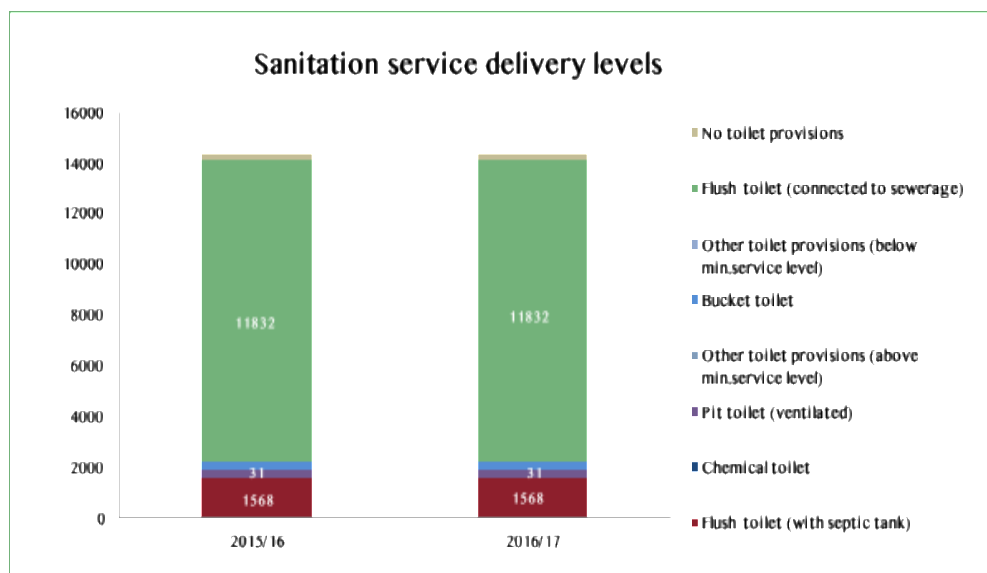
d) Sanitation service delivery levels

The table below indicates the service delivery levels for sanitation:

Households		
Description	2015/16	2016/17
	Actual	Actual
	No.	No.
<i>Sanitation/sewerage: (above minimum level)</i>		
Flush toilet (connected to sewerage)	11 832	11 832
Flush toilet (with septic tank)	1 568	1 568
Chemical toilet	0	0
Pit toilet (ventilated)	355	355
Other toilet provisions (above min.service level)	31	31
Minimum service level and above sub-total	13 786	13 786
Minimum service level and above percentage	96	96
<i>Sanitation/sewerage: (below minimum level)</i>		
Bucket toilet	309	309
Other toilet provisions (below min.service level)	0	0
No toilet provisions	305	305
Below Minimum Service Level sub-total	614	614
Below Minimum Service Level Percentage	4	4
Total households	14 400	14 400

Including informal settlements

Table 78. Sanitation service delivery levels



Graph 4.: Sanitation service delivery levels



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e) Employees: Sanitation Services

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	25	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		0	0	0	0
Skilled technical, superintendents, etc.		1	0	1	100
Semi-skilled		9	8	2	22.22
Unskilled		14	11	3	21.43
Total	25	24	19	6	25

Table 79. Employees: Sanitation Services

f) Capital expenditure: Sanitation Services

The table below indicates the capital expenditure incurred:

Capital projects	2016/17			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
SI IRDP 264 Sites - Services	0	17 691 509	26 016 926	8 325 417
S8 bulk sewer pumpstation	0	9 026	7 917	(1 109)
Plant and equipment	0	28 250	0	(28 250)
Rehabilitate sanitation: Oxidation Ponds: Murraysburg	6 235 091	5 762 689	5 054 991	(707 698)
Rehabilitate sanitation: Oxidation Ponds: Murraysburg	423 094	423 094	37 135	(385 959)
Total	6 658 185	23 914 568	31 116 969	7 202 401

Table 80. Capital expenditure: Sanitation Services

3.3.3 Electricity Services

a) Introduction to Electricity Services

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

The distribution of electricity in Beaufort West started in 1919 when the railway supplied the municipality with electricity. The cost was 4,5 pennies per unit. During 1924, the municipality started building their own power station. On 1 November 1925 the power station was officially opened and ever since, electricity has grown to be a huge industry, supplying energy to businesses and the community. The department is licensed by the National Electricity Regulator (NER) to supply electricity within its approved area of supply. The department is responsible for the distribution and supply of electricity for Beaufort West, Nelspoort, Merweville and surrounding rural areas. Eskom is responsible for the distribution of electricity in Merweville and partially in Murraysburg.

The department takes supply from Eskom at 132 000 volt at Katjieskop substation and distribute 11 000 volt to the supply areas.

Electricity purchases for the 2016/17 financial year amounted to R54.330 million (Incl. VAT) for 54 386 578 kWh. The electricity is sold to industrial, commercial and domestic customers. Approximately 37.05% of the electricity is sold to industrial and commercial customers, 24.72% to domestic customers, 24.5 % to indigents, 1.3% for street lighting and 3.41% for own use. Energy losses during the financial year amounted to 9,02%.



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There are no backlogs in the provision of service connections. Applications for connections are processed as they are received and the necessary connection fees collected. All electricity customers receive a full service, but are differentiated in terms of connection size in relation to connection fees paid.

i) Service backlogs

Due to the lack of financial resources over the past number of years, a backlog in repair and maintenance, as well as refurbishment and network expansion has increased. This backlog can only be addressed by sufficient capital investment into the electricity infrastructure.

ii) Infrastructure

Although the municipality has been able to assist all applicants by providing electricity, the low level of investment in the upgrade, refurbishment and expansion of the electricity infrastructure has led to a situation that new developments can no longer be accommodated without major capital investment. It is therefore absolutely essential that the municipality direct more of the surplus generated by the sale of electricity to the capital requirements of the electrical department.

b) Highlights: Electricity Services

The table below indicates the highlights of the financial year:

Highlights	Description
New substation building in Loch Road	A new substation was built in Loch Road to replace the old building
Upgrade of Louw Smit substation	The substation at Louw Smit has been extended
Upgrade of Murraysburg network	Maximum demand at Murraysburg has been increased from 400 kva to 900 kva. Overhead lines were built for the upgraded sewerage works and pump station. A complete ring feed on the 11kv network in town was installed

Table 81. Electricity Services highlights

c) Challenges: Electricity Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
High cost of electricity	In the process implementing energy efficient products
Service delivery	To improve service delivery, we will have to appoint more qualified personnel and manage the maintenance of services and networks more closely
Availability of funds	More funds made available for the maintenance of ageing networks

Table 82. Electricity Services challenges

d) Electricity service delivery levels

The table below indicates the service delivery levels for electricity:

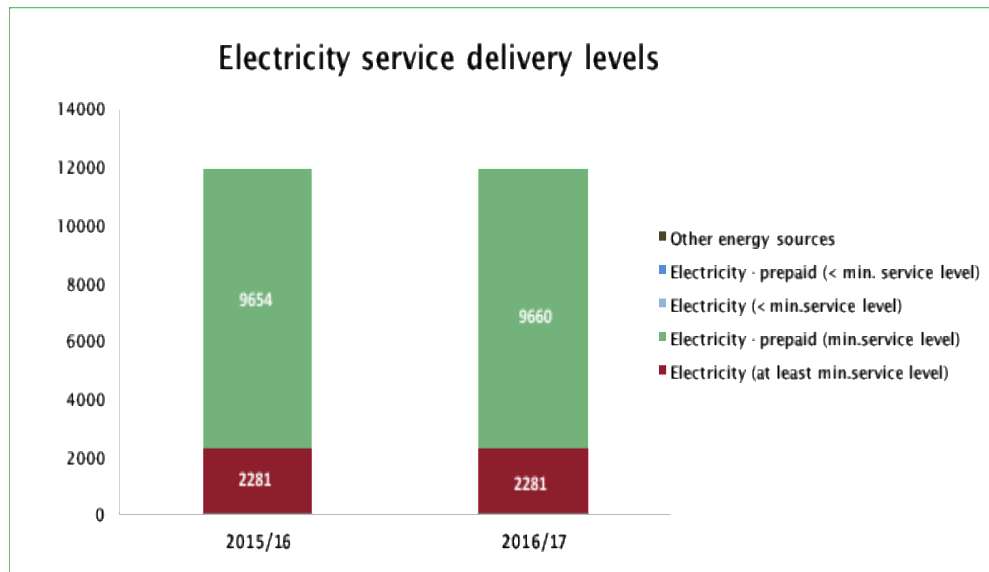
Households		
Description	2015/16	2016/17
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity (at least min.service level)	2 281	2 281
Electricity - prepaid (min.service level)	9 654	9 660
Minimum service level and above sub-total	11 935	11 941
Minimum service level and above percentage	100	100
Energy: (below minimum level)		
Electricity (<min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0



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Households		
Description	2015/16	2016/17
	Actual	Actual
	No.	No.
Other energy sources	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	11 935	11 941

Table 83. Electricity service delivery levels



Graph 5.: Electricity service delivery levels

e) Employees: Electricity Services

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	31	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		2	2	0	0
Skilled technical, superintendents, etc.		4	4	2	50
Semi-skilled		13	11	2	15.38
Unskilled		10	8	2	20
Total	31	29	25	6	20.69

Table 84. Employees: Electricity Services



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f) Capital expenditure: Electricity Services

The table below indicates the capital expenditure incurred:

Capital projects	2016/17			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Plant and equipment	0	40 000	0	(40 000)
Upgrade main substation - Lochweg Road	3 500 000	3 500 000	3 058 327	(441 673)
New high mast lighting: Greater Beaufort West Ph2	1 232 299	617 842	541 967	(75 875)
New high mast lighting: Nelspoort	821 532	665 441	583 720	(81 721)
Upgrade electricity network - Murraysburg	1 000 000	1 000 000	889 042	(110 958)
Total	5 553 831	4 823 283	4 184 014	(639 269)

Table 85. Capital expenditure: Electricity Services

3.3.4 Waste management (refuse collections, waste disposal, street cleaning and recycling)

a) Introduction: Waste management

i) Service delivery

Our department provides a weekly door-to-door waste removal service to households and bi-weekly to businesses. Domestic and garden waste is removed on daily basis and placed either in the 85 litre refuse bins or bags. Medical waste generated from hospitals, clinics and general practitioners are collected by a private company. The private company is responsible for spillage removal along the N1 National Road transversing the Beaufort West Area. Builders rubble is removed by the community itself and the Municipality removes only when it is dumped illegally. General workers are responsible for litter removal and sweeping of streets. Street bins along pavements are emptied on a daily basis by waste removal trucks.

ii) Landfill site disposal sites

The four waste management facilities within the Beaufort West municipal area are situated in:

- Vaalkoppies
- Merweville
- Nelspoort
- Murraysburg

In addition, Beaufort West has a recycling facility which requires upgrades. All landfill sites are operational of which one has a permit.

iii) Waste minimisation

The Municipality developed a Waste Minimisation Strategy in 2002 in partnership with Southern Cape Recycling which was made possible by contributions from the Department of Environmental Affairs. The initiative targeted the high income residential areas. Blue bags were supplied to all households to collect only cardboard boxes, cans, paper and newspapers. Recyclable waste is collected once a week and taken to the reclamation depot where it is sorted, baled and transported to Cape Town or Outshoorn.

iv) Waste awareness and education

Waste awareness and education is currently done through the distribution of pamphlets on a quarterly basis. The target for these initiatives are schools and communities.



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b) Highlights: Waste management

The following table indicates the highlights of the financial year:

Highlights	Description
Rehabilitation and closure of the illegal abattoir waste disposal site	The Department of Local Government: Municipal Support Sector appointed a consultant for the closure and rehabilitation of the illegal abattoir waste disposal site during the 2016/17 financial year. The report received from the appointed consultant has revealed that there are no health risks involved and recommendations have been included
Funds received from the Department of Transport and Public Works	60% of the funds received are allocated for environmental and social sector projects. The project identified and approved on the environmental sector is waste minimisation with the focus on education and awareness. 65 participants will be recruited and employed on contract for a 9 months period, effective from August 2017 up until April 2018

Table 86. Waste management highlights

c) Challenges: Waste management

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Limited air space at the Vaalkoppies Waste Disposal Site	Will submit business plan to the Department of Environmental Affairs and Development (DEADP) to request funds for the construction of a new landfill site. Currently we maintain the existing site with operational budget funds
Lack of funds or capacity for the development of a Air Quality Management Plan	Request assistance from the DEADP for the development of a Air Quality Management Plan

Table 87. Waste management challenges

d) Waste management service delivery levels

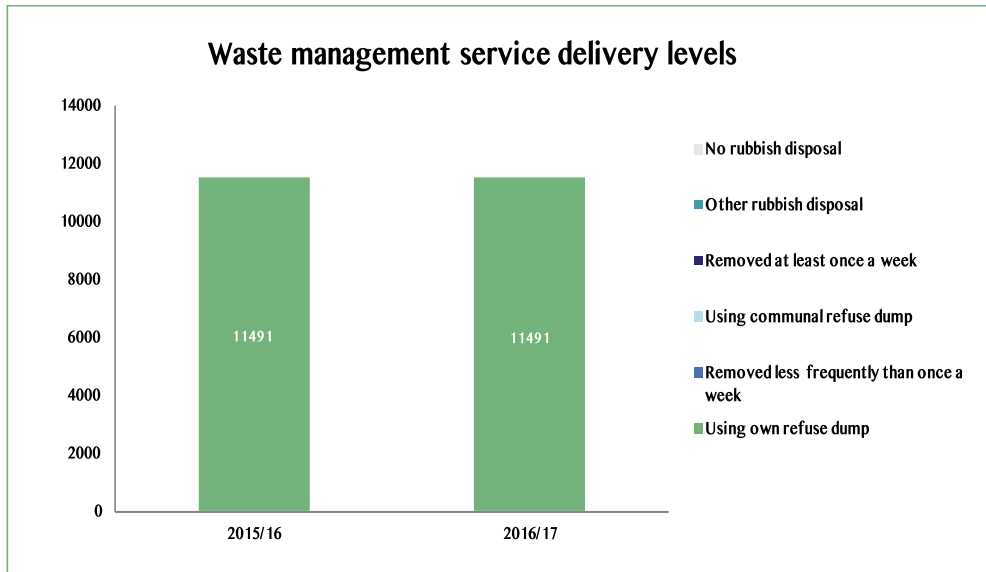
The table below indicates the service delivery levels for waste management:

Description	Households	
	2015/16	2016/17
	Actual	Actual
	No.	No.
<i>Solid waste removal: (minimum level)</i>		
Removed at least once a week	11 491	11 491
Minimum service level and above sub-total	11 491	11 491
Minimum service level and above percentage	100	100
<i>Solid waste removal: (below minimum level)</i>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	11 491	11 491

Table 88. Waste management service delivery levels



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Graph 6.: Waste management service delivery levels

e) **Employees: Waste management**

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	47	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	1	0	0
Skilled technical, superintendents, etc.		7	6	1	14.29
Semi-skilled		2	2	0	0
Unskilled		37	33	4	10.81
Total	47	47	42	5	10.64

Table 89. Employees: Waste management

f) **Capital expenditure: Waste management**

The table below indicates the capital expenditure incurred:

Capital projects	2016/17			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Refuse truck	0	336 400	0	(336 400)
Total all	0	336 400	0	(336 400)

Table 90. Capital expenditure: Waste management



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3.3.5 Employees: Basic Services: Merweville, Murraysburg and Nelspoort

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total Budgeted posts)
	Number				
Top management	38	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		0	0	0	0
Skilled technical, superintendents, etc.		6	5	1	16.67
Semi-skilled		9	7	2	22.22
Unskilled		23	22	1	4.35
Total	38	38	34	4	10.53

Table 91. Employees: Basic Services: Merweville, Murraysburg and Nelspoort

3.3.6 Housing

a) Introduction to housing

The Municipality wishes to stimulate LED through the identification of land that would meet the strengths and anticipated future demands of the economy. A strong and vibrant economy is necessary in leading towns such as Beaufort West and in pursuit of this objective, a holistic perspective of development is required.

Against the background of the holistic perspective of integrated residential development approach, it was decided to primarily place strategic focus on two components of the land use spectrum namely:

- Finance Linked Individual Subsidy Program (FLISP), also known as Gap Subsidy Housing
- Integrated Residential Development Program (IRDP) - Project Linked Subsidy Housing

i) Housing need

The need for an integrated residential development approach that addresses the whole spectrum of residential needs has been identified and the following main income categories have been considered:

- IRDP Subsidy Housing - R3 500 per month.
- Gap Subsidy Housing - R3 501 – R15 000 per month

Given the strategic decision to focus first on IRDP and GAP housing, these housing needs can be summarized as follows:

Subsidy	5354 - units according to recent estimates of the housing demand data base (Includes towns Beaufort West, Murraysburg, Merweville and Nelspoort)
GAP	567 - potential applicants have registered on our data system

Table 92. Housing needs

b) Prioritised IRDP housing sites

The prioritised IRDP housing site figures for the financial year is indicated in the table below:

Site	Property	Units
Subsidy: Priority 1		
SI	Transnet	883
Total		883



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Site	Property	Units
<i>Subsidy Priority 2</i>		
S2	Commonage	n/a
<i>Subsidy Grand Total</i>		883

Table 93. *Prioritised housing sites*

c) *GAP housing sites*

The table below indicates the GAP housing sites of the municipality and the amount of units built:

Site	Property	Units
<i>GAP: Priority 1</i>		
G2	Erf 2851 – P.O.S	67
<i>GAP Total</i>		67

Table 94. *GAP housing sites*

d) *Highlights: Housing*

The following table indicates the highlights of the financial year:

Highlights	Description
S1 - 883 housing project	This project will accommodate more people than the previous, S8 will bring down backlog by a significant figure

Table 95. *Housing: Highlights*

e) *Challenges: Housing*

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Subsidy approvals	Province need to dedicate more manpower on the Subsidy Approval system
Water scarcity – Delay in construction	Community needs to be notified in time about the possible delay. Government must look into re-consideration of the channelling of water from the Orange River to the Central Karoo region
Failing due to non-affordability	Government must do pre-approval of subsidy and provide confirmation to applicant to submit to Banks (Security for Banks re qualification for Subsidy)

Table 96. *Housing: Challenges*

f) *Households with access to basic housing*

The table below indicates the statistics of households with access to basic housing:

<i>Number of households with access to basic housing</i>			
Financial Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2015/16	12 198	12 173	83
2016/17	12 195	12 173	83

Table 97. *Households with access to basic housing*



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g) Housing waiting list

The following table shows the increase in the number of people on the housing waiting list. There are currently approximately 5 354 housing units on the waiting list.

Financial Year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2015/16	5 098	25
2016/17	5 354	5

Table 98. Housing waiting list

h) Housing allocation

A total amount of R 32 935 was allocated to build houses during the 2016/17 financial year. A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2015/16	25 205	25 205	100	235	242
2016/17	32 935	6 016	18.26	no houses built	833

Table 99. Houses built in 2016/17

i) Employees: Housing

The table below indicates the number of staff employed within the Unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	5	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		0	0	1	0
Skilled technical, superintendents, etc.		4	3	1	25
Semi-skilled		0	0	0	0
Unskilled		0	0	0	0
Total	5	4	3	2	50

Table 100. Employees: Housing

3.3.7 Free basic services and indigent support

a) Introduction

The free basic services were funded from the "equitable share" grant received from National Treasury plus an amount from the Municipality's own income as budgeted for during the 2016/17 financial year.

The Municipality is one of the first municipalities in the country to implement free basic services to its indigent households. A debtor is considered indigent if the total monthly household income equals two times the amount of state funded social pensions or less (currently R3 240 per month). All indigent households receives 6kl water and 50Kwh electricity free each month. Furthermore, an indigent debtor also receives a subsidy on refuse removal and sewerage, depending on the household income.

All indigents have to renew their applications bi-annually in order to qualify for the benefits.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than R3 240 per month will receive the free basic services as prescribed by the national policy.



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b) Households: Free basic services

The tables below indicates the number of households that received free basic services in the 2015/16 and 2016/17 financial years:

Financial Year	Number of households								
	Total no of HH	Free basic electricity		Free basic water		Free basic sanitation		Free basic refuse removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2015/16	14 107	5 310	37	6 477	45	2 962	21	3 385	24
2016/17	14 168	5 815	41	7 932	56	4 321	30	1 630	12

Table 101. Free basic services: Number of households

Electricity									
Financial Year	Indigent households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2015/16	6 022	50	4 225	289	50	320	50	50	55
2016/17	5 453	50	4 042	310	50	712	52	50	48

Table 102. Free basic services: Electricity

Water						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'000			R'000
2015/16	6 022	6	7 953	1 463	6	720
2016/17	6 504	6	9 280	1 428	6	661

Table 103. Free basic services: Water

Sanitation						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2015/16	3 717	844	3 137	0	0	0
2016/17	4 321	903	3 229	0	0	0

Table 104. Free basic services: Sanitation

Refuse removal						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2015/16	2 573	1	1 787	0	0	0
2016/17	1 630	1	986	0	0	0

Table 105. Free basic services: Refuse removal



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3.4 Component B: Road Transport

This component includes: Roads; transport; and waste water (stormwater drainage).

3.4.1 Roads

a) Introduction to Roads

The Municipality does pothole repairs, while contractors undertake the construction of new paved roads. These projects are done according to the Expanded Public Works Programme (EPWP) standards to create job opportunities.

All road construction is done by a main contractor and a nominated sub-contractor who is responsible for the labour. The main contractor trains the sub-contractor in all aspects of safety and construction.

800m gravel roads were upgraded to paved roads in Beaufort West and the general maintenance of tarred and gravel roads were neglected due to budget constraints and unreliable machinery.

b) Highlights: Roads

The following table indicate the highlight of the financial year:

Highlights	Description
Upgrade of Protea and Oak Street	Gravel roads were upgraded to paved standard with accommodated stormwater drainage

Table 106. Roads highlight

c) Challenges: Roads

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Unreliable machinery (Grader)	Make budget provision for the purchase of a new grader
Deteriorating roads in the area	Funds to be allocated for reseal of roads
Vacant position creates a lack of capacity to perform function effectively	Budget for the filling of vacant position

Table 107. Roads challenge

d) Gravel roads infrastructure: Kilometers

The table below indicates the amount of gravel roads constructed, maintained and upgraded during the financial year:

Gravel roads infrastructure: Kilometres				
Financial year	Total km's gravel roads	New gravel roads constructed	Gravel roads upgraded to paved	Gravel roads graded/maintained
2015/16	57 600	0	907	57 600
2016/17	56 800	0	800	18 000

Table 108. Gravel road infrastructure

e) Tarred road infrastructure: Kilometers

The table below indicates the amount of tarred/paved roads constructed, maintained and upgraded during the financial year:

Tarred/paved road infrastructure: Kilometres					
Financial year	Total tarred/paved roads	New paved roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar/paved roads maintained
2015/16	105.5	0.907	0	0	104.6



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Tarred/paved road infrastructure: Kilometres					
Financial year	Total tarred/paved roads	New paved roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar/paved roads maintained
2016/17	106.708	1.204	0	0	14 608.7

Table 109. Tarred road infrastructure

f) Cost of maintenance and construction of roads

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New and replacements	Resealed	Maintained
	R'000		
2015/16 (main roads)	3 750	0	0
2015/16 (other roads)	4 174	0	8 624
2016/17 (Main roads)	0	0	0
2016/17 (Other roads)	0	0	0

The cost for maintenance include stormwater

Table 110. Cost of construction/maintenance of roads and stormwater

g) Employees: Roads and stormwater

The table below indicates the number of staff employed within the Unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	55	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	0	1	100
Skilled technical, Superintendents, etc.		10	8	2	20
Semi-skilled		8	7	1	12.50
Unskilled		29	23	13	44.83
Total	55	48	38	17	35.42

Table 111. Employees: Roads and stormwater

h) Capital expenditure: Roads and Stormwater

The table below indicates the capital expenditure incurred:

Capital projects	2016/17			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Plant and Equipment	0	32 500	0	(32 500)
Upgrade Industrial Road	2 000 000	1 600 000	1 577 186	(22 814)
Rehabilitate gravel roads: Rustdene, Kwa-Mandlenkosi & Hillside 2	1 140 407	0	0	0
Upgrade of Protea Street / Oak Street, Beaufort West	0	4 157 184	3 646 652	(510 532)
Upgrade Freddie MaxSingle: Nelspoort	1 723 385	0	0	0



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Capital projects	2016/17			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
SI IRDP 264 Sites - Services	0	5 983 892	0	(5 983 892)
Total	4 863 792	11 773 576	5 223 838	(6 549 738)

Table 112. Capital expenditure: Roads and stormwater

3.4.2 Waste water (stormwater drainage)

a) Challenges: Waste water (stormwater drainage)

The tables below reflect the challenges experienced during the financial year:

Description	Actions to address
Vacant post creates a lack of capacity to perform function effectively	Budget for the filling of vacant position
Absence of a Stormwater Master Plan	Develop the Stormwater Master Plan
Insufficient stormwater system in Hillside to deliver effective services to the community	Replace or upgrade stormwater system

Table 113. Waste water (stormwater drainage) challenges

b) Stormwater infrastructure: Kilometers

The table below shows the total kilometers of stormwater infrastructure maintained, upgraded and the kilometers of new stormwater pipes installed:

Stormwater infrastructure: Kilometres				
Financial year	Total stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2015/16	Master Plan outdated	0	0	8.86
2016/17	Master Plan outdated	0	0	13.1

Table 114. Stormwater infrastructure

c) Cost of stormwater infrastructure

The table below indicates the amount of money spent on stormwater maintenance:

Financial year	Stormwater measures		
	New R'000	Upgraded R'000	Maintained R'000
2015/16	Part of new road construction and roads and stormwater maintenance budget	0	11
2016/17	Part of new road construction and roads and stormwater maintenance budget	0	Part of Roads

Table 115. Cost of construction/maintenance of stormwater systems

R545 617 (EPWP) was made available to create jobs through stormwater maintenance. Material was purchased with savings from the operational and maintenance budget.

Personnel appointed for these projects:

Description	Female	Male	Youth
Data capturer	1	0	0
Supervisor	1	0	0
Labourers	6	6	5

Table 116. Additional job creation



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3.4.3 Employees: Fleet management

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	8	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	1	0	0
Skilled technical, superintendents, etc.		1	1	0	0
Semi-skilled		6	6	0	0
Unskilled		0	0	0	0
Total	8	8	8	0	0

Table 117. Employees: Fleet management

3.5 Component C: Planning and LED

3.5.1 Planning and building control

Due to the growing beneficiary list for subsidised housing, planning for residential areas to accommodate IRDP and GAP housing, was performed by a turnkey contractor. The aforementioned planning was done in conjunction with the officials of the Municipality.

a) Service statistics: Planning and building control

The table below indicates the performance statistics for planning and building control:

Type of service	2015/16	2016/17
Building plans application processed	117	123
Total surface (m ²)	13 064	9 866
Approximate value (Rand)	39 190 857	29 598 000
Residential extensions	112	112
Land use applications processed	28	2
Rural applications	796	0

Table 118. Service statistics: Planning and building control



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b) Employees: Planning and building control

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	10	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	0	1	100
Skilled technical, superintendents, etc.		2	2	0	0
Semi-skilled		5	5	0	0
Unskilled		1	1	0	0
Total	10	9	8	1	11.11

Table 119. Employees: Planning and building control

3.5.2 LED (including tourism and market places)

The LED Strategy was reviewed during the 2009/10 financial year, but not approved. The LED forum has been established, but is not functional.

The sectors that are contributing the most to Beaufort West's economy are transport and communication (25.3%), wholesale and retail trade (16.8%), general government services (14.4%), manufacturing (10.9%) and agriculture (7.7%). The ability of the local economy to create jobs is limited and is reflected in the current high unemployment figure of 35.5% in comparison to the provincial unemployment rate of 15.9%. This situation is aggravated by the inability of the current markets to pay wages to household with an income estimated between R850 and R1500 per month.

The high unemployment, coupled with the low skills level of the labour force, have been identified as of critical importance at the Regional Growth and Development Summit that was held for the District during March 2007. Local government has to play a role in the development of skills of the local labour force. The challenge for the Municipality is not only to grow the economy and tax base, but to develop skills so that jobs that are created through the growing economy can be taken up by the local unemployed residents.

The LED Strategy has not been reviewed in three years, making it difficult to measure progress in terms of economic development. The LED Unit is under staffed and this needs to be addressed as a matter of urgency.

3.6 Component D: Community and Social Services

3.6.1 Libraries

a) Highlights: Libraries

The table below indicates the highlights of the financial year:

Highlights	Description
IT equipment received from provincial government	To enhance and support the library mission to provide information resources and research assistance in pursuit of scholarly and creative endeavours, Provincial government provides computers for both work and internet access for the students, staff, library cardholders and non-cardholders
Improved security at libraries	Security Fences were installed at the libraries which improves safety and security of assets
Wireless network connection	Wireless networks for patrons in and outside the library building
Capacitating the library function	The position of Library Manager was filled
Library Programmes	All library programmes ran smoothly due to the budget and the vehicle which assisted with the roll-out of programmes, i.e. Library Week, reading programmes, story hour, etc.



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Highlights	Description
Exhibitions	Exhibits are a valuable part of the libraries' public service outreach and user education programme. Exhibits provide an excellent opportunity for libraries to engage in collaborative projects, especially for faculty members and others in the university community

Table 120. Libraries highlights

b) Challenges: Libraries

The table below indicates the challenges faced during the financial year:

Challenge	Description
Return of library material	Non return of library material by library users resulting in a high outstanding bill for libraries
Photocopy machine	Improve the controls for the use of the photocopy machine
Expansion of library	The library is too small to fulfil the needs of the community. Submit a request for additional funds

Table 121. Libraries challenges

c) Service statistics for libraries

The table below indicates the service statistics for library services:

Type of service	2015/16	2016/17
Library members	14 262	16 357
Books circulated	154 420	161 785
Exhibitions held	144	144
Internet users	67 200	71 000
New library service points or wheelie wagons	0	0
Visits by school groups	84	84

Table 122. Service statistics for libraries

d) Employees: Libraries

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	23	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	1	0	0
Skilled technical, superintendents, etc.		3	3	0	0
Semi-skilled		18	18	0	0
Unskilled				0	0
Total	25	22	22	0	0

Table 123. Employees: Libraries



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e) Capital expenditure: Libraries

The table below indicates the capital expenditure incurred:

Capital projects	2016/17			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Furniture and other office equipment	0	96 225	66 587	(29 638)
Total	0	96 225	66 587	(29 638)

Table 124. Capital expenditure: Libraries

3.6.2 Cemeteries

There are enough burial grounds in all the towns under the jurisdiction of Beaufort West, but new cemeteries will have to be developed in the 2016/17 financial year.

a) Challenges: Cemeteries

Vandalism is a big concern for the Municipality at the cemeteries and requires the security controls to be upgraded.

3.7 Component E: Security and safety

3.7.1 Traffic Services and Law Enforcement Services

a) Highlights: Traffic and Law Enforcement Services

The following table indicate the highlight of the financial year:

Highlights	Description
Murraysburg driving license testing centre	Registration and promulgation of Murraysburg as a driving license testing centre

Table 125. Traffic services and law enforcement highlight

b) Challenges: Traffic Services and Law Enforcement

The table below indicates the challenges faced during the financial year:

Challenges	Actions to address
Poor supervision	Enhance control measures to improve supervision and develop standard operating procedure document
Lack of discipline	Communicate disciplinary procedures with HR and resolve matters within documented guidelines

Table 126. Traffic and Law Enforcement Services challenges

c) Service statistics for Traffic and Law Enforcement Services

The table below indicates performance statistics for Traffic and Law Enforcement Services:

Details	2015/16	2016/17
Motor vehicle licenses processed	11 067	12 016
Learner driver licenses processed	504	440
Driver licenses processed	695	592
Driver licenses issued	1 594	1 706
Fines issued for traffic offenses	93 441	140 036
R-value of fines collected	14 361 800	12 693 560
Roadblocks held	41	33
Complaints attended to by Traffic Officers	11	0



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Details	2015/16	2016/17
Awareness initiatives on public safety	0	0

Table 127. Service statistics for Traffic and Law Enforcement Services

d) **Employees: Traffic Services and Law Enforcement**

The table below indicates the number of staff employed within the unit:

Occupational Level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	24	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	1	0	0
Skilled technical, superintendents, etc.		1	1	0	0
Semi-skilled		20	19	1	5
Unskilled		2	2	0	0
Total	24	24	23	1	4.17

Table 128. Employees: Traffic and Law Enforcement Services

3.7.2 Fire and Disaster Management Services

a) **Service statistics for Fire and Disaster Management Services**

The table below indicates performance statistics of fire services and disaster management services:

Details	2015/16	2016/17
Operational call-outs	90	26
Reservists and volunteers trained	0	1
Awareness initiatives on fire safety	9	5

Table 129. Service statistics for Fire and Disaster Management Services

b) **Employees: Fire and Disaster Management Services**

The table below indicates the number of staff employed within the Unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	15	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	0	1	100
Skilled technical, superintendents, etc.		5	5	0	0
Semi-skilled		9	9	0	0
Unskilled		0	0	0	0
Total	15	15	14	1	6.67

Table 130. Employees: Fire and Disaster Management Services



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3.8 Component F: Sport and recreation

3.8.1 Sport and recreation

The community loves their sport, but the main challenge is to raise enough funds to develop different sport fields as only 15% of the MIG funds are available for the development of recreational and sport facilities.

All sport and recreation areas are mowed and irrigated on a regular basis. We are proud to say that we have upgraded the Beaufort West Sport Grounds by adding new fencing and upgrading the ablution facilities

a) Challenges: Sport and recreation

Vandalism and theft is a big concern for the Municipality at the sport and recreation facilities and we will have to invest in upgrading security controls at each of these facilities.

b) Service statistics for sport and recreation

The table below indicates performance statistics of sport and recreation services:

Type of service	2015/16	2016/17
Community parks		
Number of parks with play park equipment	8	8
Number of wards with community parks	7	7
Swimming pools		
Number of visitors per annum	0	0
R-value collected from entrance fees	0	0
Sport fields		
Number of wards with sport fields	7	7
R-value collected from utilization of sport fields	98 077	DFD
Sport halls		
Number of wards with sport halls	7	7
Number of sport associations utilizing sport halls	5	5
R-value collected from rental of sport halls	10 535	DFD

Table 131. Service statistics for sport and recreation

c) Employees: Sport and recreation

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
		Number			
Top management	42	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	1	0	0
Skilled technically, superintendents, etc.		7	7	1	14.29
Semi-skilled		10	10	0	0



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Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Unskilled		21	18	5	23.81
Total	42	39	36	6	15.38

Table 132. Employees: Sport and recreation

d) Capital expenditure: Sport and recreation

The table below indicates the capital expenditure incurred:

Capital projects	2016/17			
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget
(R)				
Upgrade existing regional sport stadium Ph2: Rustdene	582 428	190 000	181 863	(8 137)
Development of sport and recreation facilities	510 000	510 000	0	(510 000)
Upgrade sport field Ph2: Merweville Sports Field	12 500 000	12 500 000	583 197	(11 916 803)
Upgrade rugby field - Beaufort West Stadium	0	663 016	604 945	(58 071)
Upgrade sports stadium - Kwa-Mandlenkosi	0	320 000	293 438	(26 562)
Total	13 592 428	14 183 016	1 663 443	(12 519 573)

Table 133. Capital expenditure: Sport and recreation

3.9 Component G: Corporate Policy Offices and Other Services

3.9.1 Corporate Services

a) Highlights: Corporate Services

The following table indicate the highlight of the financial year:

Highlights	Description
Provision of tablets to all Councillors	Agendas are distributed electronically which saves Council's resources, i.e. costs with regards to the printing and distribution of agendas

Table 134. Corporate Services highlight

b) Challenges: Corporate Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
The Council Chambers not suited to host Council meetings (Council and public attendance)	Alternative venue to be identified and purchased by the Municipality
Council meeting rotation to various community halls with inappropriate furniture	Council to consider purchasing own equipment to be able to host Council meetings apart from those hosted in the Council chambers

Table 135. Corporate Services challenges



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c) Employees: Corporate Services

The following tables represents the number of employees in administration, Council support, Thusong Service Centre and Municipal Management Services:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	8	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	1	0	0
Skilled technically, superintendents etc		0	0	0	0
Semi-skilled		5	5	0	0
Unskilled		2	2	0	0
Total	8	8	8	0	0

Table 136. Employees: Administration

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	10	0	0	0	0
Senior management		0	0	0	0
Middle management and professionals		1	0	1	100
Skilled technically, superintendents etc		3	3	0	0
Semi-skilled		5	4	1	20
Unskilled		1	1	0	0
Total	10	10	8	2	20

Table 137. Employees: Councillor Support and Thusong Service Centres

Occupational Level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	12	1	0	1	100
Senior management		5	3	2	40
Middle management and professionals		4	3	1	25
Skilled technically, superintendents etc		1	1	0	0
Semi-skilled		1	0	1	100
Unskilled		0	0	0	0
Total	12	12	7	5	41.67

Table 138. Employees: Municipal Management Services



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3.9.2 Financial Services

a) Highlights: Financial Services

The following table indicates the highlights of the financial year:

Highlights	Description
In-House compilation of Budget and AFS	Lesser dependency on consultants resulting in huge cost savings
Integrated Recovery Plan developed	Plan adopted by Council and Implementation Manager appointed

Table 139. Financial Services highlights

b) Challenges: Financial Services

The following table indicates the challenges faced during the financial year:

Description	Actions to address
Vacancies in critical positions not yet filled	Positions advertised, vacancies to be filled
Limited Office space – Historic building	Redesign and upgrade of office facilities
Lack of resources (Funds, Human capital)	Apply for all available funding, Organisational structure reviewed
Implementation of SCOA, new financial system	Vendor on-site to assist, staff received training, monthly Steercom meetings held

Table 140. Financial Services challenges

c) Debt recovery statistics

The table below indicates the debt recovery statistics for the financial year:

Details of the types of account raised and recovered	2015/16			2016/17			2017/18		
	Billed In Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected	To be billed in Year	Estimated turnout for accounts to be billed in year	Estimated Proportion of accounts to be billed that will be collected
	R'000		%	R'000		%	R'000		%
Property Rates	23 234	21 956	94.5	23 386	20 941	89	33 881	28 314	83.5
Electricity	46 540	43 980	94.5	44 426	44 828	101	42 625	37 979	89.1
Water	11 993	11 333	94.5	13 446	11 992	89	19 519	17 391	89.1
Sanitation	12 337	11 658	94.5	12 449	8 845	71	14 536	12 951	89.1
Refuse	5 234	4 946	94.5	5 362	3 180	59	7 440	6 629	89.1

Table 141. Debt recovery

d) Employees: Financial Services

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	45	0	0	0	0
Senior management		0	0	0	0



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Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Middle management and professionals		6	3	3	50
Skilled technically, superintendents etc		3	3	0	0
Semi-skilled		33	32	2	6.06
Unskilled		2	2	0	0
Total	45	44	40	5	11.36

Table 142. Employees: Financial Services

3.9.3 HR

a) Highlights: HR

The following table indicates the highlights of the financial year:

Highlights	Description
Staff appointments	56 new employees in different departments, 1 financial intern at Financial Services, 3 relief staff for Emergency Services and 16 employees were appointed in higher T-grade positions
Review of organisational structure	Council reviewed and approved the organisational structure

Table 143. HR highlights

b) Challenges: HR

The table below indicates the challenges faced during the financial year:

Description	Actions to address
No training received from service provider for the financial year for the nominated personnel whom are responsible for health and safety throughout the departments	Training of appointed health and safety representatives to be conducted and have at least 1 meeting per quarter. Departmental Health and Safety Committee meetings to be held monthly
No Local Labour Forum (LLF) meetings were held since the elections in August 2016	The first LLF meeting of 27 February 2017 was postponed due to Council meetings that were suspended until the by-elections in May 2017. LLF meetings to resume in the new financial year
Review of HR Policies	HR related policies received from service provider to be workshopped with departments, unions and Councillors
Leave forms	A dedicated Leave Clerk to be appointed to assist with the leave function

Table 144. HR challenges

c) Employees: HR Services

The table below indicates the number of staff employed within the unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management		0	0	0	0
Senior management		0	0	0	0
Middle management and professionals	2	1	1	0	0
Skilled technically, superintendents etc		0	0	0	0
Semi-skilled		1	1	0	0



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Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Unskilled		0	0	0	0
Total	2	2	2	0	0

Table 145. Employees: HR

3.9.4 Information and Communication Technology (ICT) Services

a) Introduction to ICT services

The ICT services of the Municipality is outsourced to an external servicer provider.

b) Highlights: ICT services

The following table indicates the highlights of the financial year:

Highlights	Description
Decommissioning of XP operating systems	The majority of Beaufort West Municipality's computers were still equipped with XP operating systems on 1 July 2017. Due to Microsoft's announcement that they will no longer support XP operating systems, the Municipality had to upgrade all the computers from XP to Windows 8. This caused financial and operational resources to be depleted to ensure a smooth transition with minimal disruption to the end-users. The Municipality succeeded to upgrade the majority of its computers (approximately 160 units) to Windows 8 Operating systems, with the exception of those computers used by the cashiers which were kept on Windows 7 Operating systems as a work around for the compatibility issues between SEBATA Financial Management Services and Windows 8
Cooperation with Central Karoo District Municipality	Beaufort West Municipality reached an agreement with the Central Karoo District Municipality, whereby it was agreed to share ICT resources to be more cost effective for both municipalities. The crux of the agreement is that the disaster recovery sites for both parties will be hosted at the District Municipality whilst Beaufort West Municipality will be hosting the live environments

Table 146. ICT Services highlights

c) Challenges: ICT services

The table below indicates the challenges faced during the financial year:

Description	Description
Implementation of mSCOA related infrastructure	Servers and network were upgraded within a limited budget and capacity and successfully completed the upgrade to be mSCOA compliant
Implementation of wireless system for entire Municipality	The implementation of VOIP created a situation where staff members not using computers did not have telephone connectivity. The ICT section expanded the local area network to ensure connectivity for all users
Network connectivity with Murraysburg Office	Poor network connectivity between the Murraysburg satellite office and Beaufort West Main Office prevented the successful implementation mSCOA. Alternative service provider was sourced who could provide with sufficient network linkage and coverage and is working effectively
Upgrade of internet bandwidth	The current network communication services provider's connection speed was not sufficient for mSCOA to function properly. The Municipality acquire the services of cell phone network provider whom provided network speeds of up to 20Mbps which is sufficient for mSCOA to work effectively
Compatibility between operating systems and financial system	The developers of the Financial Management System did not amend their software to be fully compatible with Windows 8. 6 computers were not upgraded and remained on Windows 7 to ensure that the Municipality can be compatible with the financial system
ICT operation versus ICT governance	An ongoing challenge exists to comply with the daily operational requirements crucial for service delivery versus governance requirements that can hamper service delivery. Therefore, governance requirements are not 100% met to the standard of the Auditor-General which results in audit findings on governance issues

Table 147. ICT Services challenges



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3.9.5 Procurement Services

a) Highlights: Procurement Services

The following table indicates the highlights of the financial year:

Highlights	Description
mSCOA	The successful implementation of mSCOA will improve the Centralisation of SCM procurement processes
Assistance from Provincial Treasury	Provincial Treasury, together with the Department of Local Government, has committed them to assess the Municipality and draw up and implementation support plan to assist with crucial gaps identified and provide a support system to effectively and efficiently deliver services to the community
Compliance assessment - Provincial Treasury	Compliance assessment was done by Provincial Treasury to assist and improve with audit outcomes and clean governance of the SCM processes. Report was submitted to the SCM Unit and the CFO. This assessment will be presented to the Municipal Manager and Council

Table 148. Procurement Services highlights

b) Challenges: Procurement Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Decentralised procurement system	The implementation of mSCOA will address this issue. We will improve on in-house procedures and develop standard operating procedures going forward
Shortage of capacity in the SCM Unit	Appoint suitably qualified individuals in the Unit to assist in the effective management of the procurement procedures
Contract management	Appoint personnel to develop the contract management unit and build process and procedures to assist with the effective implementation of SCM functions

Table 149. Procurement Services challenges

c) Service statistics for Procurement Services

The following table indicates the performance statistics of Procurement Services:

Description	Total No.	Monthly average	Daily average
Requests processed	28	2	1
Orders processed	3067	505	26
Requests cancelled or referred back	5	1	0
Extensions	2	0	0
Bids received (number of documents)	128	10	1
Bids awarded	19	1	1
Bids awarded below R200 000	12	1	0
Appeals registered	0	0	0
Successful appeals	0	0	0

Table 150. Service statistics for Procurement Services

d) Details of deviations for Procurement Services

The following table indicates the detail of deviations incurred during the financial year:

Type of deviation	Number of deviations	Percentage of total deviations number	Value of deviations R	Percentage of total deviations value
Emergency	14	7.73	355 435	9.8



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Type of deviation	Number of deviations	Percentage of total deviations number	Value of deviations R	Percentage of total deviations value
Sole supplier	68	37.57	2 490 042	68.6
Acquisition of special works of art or historical objects where specifications are difficult to compile	0	0	0	0
Any other exceptional case where it is impossible or impractical to follow the official procurement process	99	54.70	785 094	21.6
Total	181	100	3 630 572	100

Table 151. Statistics of deviations: Procurement Services

3.9.6 Municipal buildings

a) Introduction to municipal buildings

Maintenance on municipal buildings are done on an ad hoc basis due to financial constraints. Budget was made available during the financial year for the upgrade of municipal stores.

A indigent household team, under the EPWP project, was established in accordance with EPWP standards to create job opportunities. This project involved the fixing of leaks at indigent households to enhance water saving measures.

b) Highlights: Municipal buildings

The following table indicate the highlight of the financial year:

Highlights	Description
External renovations	External renovations were done at the municipal museum, Council Chamber and library

Table 152. Municipal buildings highlight

c) Challenges: Municipal buildings

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Insufficient staff allocation to implement the function effectively	Create separate team for indigent households

Table 153. Municipal buildings challenge

d) Cost of maintenance of municipal buildings

The table below shows the costs involved for the maintenance of buildings within the municipal area:

Maintenance details	2015/16	2016/17
Municipal	R5 402 228	R308 930
Total	R5 402 228	R308 930

Table 154. Cost of maintenance of municipal buildings

e) Employees: Municipal buildings

The table below indicates the number of staff employed within the Unit:

Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
		Number			
Top management	17	0	0	0	0
Senior management		0	0	0	0



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Occupational level	2015/16	2016/17			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Middle management and professionals		1	1	0	0
Skilled technically, superintendents, etc.		1	1	0	0
Semi-skilled		6	5	1	16.67
Unskilled		9	8	1	11.11
Total	17	17	15	2	11.76

Table 155. Employees: Municipal building

3.9.7 Fleet Management Services

a) Introduction to Fleet Management Services

i) The goal:

Provide a safe, reliable and cost effective fleet to different departments in a manner that the service to the community can be delivered in a timely manner.

The fleet consist of 80 vehicles, including:

- Motor vehicles;
- Light duty vehicles;
- Trucks and tractors;
- Earth moving vehicle; and
- Compressors and small plants

ii) Objective:

To achieve the aim of our Municipality's Fleet Management Plan, key objectives for fleet services have been set as follow:

- Maintain fleet costs effectively and in a timely manner
- Put internal control methods in place to prevent fraud and fruitless expenditures
- Implementing policies formulated by Council to delivered a efficient service to the community
- Share values, norms and expectations
- Provide a safe and reliable fleet by keeping fleet in a roadworthy condition
- Implementing replacement policies ensuring vehicles are always road and service ready
- Building team support, trust, cooperation and evaluate performance of all employees
- Keep a thorough record of statistics of vehicle history, logs, petrol usage, vehicles issued and availability
- Set up reports that is transparent and accessible to responsible people

The functions of the Fleet Management Section are as follow:

- Vehicle maintenance and repairs
- Driver management
- Vehicle financing
- Fuel management
- Monthly, quarterly and annually reports



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- Licensing and road worthiness of fleet vehicles

b) Highlights: Fleet Management Services

The following table indicates the highlights of the financial year:

Highlights	Description
Leasing of new vehicles	Leasing of fleet brought better services to communities
Fleet were kept in roadworthy condition	Roadworthy tests and licensing of fleet vehicles were done on time
Scheduled repairs and services	Fleet vehicles were serviced on time which prevented unforeseen costs to be incurred and quality services provided

Table 156. Fleet Management Services highlights

c) Challenges: Fleet Management Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Aging fleet	75% of the fleets lifespan ranges from 16 to 66 years which brings a high maintenance risk in terms of cost and repairs. Council needs to adopt a Fleet Replacement Policy and replace old outdated fleet
Misuse of fleet	Disciplinary procedures needs to be put in place to ensure employees are held accountable for not complying with Council standards
Disparities between different departments	Procedures needs to be put in place and the acknowledgement of line functions clearly set out
Payment of suppliers	Council need to make provision and see that suppliers get paid within 30 days after submitting invoices

Table 157. Fleet Management Services challenges

3.10 Component H: Service Delivery Priorities for 2017/18

The main development and service delivery priorities for 2017/18 forms part of the Municipality's Top Layer SDBIP for 2017/18 and are indicated in the tables below:

3.10.1 Ensure liquidity of the administration

Ref	KPI	Unit of measurement	Wards	Annual target
TL13	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2018 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant]x 100]	Debt to Revenue as at 30 June 2018	All	45%
TL14	Financial viability measured in terms of the outstanding service debtors as at 30 June 2018 [(Total outstanding service debtors/ revenue received for services)x 100]	Service debtors to revenue as at 30 June 2018	All	35%
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2018 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Cost coverage as at 30 June 2018	All	1
TL16	Achieve an payment percentage of at least 88% by 30 June 2018 [(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue x 100]	Payment % achieved by 30 June 2018	All	88%

Table 158. Service delivery priority for 2017/18: Ensure liquidity of the administration



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3.10.2 Establishment of a well governed and accountable administration

Ref	KPI	Unit of measurement	Wards	Annual target
TL11	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	1
TL12	0.10% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2018 ((Actual amount spent on training/total personnel budget)x100)	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0.10%
TL28	Limit vacancy rate quarterly to 35% of budgeted posts (Number of funded posts vacant divided by number of budgeted funded posts)	% vacancy rate	All	35%
TL35	Compile the Risk based audit plan for 2018/19 and submit to Audit committee for consideration by 30 June 2018	Risk based audit plan submitted to Audit committee by 30 June 2018	All	1
TL36	70% of the Risk based audit plan for 2017/18 implemented by 30 June 2018 [(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP)x100]	% of the Risk Based Audit Plan implemented by 30 June 2018	All	70%
TL40	Spent 80% on the approved amount budgeted for the implementation of the Workplace Skills Plan (WSP) by 30 June 2018 [(Actual expenditure divided / the approved total budget amount for WSP)x100]	% budget spent on implementation of Workplace Skills Plan	All	80%

Table 159. Service delivery priority for 2017/18: Establishment of a well governed and accountable administration

3.10.3 Provide for the needs of indigent households through improved services

Ref	KPI	Unit of measurement	Wards	Annual target
TL5	Provide free basic water to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2018	Number of indigent households receiving free basic water as at 30 June 2018	All	6 153
TL6	Provide free basic electricity to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2018	Number of indigent households receiving free basic electricity as at 30 June 2018	All	5 094
TL7	Provide free basic sanitation to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2018	Number of indigent households receiving free basic sanitation as at 30 June 2018	All	5 953
TL8	Provide free basic refuse removal to indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2018	Number of indigent households receiving free basic refuse removal as at 30 June 2018	All	2 480
TL41	Submit housing proposals for Murraysburg, Merweville and Nelspoort to the Department of Human Settlements by 31 December 2017	Number of housing proposals submitted	All	3

Table 160. Service delivery priority for 2017/18: Provide for the needs of indigent households through improved services

3.10.4 Provision of basic services to all the people in the municipal area

Ref	KPI	Unit of measurement	Wards	Annual target
TL1	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre paid meters as at 30 June 2018	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2018	All	13 500
TL2	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2018	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2018	All	12 462
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2018	Number of residential properties which are billed for sewerage as at 30 June 2018	All	11 870



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Ref	KPI	Unit of measurement	Wards	Annual target
TL4	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2018	Number of residential properties which are billed for refuse removal as at 30 June 2018	All	11 346
TL32	Spend 100% of the library grant by 30 June 2018 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2018	All	100%
TL42	Compile an "Impounding of animals" by-law and submit draft to Council by 31 March 2018	Draft By-law submitted to Council by 31 March 2018	All	1
TL45	Compile a Traffic Services Strategy and submit draft to Council by 31 March 2018	Draft Strategy submitted to Council by 31 March 2018	All	1
TL46	Compile a Fire Services Strategy and submit draft to Council by 31 March 2018	Draft Strategy submitted to Council by 31 March 2018	All	1
TL47	Review the Integrated Waste Management Plan and submit to Council by 31 March 2018	Plan reviewed and submitted to Council by 31 March 2018	All	1

Table 161. Service delivery priority for 2017/18: Provision of basic services to all the people in the municipal area

3.10.5 Sustainability of the environment

Ref	KPI	Unit of measurement	Wards	Annual target
TL17	Limit unaccounted for water quarterly to less than 38% during 2017/18 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified × 100]	% unaccounted water	All	38%
TL18	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	All	95%
TL19	90% of waste water samples in the Beaufort West jurisdiction area comply with outflow water permit values	% of test results within permit values	All	90%
TL33	Limit unaccounted for electricity to less than 12% quarterly {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} × 100}	% unaccounted electricity	All	12%
TL43	Submit a proposal to the Department of Environmental Affairs and Development Planning (DEADP) by 31 December 2017 to obtain funding for the compilation of an Air Quality Management Plan	Proposal submitted to DEADP by 31 December 2017	All	1

Table 162. Service delivery priority for 2017/18: Sustainability of the environment

3.10.6 To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

Ref	KPI	Unit of measurement	Wards	Annual target
TL10	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2018	Number of temporary jobs opportunities created by 30 June 2018	All	40

Table 163. Service delivery priority for 2017/18: To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development

3.10.7 To improve and maintain current basic service delivery through specific infrastructural development projects

Ref	KPI	Unit of measurement	Wards	Annual target
TL9	The percentage of the municipal capital budget spent by 30 June 2018 (Actual amount spent / Total amount budgeted for capital projects) × 100	% of capital budget spent by 30 June 2018	All	85%
TL20	85% of the roads and stormwater assets maintenance budget spent by 30 June 2018 [(Actual expenditure on maintenance divided by the total approved budget for maintenance) × 100]	% of budget spent by 30 June 2018	All	85%
TL21	85% of the sanitation assets maintenance budget spent by 30 June 2018 [(Actual expenditure on maintenance divided by the total approved budget for maintenance) × 100]	% of budget spent by 30 June 2018	All	85%
TL22	85% of the parks and recreation maintenance budget spent by 30 June 2018 [(Actual expenditure on maintenance divided by the total approved budget for maintenance) × 100]	% of budget spent by 30 June 2018	All	85%



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Ref	KPI	Unit of measurement	Wards	Annual target
TL23	85% of the water assets maintenance budget spent by 30 June 2018 [(Actual expenditure on maintenance divided by the total approved budget for maintenance)x100]	% of budget spent by 30 June 2018	All	85%
TL24	Upgrade the Beaufort West Rugby Field by 30 June 2018	Upgrade completed by 30 June 2018	3; 4; 5; 6; 7	1
TL25	Upgrade the Kwa-Mandlenkosi sport field by 30 June 2018	Upgrade completed by 30 June 2018	4	1
TL26	85% of the approved project budget spent by 30 June 2018 to upgrade Protea Street and Oak Street from gravel to paved in Beaufort West [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2018	5	85%
TL27	85% of the approved project budget spent by 30 June 2018 to upgrade Michael de Villiers/ James Smith Street from gravel to paved [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2018	6	85%
TL34	85% of the electricity maintenance budget spent by 30 June 2018 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of the electricity maintenance budget spent by 30 June 2018	All	85%
TL37	Upgrade 2 000 meters identified gravel roads to paved/tar roads in the municipal area by 30 June 2018	Metres of gravel road converted to paved/tar road by 30 June 2018	All	2 000
TL38	Install 3 high mast lights in Murraysburg by 30 June 2018	Number of high mast lights installed	1	3
TL39	Install 8 high mast lights in Beaufort West by 30 June 2018	Number of high mast lights installed	All	8
TL44	Spend 85% of the refuse removal maintenance budget by 30 June 2018 [(Actual expenditure on maintenance budget divided by the total approved maintenance budget)x100]	% of budget spent by 30 June 2018	All	85%
TL48	85% of the approved project budget spent by 30 June 2018 to upgrade the Murraysburg sewerage oxidation ponds [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2018	1	85%
TL49	85% of the approved project budget spent by 30 June 2018 to rehabilitate roads & stormwater in Murraysburg [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2018	1	85%
TL50	85% of the approved project budget spent by 30 June 2018 to upgrade Freddie Max Crescent in Nelspoort from a gravel road to a paved road [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2018	2	85%
TL51	Upgrade the tennis courts in Voortrekker street Beaufort by 30 June 2018	Upgrade completed by 30 June 2018	2	1
TL52	Complete the parks in Merweville, Barakke & Makoekoebuld by 30 June 2018	Number of parks completed	3; 7	3
TL53	Complete the investigation for new aquifers for Beaufort West by 30 June 2018	Investigation completed by 30 June 2018	All	1
TL54	85% of the approved project budget for 2017/18 spent by 30 June 2018 to rehabilitate the Bulk Water Scheme - Klein Hans Rivier	% of budget spent by 30 June 2018	All	85%

Table 164. Service delivery priority for 2017/18: To improve and maintain current basic service delivery through specific infrastructural development projects

3.10.8 Transparency and participation

Ref	KPI	Unit of measurement	Wards	Annual target
TL29	Compile and submit the final annual report and oversight report for 2016/17 to Council by 31 March 2018	Final annual report and oversight report for 2016/17 submitted to Council by 31 March 2018	All	2
TL30	Submit the Top layer SDBIP for the 2018/19 budget for approval by the Mayor within 14 days after the budget has been approved	Top Layer SDBIP for the 2018/19 budget submitted to the Mayor within 14 days after the budget has been approved	All	1
TL31	Draft the annual performance report for 2016/17 and submit to the Auditor General by 31 August 2017	Annual performance report for 2016/17 submitted to the Auditor General by 31 August 2017	All	1

Table 165. Service delivery priority for 2017/18: Transparency and participation



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CHAPTER 4

4.1 National KPI – Municipal transformation and organisational development

The following table indicates the Municipality's performance in terms of the National KPI required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI's are linked to the National KPA – Municipal transformation and organisational development.

KPA and Indicators	Municipal achievement	Municipal achievement
	2015/16	2016/17
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	3	2
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	40.34%	53.95%

Table 166. National KPIs– Municipal transformation and organisational development

4.2 Introduction to the municipal workforce

The Municipality currently employs 375 (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of HR management is to render an innovative service that addresses both skills development and an administrative function.

4.2.1 Employment equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The National KPA also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

a) Employment equity targets and actuals

African		Coloured		Indian		White	
Target	Actual	Target	Actual	Target	Actual	Target	Actual
10	4	7	9	0	0	0	4

Table 167. 2016/17 Employment equity targets and actuals by racial classification

Males (including disability)		Females (including disability)	
Target	Actual	Target	Actual
6	11	11	6

Table 168. 2016/17 Employment equity targets and actuals by gender classification

b) Specific occupational categories - Race

The table below indicates the number of employees (excluding vacancies) by race within the specific occupational categories:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	0	0	0	0	0	0	0	0
Senior management	1	1	0	1	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	2	4	0	2	0	4	0	1	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	10	33	0	3	3	4	0	1	54
Semi-skilled and discretionary decision making	23	61	0	4	16	53	0	8	165
Unskilled and defined decision making	31	76	0	0	13	20	0	0	140



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Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Total permanent	67	175	0	10	32	81	0	0	375
Non-permanent employees	2	7	0	4	3	16	0	0	32
Grand total	69	182	0	14	35	97	0	10	407

Table 169. Occupational categories

4.2.2 Vacancy rate

The approved organogram of the Municipality had 441 posts for the 2016/17 financial year. The actual positions filled are indicated in the tables below by post and by functional level. 66 posts were vacant at the end of 2016/17, resulting in a vacancy rate of 14.96%. The table below indicates a breakdown of vacancies within the Municipality:

Per post level		
Post level	Filled	Vacant
Municipal Manager and MSA Section 57 and 56 employees	3	3
Middle management (T14-T19)	7	2
Admin officers (T4-T13)	233	30
General workers (T3)	132	31
Total	375	66
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	7	5
Corporate Services	37	2
Financial Services	40	5
Community Services	82	9
Engineering Services	160	35
Electro Technical Services	25	6
Murraysburg	24	4
Total	375	66

Table 170. Vacancy rate per post and functional level

4.2.3 Staff turnover rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional knowledge. The staff turnover rate shows an increase from 5.23% in 2015/16 to 7.73% in 2016/17.

Below is a table that shows the staff turnover rate within the Municipality:

Financial year	Appointments at the end of each Financial Year	New appointments	Terminations during the year	Turn-over Rate
2015/16	344	10	18	5.23%
2016/17	375	56	29	7.73%

Table 171. Staff turnover rate



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4.3 Managing the municipal workforce

Managing the municipal workforce refers to analysing and coordinating employee behavior.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injuries will influence the loss of man hours and therefore financial and productivity performance. The number of injuries increased from 10 for 2015/16 to 27 for the 2016/17 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2015/16	2016/17
Municipal Manager	0	0
Corporate Services	0	0
Financial Services	0	0
Community Services	4	12
Engineering Services	4	13
Electro Technical Services	2	2
Total	10	27

Table 172. Injuries

4.3.2 Sick leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2016/17 financial year shows a decrease when compared with the 2015/16 financial year.

The table below indicates the total number of sick leave days taken within the different directorates:

Department	2015/16	2016/17
Municipal Manager	6	8
Corporate Services	369	499
Financial Services	452	462
Community Services	1 675	1 125
Engineering Services	1 507	1 795
Electro Technical Services	46	50
Total	4 055	3 939

Table 173. Sick Leave



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4.3.3 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and still needs to be approved:

<i>Approved policies</i>	
<i>Name of policy</i>	<i>Date approved/ revised</i>
<i>Employment Policy</i>	<i>All policies to be reviewed</i>
<i>Internal Conditions of Service</i>	
<i>Sexual harassment</i>	
<i>Subsistence and Travelling</i>	
<i>Training and Development</i>	
<i>Language</i>	
<i>Support Staff</i>	
<i>Cell Phone</i>	
<i>Induction Training and Staff Orientation</i>	
<i>Internal control: Salaries and grants</i>	
<i>Study</i>	
<i>IT</i>	
<i>HIV/AIDS</i>	
<i>Induction programme</i>	
<i>Draft policies</i>	
<i>Name of policy</i>	<i>Action to address and approve</i>
<i>Individual Performance Management Policy</i>	<i>All draft policies to be approved/reviewed</i>
<i>Telecoms and Cellular Phone Allowances Policy</i>	
<i>Fixed Transport Allowance Policy</i>	
<i>Essential Transport Allowances Policy</i>	
<i>Removal Expenses Policy</i>	
<i>Recruitment and Selection Policy</i>	
<i>Internal and Functional Transfers Policy</i>	
<i>Remuneration Policy</i>	
<i>Non-Pensionable Accommodation Allowance Policy</i>	
<i>Working Hours Policy</i>	
<i>Termination of Services Policy</i>	
<i>Leave and Absence Policy</i>	
<i>HR Records Systems Policy</i>	
<i>Official Vehicles and Fleet Management Policy</i>	
<i>Gift Policy</i>	
<i>Office Ethics Policy</i>	
<i>Acting Arrangements Policy</i>	
<i>Private Work Policy</i>	
<i>External Communication Policy</i>	
<i>Confidentiality Policy</i>	
<i>Legal Aid Policy</i>	



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Approved policies	
Education, Training and Development Policy	
Induction Policy	
Mentoring and Coaching Policy	
Employee Study Aid and Leave Policy	
Succession Planning and Career Pathing Policy	
MFMP Internship Policy	
Learnership Policy	
Experiential Training Policy	
Employee Driving Licence Assistance Policy	
Fire and Rescue Training Academy Policy	
Employee Assistance Programme (EAP) Policy	
Substance Abuse Policy	
Incapacity Policy	
Occupational Health and Safety (OHS) Policy	
HIV/AIDS Policy	
Smoking Policy	
Bereavement Policy	
Employment Equity Policy Framework	
Gender Policy	
Sexual Harassment Policy	
Disability Policy	
The Municipality procured the services of Agitominds to redesign the organizational structure of the Municipality in line with strategic objectives of the IDP. The service provider was also instructed to review all outdated policies that are not in line with the legislative requirements and collective agreement.	

Table 174. HR Policies and Plans

4.4 Capacitating the municipal workforce

Section 68(1) of the MSA states that a municipality must develop its HR capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the HR capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.4.1 Skills matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year (2016/17)	Number of employees that received training (2016/17)
Municipal Manager and Section 57 employees	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	0	0
	Male	0	0
Associate professionals and technicians	Female	0	0
	Male	0	0
Professionals	Female	0	0
	Male	0	0
Clerks	Female	0	0



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Management level	Gender	Number of employees identified for training at start of the year (2016/17)	Number of employees that received training (2016/17)
	Male	0	0
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	5	5
	Male	25	25
Plant and machine operators and assemblers	Female	1	1
	Male	9	9
Elementary occupations	Female	21	21
	Male	39	29
Sub-total	Female	27	27
	Male	73	63
Total		100	90

Table 175. Skills matrix

4.4.2 Skills development – Training provided

The SDA and the MSA requires employers to supply employees with the necessary training in order to develop its HR capacity. Section 55(1)(f) states that the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below gives an indication of the training provided to employees for the financial year:

Occupational categories	Gender	Training provided within the reporting period (2016/17)	
		Learnerships	
		Target	Actual
Municipal Manager and Section 57 employees	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	0	0
	Male	0	0
Professionals	Female	0	0
	Male	0	0
Technicians and associate professionals	Female	0	0
	Male	0	0
Clerks	Female	0	0
	Male	0	0
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	5	5
	Male	25	25
Plant and machine operators and assemblers	Female	1	1
	Male	9	9
Elementary occupations	Female	21	21
	Male	39	29
Sub-total	Female	27	27
	Male	73	73



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Occupational categories	Gender	Training provided within the reporting period (2016/17)	
		Learnerships	
		Target	Actual
Total		200	190

Table 176. Skills development

4.4.3 Skills development - Budget allocation

The table below indicates the budget allocated towards the workplace skills plan:

Financial year	Total personnel budget	Total allocated	Total spent	% Spent
	R'000			
2015/16	81 281	357	144	40.34
2016/17	86 951	380	205	53.95

Table 177. Budget allocated and spent for skills development

4.4.4 MFMA competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior managers	3	1	2	3
Any other financial officials	4	1	4	4
SCM officials				
Heads of SCM Units	1	1	1	1
SCM senior managers	2	1	2	2
Total	12	6	11	12

Table 178. MFMA competencies

4.5 Managing the Municipal workforce expenditure

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.5.1 Personnel expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is within the national norm of between 35% to 40%:



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Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		
2015/16	84 402	320 265	26.35
2016/17	87 693	240 101	36.52

Table 179. Personnel expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2015/16	2016/17		
	Actual	Original budget	Adjusted budget	Actual
Description	R'000			
<u>Councillors (political office bearers plus other)</u>				
Salary	3 286	3 459	3 514	3 989
Pension contributions	287	339	339	163
Medical-aid contributions	45	47	47	50
Motor vehicle allowance	642	830	830	293
Cell phone allowance	262	292	292	275
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	63
In-kind benefits	0	0	0	0
Sub Total	4 522	4 967	5 021	4 833
% increase/ (decrease)	(5.32)	9.84	1.09	(3.74)
<u>Senior managers of the Municipality</u>				
Pension contributions	4 157	5 064	5 064	4 958
Pension contributions	581	637	637	502
Medical-aid contributions	28	30	30	0
Motor vehicle allowance	517	540	540	463
Cell phone allowance	0	0	0	7
Housing allowance	0	0	0	2
Performance Bonus	480	661	661	488
Other benefits or allowances	47	0	0	686
In-kind benefits	0	0	0	0
Sub Total	5 810	6 931	6 931	7 106
% increase/ (decrease)	(7.34)	19.29	0.00	2.52
<u>Other municipal staff</u>				
Basic salaries and wages	55 991	61 472	58 671	59 898
Pension contributions	7 969	10 082	9 226	8 981
Medical-aid contributions	1 310	1 347	1 415	2 357
Motor vehicle allowance	1 370	1 583	1 521	2 100
Cell phone allowance	0	0	0	0
Housing allowance	902	885	955	926
Overtime	2 800	1 594	2 716	3 391



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<i>Financial year</i>	<i>2015/16</i>	<i>2016/17</i>		
<i>Description</i>	<i>Actual</i>	<i>Original budget</i>	<i>Adjusted budget</i>	<i>Actual</i>
	<i>R'000</i>			
<i>Other benefits or allowances</i>	3 727	3 058	3 123	10 040
<i>Sub-total</i>	74 069	80 020	77 627	87 693
<i>% increase/ (decrease)</i>	(1.26)	8.03	(2.99)	12.97
<i>Total Municipality</i>	84 402	91 918	89 579	99 632
<i>% increase/ (decrease)</i>	(1.92)	8.91	(2.54)	11.22

Table 180. Councillor and staff benefits



CHAPTER 5: FINANCIAL SUMMARY

CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2015/16 financial year.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 Financial summary

The table below indicates the summary of the financial performance for the 2015/16 financial year:

Financial summary							
R'000							
Description	2015/16	2016/17			2016/17 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget	
Financial performance							
Property rates	26 584	28 305	28 861	28 915	2.11	0.19	
Service charges	97 608	110 853	112 462	102 526	(8.12)	(9.69)	
Investment revenue	1 883	1 260	1 260	1 354	6.91	6.91	
Transfers recognised - operational	96 002	63 897	63 597	62 301	(2.56)	(2.08)	
Other own revenue	73 476	59 378	56 206	78 611	24.47	28.50	
Total revenue (excluding capital transfers and contributions)	295 553	263 692	262 385	273 706	3.66	4.14	
Employee costs	79 879	86 951	84 558	87 691	0.84	3.57	
Remuneration of Councillors	4 522	4 967	5 021	4 784	(3.82)	(4.96)	
Depreciation and asset impairment	15 347	16 152	16 152	16 188	0.22	0.22	
Finance charges	5 754	1 633	1 612	6 590	75.22	75.55	
Materials and bulk purchases	72 155	87 136	84 614	75 821	(14.92)	(11.60)	
Transfers and grants	35	150	171	98	(52.84)	(74.24)	
Other expenditure	141 639	80 771	85 578	98 744	18.20	13.33	
Total expenditure	319 333	277 760	277 707	289 916	4.19	4.21	
Surplus/(deficit)	(23 779)	(14 068)	(15 322)	(16 210)	13.21	5.48	
Transfers recognised - capital	14 486	30 545	56 996	42 381	27.93	(34.49)	
Contributions recognised - capital and contributed assets	70	0	0	1 400	100.00	100.00	
Surplus/(deficit) after capital transfers and contributions	(9 223)	16 477	41 674	27 571	40.24	(51.16)	
Capital expenditure and funds sources							
Capital expenditure							
Transfers recognised - capital	14 486	30 545	56 996	42 381	27.93	(34.49)	
Public contributions and donations	70	0	0	1 400	100.00	100.00	
Borrowing	2 509	0	0	6 898	100.00	100.00	
Internally generated funds	1 421	3 623	3 203	1 282	(182.53)	(149.80)	



CHAPTER 5: FINANCIAL SUMMARY

Financial summary						
R '000						
Description	2015/16	2016/17			2016/17 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
<i>Total sources of capital funds</i>	18 487	34 168	60 199	51 962	34.24	(15.85)
<u>Financial position</u>						
<i>Total current assets</i>	57 867	59 973	51 257	54 520	(10.00)	5.98
<i>Total non-current assets</i>	471 957	506 329	516 509	507 881	0.31	(1.70)
<i>Total current liabilities</i>	59 047	53 388	54 531	59 714	10.59	8.68
<i>Total non-current liabilities</i>	60 928	47 088	64 020	68 558	31.32	6.62
<i>Community wealth/equity</i>	409 849	465 826	449 215	434 128	(7.30)	(3.48)
<u>Cash flows</u>						
<i>Net cash from (used) operating</i>	19 627	31 620	53 376	39 841	20.64	(33.97)
<i>Net cash from (used) investing</i>	(18 599)	(34 278)	(60 638)	(52 290)	34.45	(15.96)
<i>Net cash from (used) financing</i>	(1 200)	974	(1 265)	2 518	61.32	150.24
<i>Cash/cash equivalents at the year end</i>	(172)	(1 685)	(8 527)	(9 931)	83.03	14.14
<u>Cash backing/surplus reconciliation</u>						
<i>Cash and investments available</i>	12 944	4 321	9 003	6 637	34.90	(35.64)
<i>Application of cash and investments</i>	(8 061)	2 483	(5 335)	(12 910)	119.24	58.68
<i>Balance - surplus (shortfall)</i>	4 883	6 805	3 668	(6 272)	208.49	158.48
<u>Asset management</u>						
<i>Asset register summary (WDV)</i>	470 109	506 379	531 823	505 562	(0.16)	(5.19)
<i>Depreciation and asset impairment</i>	15 347	16 152	16 152	15 926	(1.42)	(1.42)
<i>Renewal of existing assets</i>	0	0	0	0	N/A	N/A
<i>Repairs and maintenance</i>	24 108	21 892	19 010	14 309	(52.99)	(32.86)
<u>Free services</u>						
<i>Cost of free basic services provided</i>	16 254	15 389	15 907	18 573	17.14	14.35
<i>Revenue cost of free services provided</i>	5 899	3 487	3 620	6 346	45.06	42.95
<u>Households below minimum service level</u>						
<i>Water</i>	0	0	0	0	N/A	N/A
<i>Sanitation/sewerage</i>	0	0	0	0	N/A	N/A
<i>Energy</i>	0	0	0	0	N/A	N/A
<i>Refuse</i>	0	0	0	0	N/A	N/A
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 181. Financial performance 2016/17



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The table below shows a summary of performance against budgets:

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2015/16	316 536	310 110	(6 426)	(2)	300 305	319 333	(19 028)	(6)
2016/17	319 381	317 487	(1 894)	(1)	277 707	289 916	(12 209)	(4)

Table 182. Performance against budgets

5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2015/16	2016/17			2016/17 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Vote 1 - Municipal Manager	302	0	0	0	N/A	N/A
Vote 2 - Director: Corporate Services	37 850	36 317	36 132	44 357	18.13	18.54
Vote 3 - Director: Financial Services	38 036	36 867	37 217	35 832	(2.89)	(3.87)
Vote 4 - Director: Engineering Services	56 143	68 121	98 000	79 996	14.84	(22.51)
Vote 5 - Director: Community Services	94 664	68 613	62 334	81 726	16.05	23.73
Vote 6 - Director: Electrical Services	83 115	84 319	85 699	75 577	(11.57)	(13.39)
Total revenue by vote	310 110	294 237	319 381	317 487	7.32	(0.60)

Variances are calculated by dividing the difference between actual and original/adjusted budget by the actual

Table 183. Revenue by vote

5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2016/17 financial year:

Description	2015/16	2016/17			2016/17 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Property rates	26 031	27 705	28 261	28 322	2.18	0.22
Property rates - penalties and collection charges	553	600	600	593	(1.24)	(1.24)
Service charges - electricity revenue	63 226	72 655	73 617	63 683	(14.09)	(15.60)
Service charges - water revenue	15 590	17 993	18 232	18 489	2.68	1.39
Service charges - sanitation revenue	12 372	13 361	13 615	13 355	(0.05)	(1.95)
Service charges - refuse revenue	6 420	6 843	6 998	6 999	2.23	0.02
Service charges - other	0	0	0	0	N/A	N/A
Rentals of facilities and equipment	1 085	1 275	1 389	1 229	(3.71)	(12.99)
Interest earned - external investments	1 883	1 260	1 260	1 354	6.91	6.91
Interest earned - outstanding debtors	2 041	2 087	2 563	2 662	21.62	3.72
Dividends received	0	0	0	0	N/A	N/A
Fines	59 217	49 409	44 685	63 670	22.40	29.82
Licences and permits	563	610	612	523	(16.82)	(17.20)



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Description	2015/16		2016/17		2016/17 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Agency services	660	670	670	714	6.18	6.18
Transfers recognised - operational	96 002	63 897	63 597	62 301	(2.56)	(2.08)
Other revenue	9 912	5 327	6 287	11 149	52.22	43.61
Gains on disposal of PPE	0	0	0	64	100.00	100.00
Total revenue (excluding capital transfers and contributions)	295 553	263 692	262 385	275 106	4.15	4.62

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual

Table 184. Revenue by source

5.1.3 Operational services performance

The table below indicates the operational services performance for the 2016/17 financial year:

Description	2015/16		2016/17		2016/17 variance	
	Actual (audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Operating cost						
Governance and administration	60 290	69 363	69 420	75 001	7.52	7.44
Executive and Council	16 033	30 940	30 422	38 694	20.04	21.38
Budget and treasury office	27 990	36 812	37 161	35 798	(2.83)	(3.81)
Corporate Services	16 266	1 611	1 837	509	(216.72)	(261.01)
Community and public safety	107 838	78 847	72 794	79 092	0.31	7.96
Community and social services	9 373	6 901	6 748	6 101	(13.12)	(10.61)
Sport and recreation	6 131	13 812	14 429	1 911	(622.89)	(655.16)
Public safety	65 702	49 401	44 577	64 800	23.76	31.21
Housing	26 633	8 733	7 040	6 281	(39.03)	(12.09)
Economic and environmental services	23 738	4 071	12 130	11 440	64.42	(6.03)
Planning and development	4 414	402	382	370	(8.63)	(3.22)
Road transport	19 324	3 669	11 748	11 070	66.86	(6.13)
Trading services	127 466	141 957	165 038	151 954	6.58	(8.61)
Electricity	79 906	84 319	85 699	75 577	(11.57)	(13.39)
Water	25 739	25 709	29 166	26 631	3.46	(9.52)
Waste water management	8 295	23 605	41 326	40 366	41.52	(2.38)
Waste management	13 526	8 324	8 847	9 380	11.26	5.68
Other	0	0	0	0	N/A	N/A
Total expenditure	319 333	294 237	319 381	317 487	7.32	(0.60)

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual

Table 185. Operational services performance



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5.2 Financial performance per municipal function

The tables below indicates the municipality's performance with regards to each municipal function:

5.2.1 Water services

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	27 283	25 709	29 166	26 631	3.46
Expenditure					
Employees	5 335	5 495	5 382	5 445	(0.93)
Repairs and maintenance	6 194	2 957	3 292	4 047	26.95
Other	14 210	15 662	14 957	13 835	(13.21)
Total operational expenditure	25 739	24 113	23 631	23 327	(3.37)
Net operational (service)	1 544	1 596	5 535	3 304	51.71

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 186. Financial performance: Water services

5.2.2 Waste water (sanitation) services

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	24 157	23 605	41 326	40 366	41.52
Expenditure					
Employees	3 450	4 601	4 019	3 980	(15.61)
Repairs and maintenance	527	1 023	1 188	802	(27.53)
Other	4 318	5 094	5 334	4 672	(9.04)
Total operational expenditure	8 295	10 718	10 541	9 454	(13.37)
Net operational (service)	15 862	12 887	30 785	30 912	58.31

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 187. Financial performance: Waste water (sanitation) services

5.2.3 Electricity

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	83 115	84 319	85 699	75 577	(11.57)
Expenditure:					
Employees	6 873	8 233	7 760	7 865	(4.69)
Repairs and maintenance	8 406	4 250	3 289	1 592	(167.00)
Other	64 628	63 796	65 071	61 758	(3.30)
Total operational expenditure	79 906	76 279	76 121	71 214	(7.11)
Net operational (service)	3 209	8 040	9 579	4 362	(84.29)

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 188. Financial performance: Electricity



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5.2.4 Waste Management

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	8 218	8 324	8 847	9 380	11.26
Expenditure					
Employees	6 987	7 160	6 840	7 575	5.48
Repairs and maintenance	2 099	2 651	2 196	1 535	(72.68)
Other	4 440	3 938	4 484	3 780	(4.18)
Total operational expenditure	13 526	13 749	13 519	12 890	(6.66)
Net operational (service)	(5 308)	(5 425)	(4 672)	(3 510)	(54.56)

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 189. Financial performance: Waste management

5.2.5 Housing

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	25 441	8 73	7 040	6 281	(39.03)
Expenditure					
Employees	858	940	884	902	(4.22)
Repairs and maintenance	242	140	1 008	214	34.41
Other	25 533	8 909	6 280	6 235	(42.90)
Total operational expenditure	26 633	9 989	8 172	7 350	(35.90)
Net operational (service)	(1 192)	(1 257)	(1 132)	(1 069)	(17.53)

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 190. Financial performance: Housing

5.2.6 Road transport

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	3 059	3 669	11 748	11 070	66.86
Expenditure					
Employees	10 418	10 908	10 450	10 937	0.26
Repairs and maintenance	2 965	5 222	3 149	2 378	(119.66)
Other	5 941	9 124	8 605	6 182	(47.59)
Total operational expenditure	19 324	25 255	22 204	19 496	(29.54)
Net operational (service)	(16 265)	(21 586)	(10 456)	(8 427)	(156.17)

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 191. Financial performance: Road transport



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5.2.7 Planning and development

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	719	402	382	370	(8.63)
Expenditure					
Employees	3 605	3 720	3 806	4 109	9.45
Repairs and maintenance	80	146	135	86	(70.03)
Other	729	1 237	1 305	872	(41.85)
Total operational expenditure	4 414	5 103	5 246	5 066	(0.72)
Net operational (service)	(3 695)	(4 701)	(4 864)	(4 696)	(0.10)

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 192. Financial performance: Planning and development

5.2.8 Community and social services

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	7 264	6 901	6 748	6 101	(13.12)
Expenditure					
Employees	6 938	6 962	6 587	6 933	(0.41)
Repairs and maintenance	645	711	655	688	(3.39)
Other	1 790	3 248	3 057	1 915	(69.63)
Total operational expenditure	9 373	10 921	10 299	9 536	(14.52)
Net operational (service)	(2 109)	(4 020)	(3 551)	(3 435)	(17.02)

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 193. Financial performance: Community and social services

5.2.9 Public safety

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	59 111	49 401	44 577	64 800	23.76
Expenditure					
Employees	8 011	8 344	9 105	9 694	13.93
Repairs and maintenance	401	736	608	510	(44.33)
Other	57 290	36 342	37 370	54 642	33.49
Total operational expenditure	65 702	45 423	47 083	64 846	29.95
Net operational (service)	(6 591)	3 979	(2 506)	(46)	8 747.06

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 194. Financial performance: Public safety



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5.2.10 Sport and recreation

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	1 281	13 812	14 429	1 911	(622.89)
Expenditure					
Employees	4 408	5 349	5 272	5 292	(1.08)
Repairs and maintenance	1 254	1 593	1 371	1 103	(44.33)
Other	469	787	676	577	(36.44)
Total operational expenditure	6 131	7 729	7 319	6 972	(10.85)
Net operational (service)	(4 850)	6 083	7 109	(5 062)	(220.17)

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 195. Financial performance: Sport and recreation

5.2.11 Executive and Council

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	30 914	30 940	30 422	38 694	20.04
Expenditure					
Employees	4 371	4 632	4 607	4 499	(2.97)
Repairs and maintenance	1	3	3	2	(48.77)
Other	11 661	10 671	12 277	13 772	22.51
Total operational expenditure	16 033	15 307	16 887	18 273	16.23
Net operational (service)	14 881	15 633	13 535	20 421	23.45

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 196. Financial performance: Executive and Council

5.2.12 Budget and Treasury Office

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	37 991	36 812	37 161	35 798	(2.83)
Expenditure					
Employees	11 049	12 477	12 072	12 618	1.12
Repairs and maintenance	258	474	429	262	(80.64)
Other	16 684	5 823	8 523	12 388	53.00
Total operational expenditure	27 990	18 773	21 024	25 269	25.71
Net operational (service)	10 001	18 038	16 137	10 529	(71.31)

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 197. Financial performance: Budget and Treasury Office



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5.2.13 Corporate Services

Description	2015/16	2016/17			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	1 557	1 611	1 837	509	(216.72)
Expenditure					
Employees	7 577	8 012	7 657	7 843	(2.16)
Repairs and maintenance	1 036	1 986	1 688	1 090	(82.23)
Other	7 653	5 948	5 880	7 290	18.42
Total operational expenditure	16 266	15 945	15 225	16 222	1.71
Net operational (service)	(14 710)	(14 334)	(13 389)	(15 714)	8.78

Variances are calculated by dividing the difference between the actual and original budget by the actual

Table 198. Financial performance: Corporate Services

5.3 Grants

5.3.1 Grant performance

The Municipality spent a total amount of **R 96 002 000** on infrastructure and other projects available which was received in the form of grants from National and provincial governments during the 2016/17 financial year. The performance in the spending of these grants is summarised as follows:

Description	2015/16	2016/17			2016/17 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
	R'000				%	
Operating transfers and grants						
National government:	63 475	50 111	40 826	52 263	4.12	21.88
Equitable share	44 160	46 569	37 320	46 569	0.00	19.86
Finance management grant	1 444	1 625	1 609	1 611	(0.90)	0.12
Electrification of Central Karoo (INEP)	5 223	0	0	553	100.00	100.00
Expanded public works program	1 736	1 617	1 617	1 617	0.00	0.00
Municipal systems improvement grant	924	0	0	0	N/A!	N/A
MIG - Project management unit	264	300	280	1 914	84.32	85.37
Electricity demand side grant	6 931	0	0	0	N/A	N/A
Accelerated community water supply-DWAF	2 792	0	0	0	N/A	N/A
Provincial government:	31 965	13 786	12 374	12 257	(12.47)	(0.95)
Housing	25 205	8 610	6 918	6 918	(24.47)	0.00
Consumer housing education program	4	0	0	0	N/A	N/A
Main-road subsidy	0	50	50	0	N/A	N/A
Community development workers operating grant	205	206	206	206	0.00	0.00
Library grant	4 231	4 800	4 800	4 733	(1.41)	(1.41)
Thusong centre operating grant	327	0	0	0	N/A	N/A
Municipal systems improvement grant	96	0	0	0	N/A	N/A!
Management support grant	0	120	340	340	64.71	0.00



CHAPTER 5: FINANCIAL SUMMARY

Description	2015/16	2016/17			2016/17 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
		R '000				%
Operating transfers and grants						
Local government	604	0	60	60	100.00	0.00
Financial management support grant	1 292	0	0	0	N/A	N/A
District municipality:	0	0	0	0	N/A	N/A
Shared Services (CKDM)	0	0	0	0	N/A	N/A
Expanded public works program (CKDM)	0	0	0	0	N/A	N/A
Other grant providers:	563	0	0	0	N/A	N/A
Eskom	313	0	0	0	N/A	N/A
Electrification of Central Karoo	250	0	0	0	N/A	N/A
Total operating transfers and grants	96 002	63 897	53 199	64 250	0.97	17.55

Table 199. Operating grant performance

5.3.2 Level of reliance on grants and subsidies

The table below reflects the level of reliance on grants and subsidies

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R '000		%
2015/16	96 002	309 321	31.04
2016/17	62 301	317 487	19.62

Table 200. Reliance on grants

5.4 Financial ratios based on KPIs

The graphs and tables below indicates the Municipality's performance in relation to the financial ratios:

5.4.1 Liquidity ratio

Description	Basis of calculation	2015/16	2016/17
		Audited outcome	Audited outcome
Current ratio	Current assets/current liabilities	1.02	0.93
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.10	0.10
Liquidity ratio	Cash and equivalents/Trade creditors and short term borrowings	0.29	0.11

Table 201. Liquidity financial ratio

5.4.2 IDP regulation financial viability indicators

Description	Basis of calculation	2015/16	2016/17
		Audited outcome	Audited outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.6 times	0.34 times



CHAPTER 5: FINANCIAL SUMMARY

Description	Basis of calculation	2015/16	2016/17
		Audited outcome	Audited outcome
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	19.94%	28.26%
Debt coverage	(Total operating revenue - operating grants)/Debt service payments due within financial year)	25 times	25 times

Table 202. Financial viability national KPAs

5.4.3 Repairs and maintenance

The following table and graph illustrates the Municipality's proportion of operating expenditure in relation to repairs and maintenance:

Description	Basis of calculation	2015/16	2016/17
		Audited outcome	Audited outcome
Repairs and maintenance	RandM/(Total revenue excluding capital revenue)	8.16%	4.51%

Table 203. Repairs and maintenance

5.4.4 Borrowing management

The following table and graph illustrates the Municipality's proportion of capital charges in relation to operating expenditure:

Description	Basis of calculation	2015/16	2016/17
		Audited outcome	Audited outcome
Capital charges to operating expenditure	Interest and principal paid /Operating expenditure	3%	3%

Table 204. Borrowing management

5.4.5 Employee costs

The table and graph below illustrates the Municipality's portion of revenue spent on employee costs for the past two financial years:

Description	Basis of calculation	2015/16	2016/17
		Audited outcome	Audited outcome
Employee costs	Employee costs/(Total revenue - capital revenue)	27.03%	27.62%

Table 205. Employee costs



CHAPTER 5: FINANCIAL SUMMARY

COMPONENT B: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the Council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.5 Cash flow

The table below reflects the Municipality's cash flow for the financial year:

Cash flow outcomes				
R'000				
Description	2015/16	2016/17		
	Audited outcome	Original budget	Adjusted budget	Actual
Cash flow from operating activities				
Receipts				
Rate-payers and other	199 145	158 959	159 972	133 244
Government - operating	107 961	63 897	53 199	76 615
Government - capital	14 486	30 545	56 598	42 381
Interest	3 924	3 220	3 823	4 016
Dividends	0	0	0	0
Payments				
Suppliers and employees	(295 515)	(221 875)	(218 434)	(209 727)
Finance charges	(5 754)	(1 633)	(1 612)	(6 590)
Transfers and grants	(35)	(150)	(171)	(98)
Net cash from/(used) operating activities	24 212	32 963	53 376	39 841
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	0	0	0	142
Decrease (increase) other non-current receivables	(112)	(110)	(438)	(470)
Payments				
Capital assets	(18 487)	(34 168)	(60 199)	(51 962)
Net cash from/(used) investing activities	(18 599)	(34 278)	(60 638)	(52 290)
Cash flows from financing activities				
Receipts				
Short-term loans	0	0	0	0
Borrowing long-term/refinancing	2 802	0	0	6 879
Increase (decrease) in consumer deposits	0	55	147	0
Payments				
Repayment of borrowing	(4 003)	(919)	(1 412)	(4 361)
Net cash from/(used) financing activities	(1 200)	(864)	(1 265)	2 518
Net increase/ (decrease) in cash held	4 413	(2 179)	(8 527)	(9 931)
Cash/cash equivalents at the year begin:	13 116	6 501	17 529	16 569
Cash/cash equivalents at the yearend:	17 529	4 321	9 003	6 637

Table 206. Cash flow



CHAPTER 5: FINANCIAL SUMMARY

5.6 Gross outstanding debtors per service

The table below reflects the debtors analysis per service for the previous financial years:

Financial year	Rates	Trading services (Electricity and water)	Economic services (Sanitation and refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
	2015/16	12 938	17 858	17 121	65	74 103
2016/17	13 770	19 688	18 980	213	129 245	181 896
Difference	832	1 830	1 859	148	55 142	59 811
% growth year on year	6	10	11	226	74	49

Note: Figures exclude provision for bad debt

Table 207. Gross outstanding debtors per service

5.7 Total debtors age analysis

The table below reflects the Municipality's debtors age analysis for the past two financial years

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2015/16	15 852	3 039	2 069	101 124	122 085
2016/17	16 476	4 535	2 672	158 213	181 896
Difference	624	1 495	602	57 089	59 811
% growth year on year	4	49	29	56	49

Note: Figures exclude provision for bad debt.

Table 208. Service debtor age analysis

5.8 Borrowing and investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.8.1 Actual borrowings

The table and graph below reflects the municipality's financial positions relating to borrowings:

Actual borrowings R' 000		
Instrument	2015/16	2016/17
Long-term loans (annuity/reducing balance)	12 812	10 790
Financial leases	1 294	5 834
Total	14 106	16 624

Table 209. Actual borrowings



CHAPTER 5: FINANCIAL SUMMARY

5.8.2 Municipal investments

<i>Actual investments</i>		
<i>R'000</i>		
<i>Investment type</i>	<i>2015/16</i>	<i>2016/17</i>
	<i>Actual</i>	<i>Actual</i>
<i>Deposits – bank</i>	<i>18 037</i>	<i>6 919</i>
<i>Total</i>	<i>18 037</i>	<i>6 919</i>

Table 210. Municipal investments



CHAPTER 6: AUDITOR-GENERAL

CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION 2015/16

6.1 Auditor-General report 2015/16

6.1.1 Audit report status: Unqualified with emphasis of matter

Main issues raised under emphasis of matter	Corrective steps implemented / to be implemented
The corresponding figures for 30 June 2015 have been restated as a result of errors discovered during the 2015-16 financial year in the financial statements of the Beaufort West Municipality at, and for the year ended, 30 June 2015	Being addressed
The Municipality incurred water losses of 50.53% or 1 350 633 kiloliters during the year under review	Corrective steps are implemented during the 2016/2017 financial year to reduce the water losses
The municipality incurred electricity losses of 10.93% or 6 196 904 Kwh during the year under review	Corrective steps are implemented during the 2016/2017 financial year to reduce the water losses
The municipality has provided for impairment of trade and other receivables from exchange transactions amounting to R45. 5 million (77%)	The debt collection policy should be tightened in the future to reduce outstanding debts
The municipality has provided for impairment of trade and other receivables from non-exchange transactions amounting to R46, 7 million (75%)	Management must implement a system to take into account the appropriate factors when determining the provision for debt impairment amount and enforced to improve the collection of traffic fines
The municipality has materially underspent its capital budget to the amount of R17. 9 million	The procurement plan will be enforced to ensure that all capital projects are spent during the financial year. The heads of department will be tasked to plan for purchases of all capital items in their respective departments within the financial period
The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, current liabilities, revenue and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and/or the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion	In future senior staff members will be tasked to review the AFS for completeness and accuracy prior to submission for audit

Table 211. Auditor-General report 2015/16

COMPONENT B: AUDITOR-GENERAL OPINION 2016/17

6.2 Auditor-General report 2016/17

6.2.1 Audit report status: Disclaimer

The table below reflects only the main issues raised during the audit performed by the Auditor-General. Please refer to Annexure B of this report for the complete audit report.

Main issues raised under emphasis of matter	Corrective steps implemented / to be implemented
Unable to obtain sufficient appropriate audit evidence that provincial and weighbridge fines for the year under review had been properly accounted for, due to the status of the accounting records	The Municipality is in the process of compiling a detailed action report that will address the matters reported on in the audit report
Unable to obtain sufficient appropriate audit evidence that water distribution losses for the year under review had been properly accounted for, due to the status of the accounting records	
Unable to obtain sufficient appropriate audit evidence that the post retirement employee benefits, as per note 4 to the financial statements, had been properly accounted for, due to the status of the accounting records	
Included in the post retirement employee benefits, as per note 4 to the financial statements, the municipality incorrectly disclosed the contribution for the year and expenditure for the year for both the current and prior year	
Unable to obtain sufficient appropriate audit evidence that bad debts written off per debtor class for the year under review, as per note 46 to the financial statements, had been properly accounted for, due to the status of the accounting records	



CHAPTER 6: AUDITOR-GENERAL

Main issues raised under emphasis of matter	Corrective steps implemented / to be implemented
Unable to obtain sufficient appropriate audit evidence that ageing of amounts past due and not impaired, as per note 46 to the financial statements, had been properly accounted for, due to the status of the accounting records	
The municipality did not disclose the balances past due and not impaired with regards to fines for the prior year in accordance with South African Standards of Generally Recognised Accounting Practices (SA Standard of GRAP) 104 Financial Instruments. The balance past due and not impaired for the prior year should have been disclosed as R13 612 779	
Included in property, plant and equipment as per note 13 to the financial statements, are property, plant and equipment items which the municipality did not assess for impairment. Consequently, property, plant and equipment was overstated by R7 757 528 and the impairment of assets was understated by R7 757 528	
Included in the correction of error in terms of SA Standard of GRAP 3, as per note 38 to the financial statements, the municipality did not disclose the prior period error with regards to the current portion of the provision for landfill sites. Consequently, the non-current portion for the provision for landfill sites was understated by R5 264 718 and the current portion for the provision for landfill sites was overstated by R5 264 178	
Unable to obtain sufficient appropriate audit evidence that the long service awards, as per note 4 to the financial statements, had been properly accounted for, due to the status of the accounting records	
The total payables from exchange transactions were overstated by R3 350 746 due to the cumulative effect of individually material uncorrected misstatements not made to the total trade payables from exchange transactions	
Included in the general expenses, as per note 37 to the financial statements, are repairs and maintenance expenditures that the municipality did not recognise at the correct amounts. Consequently, general expenses were overstated by R3 239 486, taxes and inventory were overstated by respectively R176 807 and R563 and property, plant and equipment, trade receivables from exchange transactions and trade payables were understated by respectively R955 294, R2 486 627 and R25 065. Additionally, there was a resultant impact on the net surplus for the year	
The municipality did not disclose the reasons for material variances for provisions and employee benefits in the statement of comparison of budget and actual amounts for the comparison of actual figures to final budget in accordance with SA Standard of GRAP 24, Presentation of budget information in financial statements	
The municipality did not disclose the reasons for material variances for suppliers and employees in the statement of comparison of budget and actual amounts for the adjustments to approved budget in accordance with SA Standard of GRAP 24, Presentation of budget information in financial statements	
Included in the statement of comparison of budget and actual amounts- cash flow statement, the municipality incorrectly disclosed the amounts per the approved adjustment budget in the financial statements. Consequently, repayment of borrowings was overstated by R2 824 266 and suppliers and employees was understated by R2 824 266 for the comparison of actual figures to final budget, and the suppliers and employees and cash and cash equivalents at the beginning of the year were understated by R1 344 230 and R494 681 respectively for the adjustments to approved budget	
During the year ended 30 June 2017 the municipality's current liabilities exceeded its current assets by R5 million as stated in the statement of financial position. As stated in note 54, these events or conditions, along with other matters set forth in note 41 indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern	
The municipality did not have an adequate performance management system to maintain records and to enable reliable reporting on achievement of targets. Sufficient appropriate audit evidence could not be provided in some instances while in other cases the evidence provided did not agree to the recorded achievements	
The annual financial statements were not submitted for auditing within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA	
The annual performance report for the year under review did not include measures taken to improve performance, as required by section 46(1)(c) of the Municipal Systems Act (MSA)	
Some of the goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of Supply Chain Management regulation 17(a) and (c). Similar non-compliance was also reported in the prior year	
Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year	



CHAPTER 6: AUDITOR-GENERAL

Main issues raised under emphasis of matter	Corrective steps implemented / to be implemented
Some of the contracts were awarded to bidders based on preference points that were not calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations	
Reasonable steps were not taken to prevent unauthorised expenditure amounting to R25 472 202 as disclosed in note 43.1 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the fact that the actual spending per vote exceeded the budgeted amount per vote	
Effective steps were not taken to prevent irregular expenditure amounting to R35 979 587 as disclosed in note 43.3 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by non-compliance with regulation 5 of the Municipal Supply Chain Management Regulations. Irregular expenditure amounting to R32 105 315 was incurred on the low-cost housing project	
Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 016 152 as disclosed in note 43.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA	
A senior manager was appointed without the post being advertised, as required by section 56(3)(a) of the Municipal Systems Act (MSA) and regulations on appointment and conditions of employment of senior managers 10(2)	
Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA	
Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA	
Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA	
Management did not exercise oversight responsibility over financial reporting and related internal control processes. Management has not established and communicated policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities relating to the process of and timeline for the drafting of the financial statements and annual performance report to ensure that the financial statements and annual performance report are reviewed on a timely basis	
Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting as no designated official was assigned to ensure that a supporting audit file was prepared on a timely basis together with the financial statements and the annual performance report. The financial statements and annual performance report contained numerous misstatements which was mainly due to management not reviewing the financial statements and annual performance report before submission for audit as a result of time constraints as well as staff not fully understanding the requirements of the financial reporting framework. Non-compliance with legislation could have been prevented had compliance, including compliance with Supply Chain Management Regulations, been properly reviewed and monitored	

Table 212. Auditor-General report 2016/17

6.2.2 Auditor-General Report on the Financial Statements 2016/17

The report of the Auditor-General is attached as Annexure B to this report and the Annual Financial Statements attached as Annexure A



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ABBREVIATIONS

LIST OF ABBREVIATIONS

AG	<i>Auditor-General</i>
CAPEX	<i>Capital Expenditure</i>
CBP	<i>Community Based Planning</i>
CFO	<i>Chief Financial Officer</i>
DPLG	<i>Department of Provincial and Local Government</i>
DWAF	<i>Department of Water Affairs and Forestry</i>
EE	<i>Employment Equity</i>
GRAP	<i>Generally Recognised Accounting Practice</i>
HR	<i>Human Resources</i>
IDP	<i>Integrated Development Plan</i>
IFRS	<i>International Financial Reporting Standards</i>
IMFO	<i>Institute for Municipal Finance Officers</i>
KPA	<i>Key Performance Area</i>
KPI	<i>Key Performance Indicator</i>
LED	<i>Local Economic Development</i>
MFMA	<i>Municipal Finance Management Act (Act No. 56 of 2003)</i>
MIG	<i>Municipal Infrastructure Grant</i>
MM	<i>Municipal Manager</i>
MSA	<i>Municipal Systems Act No. 32 of 2000</i>
MTECH	<i>Medium Term Expenditure Committee</i>
NGO	<i>Non-governmental organisation</i>
NT	<i>National Treasury</i>
OPEX	<i>Operating expenditure</i>
PMS	<i>Performance Management System</i>
PT	<i>Provincial Treasury</i>
SALGA	<i>South African Local Government Organisation</i>
SAMDI	<i>South African Management Development Institute</i>
SCM	<i>Supply Chain Management</i>
SDBIP	<i>Service Delivery and Budget Implementation Plan</i>
SDF	<i>Spatial Development Framework</i>
WWTW	<i>Waste Water Treatment Works</i>