

# *Beaufort-West Municipality*

*Annual Report  
2013/14*



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WILL BE INCLUDED WITH THE FINAL DRAFT TO COUNCIL

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COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

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### 1.2 Municipal Overview

This report addresses the performance of the Beaufort West Municipality 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 programme performance and the general state of affairs in their locality.

The 2013/14 Annual Report reflects on the performance of the Beaufort West Municipality for the period 1 July 2013 to 30 June 2014. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

#### 1.2.1 Vision and Mission

The Beaufort West 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 88% or 49 586 of the people living in the Central Karoo District — with a total population of 56 323 — resides within the Beaufort West municipal area. The increase in the number of people residing in the municipal area, is because of the merging of administrative areas, i.e. the Beaufort West municipal area and the former District Management Area (DMA)

and in-migration from other provinces. The total population in 2001, was 43 284 people of which 6183 resided in the then DMA. Hence, the population increased at a relatively high rate over the 10 years from 2001 to 2011, viz. from 43 284 to 49 586 (or about 12%). In the context of a remotely located semi-arid rural area, this represents a significant growth of more than 6 000 people over a ten-year period.

It is estimated that the annual population growth since 2001 has been 1.36%. Although population growth is expected to slow down somewhat, it will still have a significant impact on the demand and the level of service delivery (especially in Beaufort West). The population density is a very low 0.3 people per square kilometer and the urban segment of the municipal population is expected to rise.

The table below illustrates the population in the municipal area since 2001:

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

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

### 1.3.2 Population by Race

The total population in the Beaufort West municipal area in 2011, was 49 586, of which 16.3% were black African, 73.5% were Coloured, 9.2% were White and 'other' 0.5%.

Year	Black African	Coloured	Indian or Asian	White	Other	Total
2001	6 923	31 792	42	4 528	0	43 284
2011	8 103	36 433	241	4 539	270	49 586
<i>Census 2001 &amp; 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 of the population is younger than 20 years, which is not uncommon for a rural community. It is, however, a concern that so few people (the 'employables') between the ages of 20 and 40, resides in the area.

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 &amp; 2011</i>							

**Table 3.: Population by age**

### 1.3.4 Households

The number of households within the municipal area increased from 12 084 households in the 2011/12 financial year to 13 089 households in the 2012/13 financial year. This indicates an increase of about 10% in the total number of households within the municipal area over the two year period and represents a household size of about 3.7 people per household (if Census 2011 is used). This sudden rise in the number of households from 2009/10 to 2011/12, can be ascribed to the inclusion of the DMA population in the data for the Beaufort West municipal area.

Households	2008/09	2009/10	2011/12	2012/13
Number of households	7 902	8 690	12 084	13 089

*Table 4.: Total number of households*

**1.3.4 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 once 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 the scientist, the historian and the eco-tourist; fondly referred to as place of the pioneers. In February 1837, the 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, and is strategically positioned on the N1 national road, which links Cape Town with the interior of South Africa, maintaining 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 16 330.10km2 with the town situated 851m 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 near here, in what has subsequently been described as the world’s richest collecting ground for these fossils, but the town’s historic centre displays an eclectic 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 are known to sometimes 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 Celsius before they finally decrease by April. The midwinter months of June and July are cold and dry with temperatures falling well below zero.

In 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 district management area (DMA) of the BWM.

**b) Wards**

The municipality is structured into the following 7 wards:



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

*Table 5.: Municipal Wards*

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



*Figure 1.: Beaufort West municipal area and wards*

**i) Merweville**

Merweville is a small town situated 160km south-west of Beaufort West and 40km from Prince Albert Road station. This Central Karoo town lies in a picturesque area of plains often likened 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 Koupe, 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.

### ii) **Murraysburg**

Murraysburg, a typical old-world Great Karoo town that lies 160km 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 Sneeu Berg 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 the farmers. Farms were attacked, houses set alight, herdsman 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. This 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. The new town was named after the Reverend Andrew Murray, minister of the DRC in Graaff-Reinet. The "burg" derives from the Dutch word meaning "place of safety".

### iii) **Nelspoort**

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

### c) **Key Economic Activities**

Agriculture forms the backbone of 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)

Key Economic Activities	Description
	Processed fruit and vegetables (chutney, dried figs, olives, jams)
	Animal by-products (skins, hides, wool, mohair, milk)
	Processed animal by-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 GGP 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*

## 1.4 Service Delivery Overview

### 1.4.1 Basic services delivery performance highlights

Highlight	Description
Upgrade of Murraysburg bulk water supply	Supplying Murraysburg with disinfection units at each borehole
Green Drop Results of 2013	Beaufort West – 93.73%
	Merweville – 88.70%
	Nelspoort – 89.08%
Electrification of 367 low cost houses	This units were electrified at a total cost of R4.2 million and it was a huge step forward in the effort to eradicate the housing backlog
Nelspoort soccer field lighting	4 X 20 meter scissor masts with 1 000 watt metal halide luminaires were installed and will improve the quality of life for the residents of Nelspoort as this is the only sports facility in the town
Beaufort West rugby field lighting	4 X 20 meter scissor masts with 1 000 watt metal halide luminaires were installed and will improve the quality of life for the residents of Beaufort West as this is the only sports facility catering for the game of rugby in the town
High mast lighting in Beaufort West	3 x 30 meter high mast lights were erected in the previously disadvantaged areas mainly for the safety of the residents
Testing of LED luminaires for high mast lighting	Beaufort West Municipality in conjunction with Provincial Government is in the process of testing the efficiency of LED luminaires for the 30 meter high mast lights. If the outcome of the tests proves positive, it will be a huge improvement in energy efficiency and the maintenance of these masts
EEDSM Project on municipal buildings	Through the funding from DOE, Beaufort West Municipality was able to change all of the lighting in municipal buildings to LED energy efficient lights. This will be a huge saving on the electricity for own use as well as a reduction in maintenance
EPWP funds	Received funds to run environmental projects (incl. recycling)
New landfill site in Murraysburg	Received funds from the Department of Public Works

*Table 7.: Basic Services Delivery Highlights*

**1.4.2 Basic services delivery challenges**

Service Area	Challenge	Actions to address
Water	Reducing water losses from sector meter to consumer	An action plan has been drawn up and the pilot project will be done in Hillside 2
Waste Water (Sanitation)	A shortage of funding for upgrades of the Waste Water Treatment Plants and necessary maintenance	Capital funding and tariffs
Electricity	High cost of electricity	To implement energy efficient products to reduce the energy consumption of electrical installations
	Service delivery	To improve service delivery, we will have to appoint more qualified personnel and manage the maintenance of services and networks more closely
	Funding	More funds must be made available for the maintenance of existing and ageing networks. NERSA benchmark must be followed
	Discipline	The municipality must implement and drive the disciplinary processes and in doing that, discipline will improve without a doubt
Waste management	Illegal dumping	Place illegal dumping sign boards on critical spots
		Distribution of pamphlets on education and awareness on illegal dumping to the community/areas
	Lack of maintenance and management of landfill site	EPIP/PW on waste management (incl. landfill) and the target group for employment is the youth for 2014

*Table 8.: Basic Services Delivery Challenges*
**1.4.3 Proportion of Households with access to Basic Services**

Description	2012/13	2013/14
Electricity service connections	100%	100%
Water - available within 200 m from dwelling	98%	98%
Sanitation - Households with at least VIP service	95%	96%
Waste collection - kerbside collection once a week	100%	100%

*Table 9.: Households with minimum level of Basic Services*
**1.5 Financial Health Overview**
**1.5.1 Financial Viability Highlights**

Highlight	Description
Audit opinion	Achieved an unqualified audit opinion for the 2012/13 and 2013/14 financial years

*Table 10.: Financial Viability Highlights*
**1.5.2 Financial Viability Challenges**

Challenge	Action to address
Small revenue base	Implement saving initiatives and increase own revenue
Low revenue collection	Implement strict revenue collection procedures
Capacity shortages and the inability to attract certain skilled officials	Suitable processes will be implemented to attract certain skilled officials

*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** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

KPA & Indicator	2012/13	2013/14
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	19.5 times	18.1 times
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	27.0%	31.8%
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure	1 : 1.2	1 : 0.6

*Table 12.: National KPI's for financial viability and management*
**1.5.4 Financial Overview**

Details	Original budget	Adjustment Budget	Actual
	R'000		
<b>Income</b>			
Grants	92 047	107 137	99 630
Taxes, Levies and tariffs	112 271	111 280	109 107
Other	17 297	20 834	50 390
<b>Sub Total</b>	<b>221 615</b>	<b>239 251</b>	<b>259 127</b>
Less Expenditure	209 926	223 878	254 234
<b>Net surplus/(deficit)</b>	<b>11 689</b>	<b>15 373</b>	<b>4 893</b>

*Table 13.: Financial Overview*
**1.5.5 Total Capital Expenditure**

Detail	2012/13	2013/14
	R'000	
Original Budget	40 787	25 022
Adjustment Budget	72 836	34 575
Actual	51 525	30 656
% Spent	<b>71</b>	<b>89</b>

*Table 14.: Total Capital Expenditure*

**1.6 Auditor General Report**

**1.6.1 Audited Outcomes**

Year	2011/12	2012/13	2013/14
Opinion received	Unqualified	Unqualified	Unqualified

*Table 15.: Audit Outcomes*

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**COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

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 minimized, the views of minorities are taken into account 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.

**2.1 National Key Performance Indicators - Good Governance and Public Participation**

The following table indicates the municipality’s performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2012/2013	2013/2014
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)	71	89

*Table 16.: National KPIs - Good Governance and Public Participation Performance*

**2.2 Governance Structure**

**2.2.1 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 programmes in the municipal area.

**a) Council**

The Council comprises of 13 elected Councillors before the Local Government elections in May 2011, 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 2013/14 financial year:

Council Members	Capacity	Political Party	Ward representing or proportional	Number of meetings attended
Councillor L Deyce	Councillor	ANC	Ward 1	6

Council Members	Capacity	Political Party	Ward representing or proportional	Number of meetings attended
Councillor AM Slabbert	Councillor	DA	Ward 2	8
Councillor G de Vos	Councillor	ANC	Ward 3	9
Councillor SM Motsoane	Speaker	ANC	Ward 4	9
Councillor M Furmen	Councillor	ANC	Ward 5	7
Councillor GP Adolph	Fulltime Councillor	ANC	Ward 6	9
Councillor J Bostander	Councillor	ANC	Ward 7	8
Councillor PA Jacobs [till 02.09.2013]	Deputy Executive Mayor [vacant since 03.09.2013]	ICOSA	Proportional	1 [13.08.2013]
Councillor EJA Beyers [Special Council meeting: 12.09.2013: Item 1]	Councillor	ICOSA	Proportional	7
Councillor GT Murray	Councillor	DA	Proportional	8
Alderman HT Prince	Executive Mayor	ANC	Proportional	6
Councillor RA van der Linde	Councillor	DA	Proportional	5
Councillor DE Welgemoed	Councillor	DA	Proportional	5
Councillor AD Willemse	Councillor	DA	Proportional	6

*Table 17.: Council*

Below is a table which indicates the Council meetings attendance for the 2013/14 financial year:

Meeting dates	Council Meetings Attendance	Apologies for non-attendance
13 August 2013	12	1
27 August 2013	10	2 (1)
25 September 2013	12	1
26 November 2013	7	1 (5)
18 December 2013	11	2
28 January 2014	9	4
25 March 2014	12	1
27 May 2014	12	1
26 June 2014	9	4

*Numbers between brackets indicate non-attendance without apology*

*Table 18.: Council meetings*

#### **b) Executive Mayoral Committee**

The Executive Mayor of the Municipality, Alderman T Prince, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he 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, and 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 1 July 2013 to 30 June 2014:

Name of member	Capacity
Alderman HT Prince	Executive Mayor
Councillor PA Jacobs [till 02.09.2013]	Deputy Executive Mayor [vacant since 03.09.2013]
Councillor GP Adolph	Fulltime Councillor

*Table 19.: Mayoral Committee Members*

The table below indicates the dates of the committee meetings and the number of reports submitted to Council for the 2013/14 financial year:

Meeting date	Number of reports submitted to council
12 August 2013 [Special]	3
2 October 2013	
12 May 2014 [Special]	

*Table 20.: Executive Mayoral Committee Meetings*

**c) Portfolio Committees**

The portfolio committees for the 2013/14 financial year term and their chairpersons were as follows:

Financial Services and Development Committee			
Chairperson	Other members	Number of minutes submitted to council	Meeting Dates
Alderman HT Prince	Councillor G de Vos	4	5 November 2013 4 February 2014 4 March 2014 3 June 2014
	Councillor M Furmen		
	Councillor PA Jacobs [till 02.09.2013]		
	Councillor EAJ Beyers [Special Council meeting: 12.09.2013: Item 3]		
	Councillor DE Welgemoed		
	Councillor R van der Linde		
Corporate Services and Social Development Committee			
Councillor SM Motsoane	Councillor GP Adolph	3	3 July 2013 2 April 2014 24 June 2014
	Councillor J Bostander		
	Councillor PA Jacobs		

Financial Services and Development Committee			
Chairperson	Other members	Number of minutes submitted to council	Meeting Dates
	[till 02.09.2013]		
	Councillor EAJ Beyers [Special Council meeting: 16.10.2013: Item 3]		
	Councillor AD Willemse		
	Councillor AM Slabbert		
Human Resource Development Committee			
Councillor M Furmen	Councillor M Furmen	2	5 November 2013 1 April 2014
	Councillor GP Adolph		
	Councillor AM Slabbert		
	Councillor GT Murray		
Municipal Services and Infrastructure Committee [Community Development Committee & Technical Services Committee]			
Councillor G de Vos	Councillor G de Vos	2	5 March 2014 4 June 2014
	Alderman HT Prince		
	Councillor SM Motsoane		
	Councillor PA Jacobs [till 02.09.2013]		
	Councillor EAJ Beyers [Special Council meeting: 16.10.2013: Item 3]		
	Councillor DE Welgemoed		
	Councillor AD Willemse		

*Table 21.: Portfolio Committees*

### 2.2.2 Administrative Governance Structure

The Municipal Manager is the Accounting Officer of the Municipality. He is the head of the administration, and primarily has to 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
Mr J Booyesen	Municipal Manager	Yes
Ms NE Mfundisi [Contract expired 31.10.2013]	Director: Corporate Services	Yes
Vacant	Director: Financial Services	n/a
Mr AC Makendlana	Director: Community Services	Yes
Mr JCL Smit	Director: Engineering Services	Yes

Name of Official	Department	Performance agreement signed
		Yes/No
Mr RE van Staden	Director: Electro Technical Services	Yes

Table 22.: Administrative Governance Structure

### COMPONENT B: INTERGOVERNMENTAL RELATIONS

#### 2.3 Intergovernmental Relations

We participate at the following forums:

- ∞ MIG Manager/Municipality Coordination Meetings – Western Cape Department of Local Government
- ∞ Central Karoo Bilateral Meeting – Department of Water Affairs
- ∞ The Provincial Transport Technical Committee (ProvTech) – Western Cape Department of Transport and Public Works
- ∞ The Provincial Transport Committee (ProvCom) – Western Cape Department of Transport and Public Works
- ∞ Integrated Waste Management Forum – Western Cape Department of Environmental Affairs and Development Planning
- ∞ Western Cape Recycling Action Group – Western Cape Department of Environmental Affairs and Development Planning
- ∞ Municipal Infrastructure and Related Services Working Group – SALGA
- ∞ Working for Water: Implementing Agent Managers Forum – National Department of Environmental Affairs

### COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the Municipal Systems Act (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. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- ∞ the preparation, implementation and review of the IDP;
- ∞ establishment, implementation and review of the performance management system;
- ∞ monitoring and review of the performance, including the outcomes and impact of such performance; and
- ∞ preparation of the municipal budget.

#### 2.4 Public Meetings

Nature and purpose of meeting	Date of events
Draft Operating and Capital Budget & Draft Integrated Development Plan	22 April 2013
	23 April 2013
	24 April 2013
	25 April 2013
	29 April 2013
	30 April 2013
	2 May 2013
6 May 2013	

**Table 23.: Public Meetings**
**2.5 Ward Committees**

The ward committees support 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.

**a) Ward 1: Murraysburg & Murraysburg rural areas**

Name of representative	Capacity representing	Dates of meetings held during the year
Mrs L Deyce	Ward Councillor	17 July 2013 25 July 2013 27 August 2013 26 February 2014 27 May 2014 3 June 2014
Mublelo E Sibhozo	Unemployment	
Nokhanyo Tshikolo	Welfare	
Gloria Douglas	Religion	
Miriam Saba	Women	
Gladwell Zahela	Senior citizen	
Fikile Tshikolo	Environmental Interest Group	
Siena Bans	Health	
David Booyesen	Community Based Organization	
Sipho Pieterse	Youth	

**Table 24.: Ward 1 Committee Meetings**
**b) Ward 2: Nelspoort, Nelspoort rural, Noord Einde, part of Hillside, Central Town, part of rural areas of Beaufort west, part of Hospital Hill**

Name of representative	Capacity representing	Dates of meetings held during the year
Mrs AM Slabbert	Ward Councillor	23 July 2013 27 August 2013 30 September 2013 22 October 2013 26 November 2013 25 March 2014 27 May 2014
Johanna Lodewyk	Community Safety	
Thembile Horn	Health	
Freddy Maxegwana	Sport	
Julene de Bruyn	Women	
Margaret Breda	Religion	
Tercia Plaatjies	Community Based Organisation	
Sandra Solomons	Education	
Juliet Jonas	Women	
Elrico Booyesen	Youth	

**Table 25.: Ward 2 Committee Meetings**
**c) Ward 3: Part of Rustdene, Essopville, Nieuveland Park**

Name of representative	Capacity representing	Dates of meetings held during the year
Mr. G de Vos	Ward Councillor	27 July 2013 18 August 2013 12 September 2013 7 October 2013 28 October 2013 5 December 2013 17 January 2014 26 February 2014 1 April 2014 29 April 2014 29 May 2014 29 June 2014
Patricia Williams	People with disabilities	
Clive Berg	Employment	
Lizel Bosman	Welfare	
Johanna Frieslaar	Community Safety	
Lorraine Simon	Labour (Workers)	
Jonathan Williams	Sport	
Jacob Knecht	Religion	
Clara Snyman	Health	
Elizabeth Williams	Environment	
Abigail Johannes	Youth	

**Table 26.: Ward 3 Committee Meetings**
**d) Ward 4: Part of Kwa Mandlenkosi, De Lande, part of Central town, Southern part of Hospital Hill**

Name of representative	Capacity representing	Dates of meetings held during the year
Mr SM Motsoane	Ward Councillor	15 July 2013 21 August 2013 09 September 2013 7 October 2013 5 December 2013 27 January 2014 20 February 2014
Mzwandile Menziwa	Health	
Nomayeza Ngqandela	Community Safety	
Sophie Ntsulelo	Senior Citizen	
Johanna Diedericks	Women	
Smilo Ngqwala	Religion	
Evelyn Lawrence	Housing	
Beauty Kedama	Business	
Joey Plaatjies	Education	

**Table 27.: Ward 4 Committee Meetings**
**e) Ward 5: Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooylvlakte, New Lands, New Town**

Name of representative	Capacity representing	Dates of meetings held during the year
Mr M Furmen	Ward Councillor	17 September 2013 5 October 2013 5 November 2013 20 February 2014 28 February 2014 6 March 2014 29 May 2014 10 June 2014
Katrina Grant	Women	
Gladys Metsing	Youth	
Sheraldene Nguqu	Community Safety	
James Maloy	Senior Citizen	
Katara Siwa	Religion	
Elsie Biesies	Health	
Gwendolene Louw	Welfare	
Headman Dick	Community Based Organization	

Name of representative	Capacity representing	Dates of meetings held during the year
Saartjie Phillips	Unemployment	
Bruce S Vumazonke	People with disabilities	

*Table 28.: Ward 5 Committee Meetings*

**f) Ward 6: Part of Rustdene, Prince Valley**

Name of representative	Capacity representing	Dates of meetings held during the year
Mr GP Adolph	Ward Councillor	30 July 2013
Christene Arendse	Health	18 September 2013
Freddie Martin	Religion	31 October 2013
Elna Lottering	Welfare	5 December 2013
Annie Dassie	Government Services	18 December 2013
Juanita Jacobs	Unemployment	21 January 2014
Sara Arries	Women	20 February 2014
Garreth October	Sport	31 March 2014
		3 May 2014
		29 May 2014

*Table 29.: Ward 6 Committee Meetings*

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

Name of representative	Capacity representing	Dates of meetings held during the year
Mr J Bostander	Ward Councillor	
Stanley Nkanyezi	Sport, Culture	
Jason Mdudumani	Business	1 September 2013
Edwin Lottering	Sport	13 September 2013
Andre Minnie	Youth	27 September 2013
Rozelda van Wyk	Women	23 October 2013
Klara Links	Caring hands	20 November 2013
Hendrik Willemse	Transport	10 December 2013
Melony Damon	Safety and Security	21 February 2014
Emily Hough	Women and Safety	12 March 2014
Estella Roman	Women and Children	9 April 2014

*Table 30.: Ward 7 Committee Meetings*

## 2.6 Functionality of Ward Committee

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 councilor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councilor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The table below provides information on the establishment of Ward Committees and their functionality:

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	6	6	Yes
2	Yes	7	7	Yes
3	Yes	12	12	Yes
4	Yes	7	7	Yes
5	Yes	8	8	Yes
6	Yes	10	10	Yes
7	Yes	9	9	Yes

*Table 31.: Functioning of Ward Committees*

## 2.7 Representative Forums

### a) Labour Forum

The table below specifies the members of the Labour Forum for the 2013/14 financial year:

Name of representative	Capacity	Meeting dates
Alderman HT Prince	Employer : Councillor	10 April 2014 28 May 2014
Councillor J Bostander	Employer : Councillor	
Councillor G de Vos	Employer : Councillor	
Councillor GP Adolph	Employer : Councillor (Chairperson)	
Councillor GT Murray	Employer : Councillor	
Mr. J Booysen	Employer: Municipal Manager	
Mr. JCL Smit	Employer: Director: Engineering Services	
Mr. H Maans	Labour: SAMWU	
Mr. SV Seyisi	Labour: SAMWU (Deputy Chairperson)	
Mr. H Klaassen	Labour: SAMWU	
Mr. S Moses	Labour: SAMWU	
Ms. K Cedras	Labour: SAMWU	
Mr. M Scholtz	Labour: IMATU	
Mr. E Links	Labour: IMATU	

*Table 32.: 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.

**2.8 Risk Management**

In terms of section 62 (1)(c)(i) *“the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure- that the municipality has and maintains effective, efficient and transparent systems – of financial and risk management and internal control;”...*

The municipality does not have a Risk Manager/ official and the function is currently facilitated by the Internal Auditor. Twelve (12) Risk champions were appointed in the in the year under review and trained by the Provincial treasury on their roles and responsibilities. The risk champions and risk owners are responsible for managing the risks in their department/ division.

An external service provider was appointed as the consultant in the Central Karoo to provide Internal Audit and Risk Management assistance for the planned Shared Services in the region. They performed Operational and Strategic Risk assessments in May and June 2013. The results will be used by the Internal Auditor to compile the annual and 3 year Risk Based Internal Audit Plan. The risks will also be documented in the form of a risk register, which will be used by the risk owners to manage their risks. The municipal Council is now in a position to set the risk appetite and –tolerance for the municipality from the results of the inherent risk assessment and the Risk Committee (which consist out of the Directors of the Beaufort West Municipality) will be tasked to meet on a quarterly basis to discuss their progress.

**2.9 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 Municipal Finance Management Act (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 supply chain management system to minimize the likelihood of corruption and fraud.

**a) Developed Strategies**

Name of strategy	Developed Yes/No	Date Adopted
Anti-Corruption Strategy and Implementation Plan	Reviewed in June/July 2014	29 November 2012

*Table 33.: Strategies*

**2.10 Audit Committee**

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –



- (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –
- internal financial control;
  - risk management;
  - performance Management; and
  - effective Governance.

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

### a) Functions of the Audit Committee

- To advise the 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, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To 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.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

### b) Members of the Audit Committee

Name of representative	Capacity	Meeting dates
Mr. A Hooker	Chairperson	29 August 2013
Mr. KE McKay	Member	19 September 2013
Ms. T Solomon	Member	17 December 2013

Name of representative	Capacity	Meeting dates
Mr. LW Hawker	Member	27 February 2014

*Table 34.: Members of the Audit Committee*

### 2.11 Performance audit committee

The Regulations require that the performance audit committee 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 performance audit committee 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 performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

In terms of Section 166(4) (a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee 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 performance audit committee, 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 performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

#### a) Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

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

**b) Members of the Performance Audit Committee**

Name of representative	Capacity	Meeting dates
Mr. A Hooker	Chairperson	19 September 2013 27 February 2014
Mr. KE McKay	Member	
Ms. T Solomon	Member	
Mr. LW Hawker	Member	

*Table 35.: Members of the Performance Audit Committee*

**2.12 Internal Auditing**

Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
  - (i) internal audit;
  - (ii) internal controls;
  - (iii) accounting procedures and practices;
  - (iv) risk and risk management;
  - (iv) performance management;
  - (v) loss control; and
  - (vi) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation
- (c) perform other duties as may be assigned to it by the accounting officer.

The Municipality has an In-house Internal Audit function consisting of an Internal Auditor.

**Annual Audit Plan**

The table below provides detail on audits completed:

Description			Date completed
Phase 1			
Operational and Strategic Risk Assessment			27 June 2014
Phase 2			
Compilation of Risk Based Audit Plan			30 June 2014
Phase 3			
Type of Audit Engagement	Department	Detail	Date completed
Internal Audit Report	Financial Services	Grants and DORA allocations	July 2014

Description			Date completed
Internal QAR	Internal Audit	State of readiness review of audit activity	Follow-up December 2013
Quarterly report to the Audit Committee ending: <ul style="list-style-type: none"> <li>30 June 2013</li> <li>30 September 2013</li> <li>31 December 2013</li> <li>31 March 2014</li> </ul>	Internal Audit	Progress report on implementation of Audit Plan	After each quarter
Quarterly audit of Key Controls ending: <ul style="list-style-type: none"> <li>30 June 2013</li> <li>30 September 2013</li> <li>31 December 2013</li> <li>31 March 2014</li> <li>30 June 2014</li> </ul>	All Directorates	Assessment of key controls to achieve clean administration	<ul style="list-style-type: none"> <li>6 September 2013</li> <li>8 October 2013</li> <li>29 January 2014</li> <li>4 April 2014</li> <li>7 July 2014</li> </ul>
Audit of Predetermined Objectives: <ul style="list-style-type: none"> <li>30 June 2013</li> <li>30 September 2013</li> <li>31 December 2013</li> <li>31 March 2014</li> </ul>	All Directorates	Quarterly audit of Performance information	<ul style="list-style-type: none"> <li>6 September 2013</li> <li>15 November 2013</li> <li>28 March 2014</li> <li>27 May 2014</li> </ul>
Internal Audit Report	Corporate Services	Audit of municipal website: Circular no 13/2014	21 May 2014
Internal Audit Report	Engineering Services	Audit of claim on Proclaimed Roads	16 April 2014
Ad-hoc Investigation	Community Services	Traffic Services	In draft
Ad-hoc Investigation	HR	Leave	13 Aug 2013
2x Ad-hoc Investigations	HR	Audit of payment of study aid	<ul style="list-style-type: none"> <li>17 January 2014</li> <li>27 January 2014</li> </ul>
Review of IA Policies	Internal Audit	<ul style="list-style-type: none"> <li>Review of Internal audit Manual</li> <li>Review of Internal audit Charter</li> <li>Review of Audit Committee and Performance audit committee charter</li> </ul>	<ul style="list-style-type: none"> <li>June 2014</li> <li>June 2014</li> <li>July 2014</li> </ul>
Review of Policy	Risk Management	Review of Risk management policy	July 2014
Review of strategy	Anti-Corruption	Review of Anti-Corruption strategy and Implementation plan	In draft
Internal Audit Report	Financial Services	Audit of overtime	In draft
Internal Audit Report	Community Services	Leave	In draft

*Table 36.: Internal Audit Coverage Plan*

Below are the functions of the Internal Audit Unit that was performed during the financial year under review on a shared services basis by an external service provider:

Function	Date/Number
Risk Assessment	27 June 2014

Function	Date/Number
Compilation of Audit Plan	30 June 2014
Audit of Grants and Dora allocations	June/July 2014
Developing of an Internal Audit manual	June 2014
Ad-Hoc Investigation: Community Services	In draft

*Table 37.: Internal Audit Functions*

**2.13 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 all the by-laws developed and reviewed during the financial year:

By-Law developed/revised	Date adopted	Public Participation Conducted Prior to adoption of by-Law Yes/No
Fireworks By-Law	Council Meeting: 26 November 2013: Item 8.4	Yes
By-Law Relating to the Holding of Events	Council Meeting: 26 November 2013: Item 8.3	Yes
By-Law Relating to the Prevention of Public Nuisances and Nuisances arising from the Keeping of Animals	Council Meeting: 26 November 2013: Item 8.5	Yes

*Table 38.: By-Laws developed and reviewed*

**2.14 Communication**

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of *Batho Pele* and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

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

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	No
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	No

*Table 39.: Communication Activities*

## 2.15 Website

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipal website	Published Yes/ No
Annual budget 2013/14 and all budget-related documents	Yes
Adjustment budget for 2013/14	Yes
Budget implementation policy: Tariff policy	Yes
Budget implementation policy: Credit control policy	Yes
Budget implementation policy: Rates policy By-Law	Yes
Budget implementation policy: SCM policy	Yes
Annual report for 2012/13	Yes
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2013/14	Yes
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2013/14	Yes

*Table 40.: Website Checklist*

## 2.16 Supply Chain Management

The Supply Chain Management Policy of the Beaufort West Municipality is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

### 2.16.1 Competitive Bids in Excess of R200 000

#### a) Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2013/14 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
9	18	14

*Table 41.: Bid Committee Meetings*

The members of the bid specification committee are as follows:

Member
C de Koker
M Lawrence
DS le Roux
AC Makendlana
NE Mfundisi
L de Wet
SA Pothberg
JCL Smit
MA Strümpher
PDV Strümpher
RE van Staden
EJJ van Staden
CB Wright
V Ruiters
RA Naidoo
HJ Meintjies
RW Summers
JB Kaptein
JI van Wyk

*Table 42.: Members of bid specification committee*

The members of the bid evaluation committee are as follows:

Member
C de Koker
M Lawrence
DS le Roux
AC Makendlana
NE Mfundisi
L de Wet
SA Pothberg
JCL Smit
MA Strümpher

Member
PDV Strümpher
RE van Staden
EJJ van Staden
CB Wright
V Ruiters
RA Naidoo
HJ Meintjies
RW Summers
JB Kaptein
JI van Wyk

*Table 43.: Members of bid evaluation committee*

The members of the bid adjudication committee are as follows:

Member
C de Koker
M Lawrence
DS le Roux
AC Makendlana
NE Mfundisi
L de Wet
SA Pothberg
JCL Smit
MA Strümpher
PDV Strümpher
RE van Staden
EJJ van Staden
CB Wright
V Ruiters
RA Naidoo
HJ Meintjies
RW Summers
JB Kaptein
JI van Wyk

*Table 44.: Members of bid adjudication committee*

**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 01/2014	15 October 2013	Supply & installation of mechanical & electrical equipment for the upgrading of the boreholes supplying water to Murraysburg	De Jager Loodgieter Kontrakteurs	1 246 155.00
SCM 12/2014	3 January 2014	Supply, delivery and Installation of 30m High masts & 20m scissor masts complete with floodlighting for Beaufort west Municipality.	Adenco Construction	2 257 529.28
SCM 14/2014	17 December 2013	Contract for the upgrading of Ebenezer Street	Trucon	3 568 729.99
SCM 02/2014	13 September 2013	Supply & delivery of assembled IT hardware	Brilliant Computers First Technology Mantella	254 649.00 320 886.06 288 186.96
SCM 06/2014	11 February 2014	Supply, delivery, maintenance and financing of Office Automation Equipment	Satinsky t/a Ricoh Smart Office Konica Minolta	225 422.80 Different Prices
SCM 07/2014	15 November 2013	Supply & delivery of Refuse bins	Imvusa business services	116 850.00
SCM 14/2014	13 February 2014	Nominated sub-contract for the upgrading of Ebenezer street	Inyameko Trading 445 CC	323 098.80
SCM 18/2014	29 April 2014	Supply & delivery of one new pad mounted standard type B mini substation 400 kva 1100/400 volt	WCC Cables	347 859.60
SCM 25/2014	25 June 2014	Construction of a 11kv overhead power line shooting range bore hole pump in Beaufort west	MDL Electrical	328 369.93
SCM 10/2014	25 November 2013	Supply, delivery, installation and maintenance of a tag surveillance system	Bell oak investments	93 947.10

*Table 45.: Ten highest bids awarded by bid adjudication committee*

**c) Awards Made by the Accounting Officer**

No bids were awarded by the Accounting Officer.

**d) Appeals Lodged by Aggrieved Bidders**

No appeals have been received for the 2013/14 financial year. Only enquiries on tender outcomes.

**2.16.2 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	8	3	432 199.43	6
Sole Supplier	75	25	1 919 584.59	27
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	212	72	4 683 935.14	67
<b>Total</b>	<b>295</b>	<b>100</b>	<b>7 035 719.16</b>	<b>100</b>

*Table 46.: Summary of deviations*

Clause 36(1)(a)(v)- Deviations- Impractical and or Impossible

Type of deviation	Number of deviations	%	Value of deviations
Any contract relating to the publication of notices & advertisements by the Municipality	15	7	207 981.93
Any purchase at a public auction sale	0	0	0
Any contract with an organ of state, a local authority or a public utility corporation or company	2	1	101 430.00
Any contract for the supply of goods & services to the municipality by a contractor of an organ of state at the price & on the terms & conditions applicable to the state.	0	0	0
The appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000.	30	14	1 030 685.54
Ad-hoc repairs to plant & equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	165	78	3 343 837.67

Type of deviation	Number of deviations	%	Value of deviations
EPWP Learnership projects which have been identified & registered.	0	0	0
<b>Total</b>	<b>212</b>	<b>100</b>	<b>4 683 935.14</b>

*Table 47.: Clause 36(1)(a)(v)- Deviations- Impractical and or Impossible*

**2.16.3 Logistics Management**

The system of logistics management must ensure the following:

- ∞ 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.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the Stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract.

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 2014, the value of stock at the municipal stores amounted to **R2 830 630.46** (R3 166 276.40 in 2012/13). For the 2013/14 financial year a total of **R3 850.02** were accounted for as surpluses (R35 077.93 in 2012/13), **R4 963.57** as deficits (R26 064.07 in 2012/13) and damaged stock items of **R364.41** 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; and
- ∞ 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.
- ∞ We are complying with section 14 of the MFMA which deals with the disposal of capital assets.
- ∞ Assets must be disposed of in terms of Council's Asset Management Policy as well as
- ∞ the Immoveable Property Management Policy

### CHAPTER 3

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2013/14 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore, includes an overview on achievement in 2013/14 compared to actual performance in 2012/13.

#### 3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also 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 institutionalized 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 also linked with the concept of performance management, with reference to 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 Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, 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 as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

##### 3.1.1 Legislative requirements

In terms of section 46(1)(a) 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 is meeting 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 must be 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 Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level and municipal services

### 3.1.3 The performance system followed for 2013/14

#### a) The IDP and the budget

The IDP was reviewed for 2013/14 and the budget for 2013/14 was approved by Council on 31 May 2013 [Item 2]. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

#### b) The Service Delivery Budget Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- ∞ The IDP and budget must be aligned
- ∞ The budget must address the strategic priorities
- ∞ The SDBIP should indicate what the municipality is going to do during next 12 months
- ∞ The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on **18 June 2013**.

### 3.1.4 Performance Management

Performance management is prescribed by chapter of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation 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, organized and managed, including determining the responsibilities of the different role players.” 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 in November 2008.

#### 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 **18 June 2013** 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 key performance indicator targets by the 15<sup>th</sup> of every month for the previous month’s performance.
- ∞ Additionally, 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 **26 November 2013 [Item 7.1]** and the second quarterly report on **28 January 2014 [Item 7.1]**. The section 72 report in terms of the Municipal Finance Management Act, was submitted to the Mayor on **20 January 2014**. The third quarter report was submitted to Council on **27 May 2014 [Item 7.1]**.

#### b) Individual Performance Management

##### i) *Municipal Manager and Managers directly accountable to the Municipal Manager*

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2013/14 financial year were signed as follows:

- |    |                                      |                  |
|----|--------------------------------------|------------------|
| 1. | Director: Corporate Services         | 4 July 2013      |
| 2. | Director: Engineering Services       | 5 July 2014      |
| 3. | Director: Community Services         | 9 July 2013      |
| 4. | Director: Electro Technical Services | 31 July 2013     |
| 5. | Municipal Manager                    | 26 November 2013 |

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2012/13 financial year (1 January 2013 to 30 June 2013) took place on **13 February 2014**. The final evaluation of the 2013/14 financial year (1 January 2014 to 30 June 2014) is scheduled to take place during **September 2014**.

**3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2013/14**

**3.2.1 Strategic Service Delivery Budget Implementation Plan (Top Layer)**

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide 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 (strategic) SDBIP is the municipality’s strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements

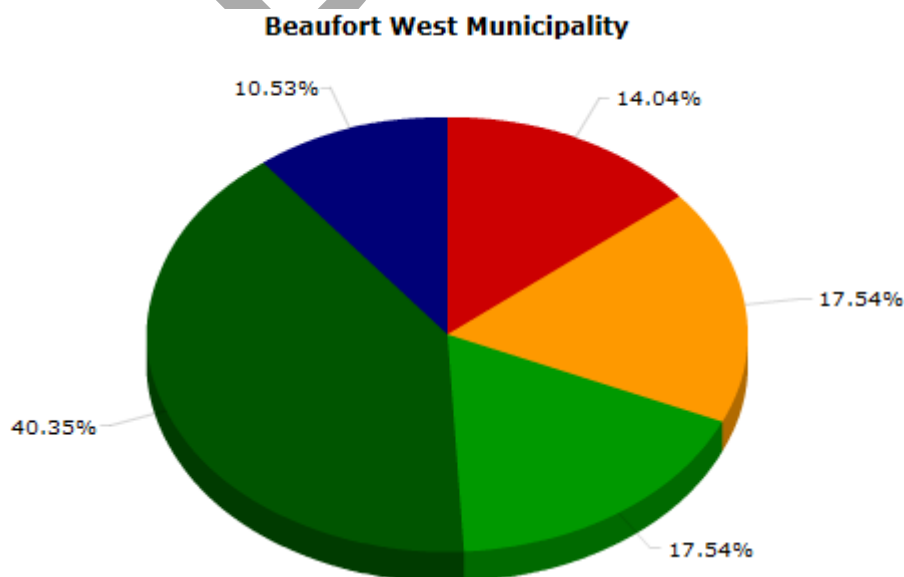
In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi’s) of the SDBIP is measured:

Category	Color	Explanation
KPI's Not Yet Measured	Grey	KPIs with no targets or actuals in the selected period.
KPI's Not Met	Red	0% >= Actual/Target < 75%
KPI's Almost Met	Orange	75% >= Actual/Target < 100%
KPI's Met	Light Green	Actual/Target = 100%
KPI's Well Met	Dark Green	100% > Actual/Target < 150%
KPI's Extremely Well Met	Dark Blue	Actual/Target >= 150%

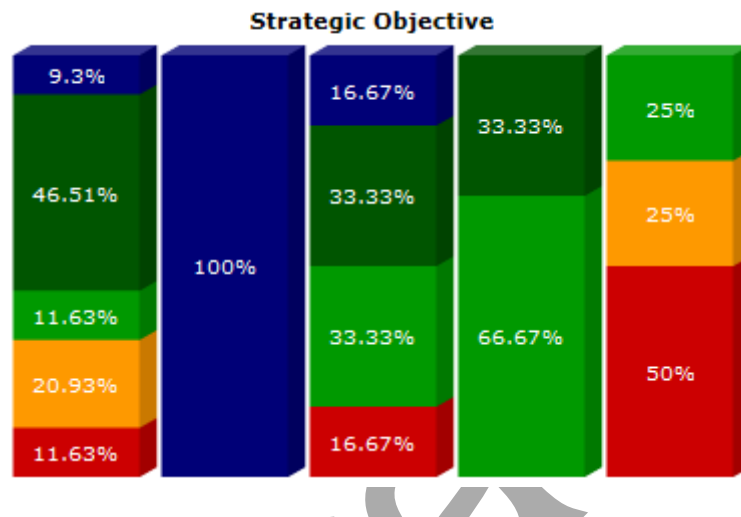
*Figure 2.: SDBIP Measurement Categories*

The graph below displays the overall performance in terms of the Top Layer SDBIP per Strategic objectives for 2013/14:





	<b>Beaufort West Municipality</b>
<span style="color: red;">■</span> KPI Not Met	8 (14%)
<span style="color: orange;">■</span> KPI Almost Met	10 (17.5%)
<span style="color: green;">■</span> KPI Met	10 (17.5%)
<span style="color: darkgreen;">■</span> KPI Well Met	23 (40.4%)
<span style="color: blue;">■</span> KPI Extremely Well Met	6 (10.5%)
<b>Total:</b>	<b>57</b>



	<b>Strategic Objective</b>				
	<i>Basic service delivery and infrastructure development</i>	<i>Economic development</i>	<i>Financial viability and management</i>	<i>Good governance and community participation</i>	<i>Institutional Development and Municipal Transformation</i>
<span style="color: red;">■</span> KPI Not Met	5 (11.6%)	-	1 (16.7%)	-	2 (50%)
<span style="color: orange;">■</span> KPI Almost Met	9 (20.9%)	-	-	-	1 (25%)
<span style="color: green;">■</span> KPI Met	5 (11.6%)	-	2 (33.3%)	2 (66.7%)	1 (25%)
<span style="color: darkgreen;">■</span> KPI Well Met	20 (46.5%)	-	2 (33.3%)	1 (33.3%)	-
<span style="color: blue;">■</span> KPI Extremely Well Met	4 (9.3%)	1 (100%)	1 (16.7%)	-	-
<b>Total:</b>	<b>43</b>	<b>1</b>	<b>6</b>	<b>3</b>	<b>4</b>

*Graph 1.: Overall performance per Strategic objective*

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.2.2 Detail actual performance for 2013/14 key performance indicators per strategic objectives

#### a) Basic service delivery and infrastructure development

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL1	Limit the % electricity unaccounted for to 12%	% of electricity unaccounted for	All	11.10%	12%	12%	10%	10%	12%	11.48%		
TL2	Raise public awareness on green energy and energy saving	Number of initiatives per year	All	4	0	0	0	1	1	12		
TL3	Provide consideration/evaluation on building plans within 30 days for buildings less than 1000m <sup>2</sup> and 60 days for buildings larger than 1000m <sup>2</sup> after all information required is correctly submitted (Actual plans approved/by plans submitted)	% plans evaluated	All	90%	90%	90%	90%	90%	90%	84.91%		
TL5	Construct new roads Phase II in Beaufort West, Hillside II, Rustdene & Kwa Mandlenkosi	Number of meters of new roads constructed	All	3017	0	0	0	600	600	0		Contractor progressing slower than expected. Expect construction to be completed after year end. We will improve the monitoring over contractors
TL6	Report on the implementation of the Water Service Delivery Plan (Audit) to DWAF by end October 2013	Report submitted to DWAF	All	100%	0	0	0	1	1	1		
TL7	Revise the Water Services Development Plan and submit to Council for approval by the end of June	Revise the Water Services Development Plan and submit to Council	All	95%	0	0	0	1	1	1		
TL8	Limit unaccounted water to less than 15% between source and sector meters	% of water unaccounted for between source and sector meters	All	25.03%	15%	15%	15%	15%	15%	6.22%		

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL9	Maintain water quality as per SANS 241 physical and micro parameters	% water quality level	All	98.75%	95%	95%	95%	95%	95%	100%		
TL10	Maintain quality of final waste water outflow	% quality level	All	98.34%	90%	90%	90%	90%	90%	100%		
TL12	Spent the maintenance budget for roads and stormwater assets	% of maintenance budget spent	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	90%	90%	81.10%		Target was not achieved due to vacancies and funding constraints
TL13	Spent the maintenance budget for sanitation assets	% of maintenance budget spent	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	90%	90%	115.16%		
TL14	Spent the maintenance budget for parks and recreation assets	% of maintenance budget spent	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	90%	90%	100.42%		
TL15	Spent the maintenance budget for water assets	% of maintenance budget spent	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	90%	90%	167.43%		
TL29	Spent the maintenance budget for electricity assets	% of maintenance budget spent	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	90%	90%	98.38%		
TL37	Install new flood lighting at Nelspoort West sport grounds	% of approved project budget spent	2	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	100%		
TL38	Install new flood lighting at Beaufort West sport grounds	% of approved project budget spent	2	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	92.97%		The project has been successfully completed. The underspending of the budget is as a result of a saving on the project
TL39	Install high mass lights at Rustdene	% of approved project budget spent	3; 5; 6	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	100%		

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL40	Replace dosing pumps	% of the approved project budget spent	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	100%	100%	100%		
TL42	Install new pre-paid meters	% of the approved project budget spent	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	100%	100%	0%		We installed 283 meters but the target was set as % of budget spent which makes it not measurable. We will improve the target setting in the future
TL43	Upgrade & extend the water supply in Murraysburg (MIG 1)	% of the approved project budget spent	1	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	99%		
TL44	Submit a report on the rehabilitation of the sanitation oxidation ponds in Nelspoort to MIG by 30 June	Report submitted to MIG by 30 June	2	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		
TL45	Complete the new pressure reduction of the water network except for central town	% of the approved project budget spent	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	100%		
TL46	Upgrade the water Supply in Murraysburg (MIG 2)	% of the approved project budget spent	1	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	99%		
TL47	Complete the new bulk water supply in Nelspoort	% of the approved project budget spent	2	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	71.58%		Target not achieved with only the snag-list (small outstanding issues as part of quality control) at year-end. The full payment and sign-off occurred just after year-end
TL48	Construct the external storm water pipeline in Rustdene (Buitekant St Ph4 Housing)	% of the approved project budget spent	3; 5; 6	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	100%		

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL49	Complete the civil part of the Construction of the external sewerage pipeline and pump station for Rustdene (Buitekant St Ph4 Housing)	% of the approved project budget spent	3; 5; 6	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	99%		
TL50	Upgrade & extend the water supply in Murraysburg (MIG 3)	% of the approved project budget spent	1	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	99%		
TL51	Install festive lights in Voëltjiepark	% of the approved project budget spent	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	95%	95%	91.75%		The project has been successfully completed. The underspending of the budget is as a result of a saving on the project
TL65	Develop an Integrated Human Settlement Plan by the end of June 2014 and submit to Council for approval	Plan completed	7	0	0	0	0	1	1	1		
TL69	Complete the planning for the construction of the recycling facility at Vaalskoppies landfill site by the end of June	Number of activities completed	2	2	0	0	0	2	2	0		1 x design was completed in the previous year and the EIA is still in progress. The EIA will be finalized in the new financial year
TL73	Erect Dumping Signs to prevent illegal dumping	Number of signs	All	New performance indicator for 2013/14. No comparatives available	0	0	0	5	5	0		The signs have been purchased but will only be erected during the new financial year
TL74	Purchase refuse bins for new housing development	Number of bins	3	New performance indicator for 2013/14. No comparatives available	0	0	500	0	500	640		
TL76	Service sites for Beaufort West (259) IRDP by the end of June	Number of service sites	4	New performance indicator for 2013/14. No comparatives available	0	0	0	259	259	240		Contractor had experienced significant cases of vandalism

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
												which delayed the project. The remainder of 19 were completed after year-end
TL77	Rectify 16 houses in XhoXha by the end of September	Number of houses	4	New performance indicator for 2013/14. No comparatives available	0	0	0	16	16	3		Only 8 houses rectified in the financial year but 5 houses rectified after September and 8 houses rectified after year-end. We will improve the target setting in the future, but the project was delayed by community consultations and disputes
TL78	Complete top structures for Beaufort West Infill IRDP by the end of June	Number of top structures	4	New performance indicator for 2013/14. No comparatives available	0	0	0	274	274	470		
TL82	Provide free basic electricity to indigent households	Number of households receiving free basic electricity	All	New performance indicator for 2013/14. No comparatives available	0	0	0	5 385	5 385	5 682		
TL83	Provide free basic water to indigent households	Number of households receiving free basic water	All	New performance indicator for 2013/14. No comparatives available	0	0	0	6 293	6 293	6 053		The target is based on the number of registered indigent households and the actual based on the actual amount of households that qualified for indigent support
TL84	Provide free basic sanitation to indigent households	Number of households receiving free basic sanitation	All	New performance indicator for 2013/14. No comparatives available	0	0	0	2 661	2 661	3 138		
TL85	Provide free basic refuse removal to indigent households	Number of households receiving free basic refuse removal	All	New performance indicator for 2013/14. No comparatives available	0	0	0	957	957	1 322		
TL86	Number of formal residential	Number of residential	All	New performance	0	0	0	11 938	11 938	11 977		

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14			
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions	
	properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network	properties which are billed for water or have pre-paid meters		indicator for 2013/14. No comparatives available									
TL87	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas)	All	New performance indicator for 2013/14. No comparatives available	0	0	0	10 890	10 890	11 319			
TL88	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)	Number of residential properties which are billed for sewerage	All	New performance indicator for 2013/14. No comparatives available	0	0	0	11 938	11 938	11 542			The target includes sub economic households, but which cannot be billed until they are registered
TL89	Number of formal residential properties for which refuse is removed once per week	Number of residential properties which are billed for refuse removal	All	New performance indicator for 2013/14. No comparatives available	0	0	0	11 938	11 938	11 096			The target includes sub economic households, but which cannot be billed until they are registered

Table 48.: Basic service delivery and infrastructure development

### b) Economic development

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14			
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions	
TL4	Create temporary job opportunities in terms of EPWP projects	Number of temporary jobs opportunities created	All	2305	100	50	200	150	500	2 658			

Table 49.: Economic development

c) Financial viability and management

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL16	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	Target achieved	All	21.04%	0	0	0	2	2	2		
TL17	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	56	0%	0%	0%	32%	32%	59%		
TL18	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	1.38	0	0	0	0.8	0.8	0.4		Increased and strict debt collection
TL19	Achieve a debtors payment percentage of 85%	Payment %	All	90.88	85%	85%	85%	85%	85%	94.71%		
TL20	Compile and submit the annual financial statements by 31 August to the Auditor General	Financial statements submitted by 31 August	All	100%	1	0	0	0	1	1		
TL81	The percentage of the municipal capital budget actually spent on capital projects identified in terms of the IDP (Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)X100	% of the municipal budget spent (Actual amount spent on projects as identified for the year in the IDP/Total amount spent on capital projects)X100	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	75%	75%	90%		

Table 50.: Financial viability and management



**d) Good governance and community participation**

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL26	Compile the Risk based audit plan and submit to Audit committee for approval by end September	Plan approved	All	100%	1	0	0	0	1	1		
TL27	Implement the approved RBAP for 2013/14 period (Number of audits completed for the period/ audits planned for the period)	% of planned audits completed	All	85%	0%	0%	0%	70%	70%	80%		
TL61	Complete the annual risk assessment and submit to the audit committee by end March	Completed risk assessment submitted to audit committee by end March	All	New performance indicator for 2013/14. No comparatives available	0	0	1	0	1	1		

**Table 51.: Good governance and community participation**
**e) Institutional Development and Municipal Transformation**

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL23	Develop skills of staff (Actual total training expenditure/total operational budget)	% of total operational budget spent on training	All	0.01%	0%	0%	0%	0.50%	0.50%	0.06%		As a result of financial constraints and vacancies in key positions training could not take place as expected. This will be closely monitored in 2014/15
TL71	Compile a policy register by the end of June	Register completed	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1		
TL72	100% of the grant spent for the maintenance of existing library services (Actual expenditure divided by the total grant received)	% of budget spent	All	New performance indicator for 2013/14. No comparatives available	25%	50%	75%	100%	100%	85.70%		Supply Chain Processes took longer than expected to complete the procurement of capital assets and equipment

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2012/13	Target					Overall performance for 2013/14		
					Q1	Q2	Q3	Q4	Annual	Actual	R	Corrective actions
TL80	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	Number of people employed in the three highest levels of management	All	New performance indicator for 2013/14. No comparatives available	0	0	0	2	2	0		Key management positions that are vacant and that have not been filled as at 30 June. Negotiations are currently taking place and positions will be filled during 2014/15

Table 52.: Institutional Development and Municipal Transformation

### 3.2.3 Municipal Functions

#### a) Analysis of Functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	No
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
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
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	Yes

Municipal Function	Municipal Function Yes / No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	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 53.: Functional Areas*

### 3.3 COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

#### 3.3.1 Water Provision

##### a) Introduction to Water and Sanitation Provision

Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems and domestic waste water and sewerage disposal systems as a local government function. Basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household.

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 Plan.

The water sources mentioned above are used to adhere to the demand of the community. The demand of the community is approximately 6 mega liters per day. This figure varies depending on the weather conditions. In the summer months the water consumption is much higher than in the winter.

The high summer consumption is balanced by abstracting water from the Gamka Dam, boreholes as well as water from the Reclamation Plant. In the winter months only the boreholes and the Reclamation Plant are used to adhere to the demand from the community.

Two projects where completed in the past financial year related to bulk water supply.

- Upgrading the bulk water supply of Murraysburg – The bulk water supply of Murraysburg has been upgraded by upgrading all of the borehole structures and supplying them with disinfection pumps installed at the boreholes.
- Upgrading of Nelspoort bulk water supply – The project was based on the civil works for the connection of an additional borehole to the existing water treatment plant. The pipe work has been completed and the electrical work will be done in the next financial year.

The water quality of Beaufort West, Nelspoort, Merweville and Murraysburg is of a good standard. The Blue Drop audit for 2013 has been done and the results will be published at a later stage.

Town	2012/2013	2013/2014
Beaufort West	No Blue Drop Assessments were done in 2012/13	Awaiting Results of the assessment
Nelspoort		
Merweville		

*Table 54.: Blue drop scores*

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

### b) Highlights: Water Services

Highlights	Description
Upgrade of Murraysburg bulk water supply	Supplying Murraysburg with disinfection units at each borehole

*Table 55.: Water Services Highlights*

### a) Challenges: Water Services

Description	Actions to address
Reducing water losses from sector meter to consumer	An action plan has been drawn up and the pilot project will be done in Hillside 2

*Table 56.: Water Services Challenges*

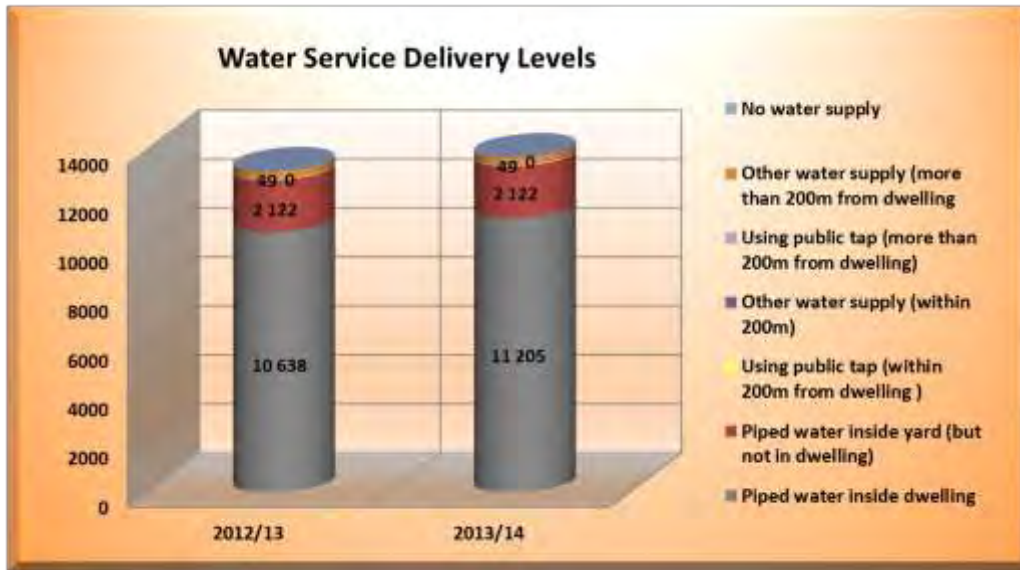
**b) Total Use of water by sector**

Total Use of Water by Sector (cubic meters)				
Year	Agriculture	Forestry	Industrial	Domestic
2012/13	0	0	70 568	2 472 313
2013/14	0	0	33 631	2 344 446

*Table 57.: Total use of water by sector (cubic meters)*
**c) Water Service Delivery Levels**

Households		
Description	2012/13	2013/14
	Actual	Actual
	No.	No.
<b><u>Water: (above min level)</u></b>		
Piped water inside dwelling	10 638	11 205
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
<i>Minimum Service Level and Above sub-total</i>	<b>12 840</b>	<b>13 407</b>
<i>Minimum Service Level and Above Percentage</i>	<b>98</b>	<b>98</b>
<b><u>Water: (below min level)</u></b>		
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
<i>Below Minimum Service Level sub-total</i>	<b>260</b>	<b>260</b>
<i>Below Minimum Service Level Percentage</i>	<b>2</b>	<b>2</b>
<b>Total number of households</b>	<b>13 090</b>	<b>13 667</b>
<i>Include informal settlements</i>		

*Table 58.: Water service delivery levels: Households*



Graph 2.: Water Service Delivery levels

d) 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#
2012/13	10 638	98%	6 293
2013/14	11 205	98%	4 307

\* 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 59.: Access to water

e) Employees: Water Services

Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	12	12	0	0
4 - 6	5	9	8	1	11.11
7 - 9	0	1	1	0	0
10 - 12	2	2	2	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>24</b>	<b>23</b>	<b>1</b>	<b>41.67</b>

Employees and Posts numbers are as at 30 June.

Table 60.: Employees: Water Services

**f) Capital expenditure: Water Services**

R					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Infrastructure: Water Reticulation	4 976 000	3 287 00032	4 165 200	(878 200)	4 487 321
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

**Table 61.: Capital Expenditure 2013/14: Water Services**
**3.3.2 Waste water (sanitation) provision**
**a) Introduction to Sanitation Provision**

Beaufort West Municipality has four Waste Water Treatment Plants that are situated in Beaufort West, Nelspoort, Merweville and Murraysburg.

The Waste Water Treatment Plant of Beaufort West and Merweville are operating within the design capacity and the finale effluent is of a good quality.

A study has been conducted at the Nelspoort and Murraysburg Waste Water Treatment Plant. The reports indicated that urgent upgrades are necessary at both of the treatment facilities. Both of the projects have been registered on the MIG program to ensure funding for the projects.

The Waste Water Treatment Plant 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 Water Reclamation Plant and the effluent from the biological trickle filters are used for irrigation purposes.

The Waste Water Treatment Plant of Nelspoort, Merweville and Murraysburg are evaporation ponds.

**b) Highlights: Waste Water (Sanitation) Provision**

Highlights	Description
Green Drop Results of 2013	Beaufort West – 93.73%
	Merweville – 88.70%
	Nelspoort – 89.08%

**Table 62.: Waste Water (Sanitation) Provision Highlights**
**c) Challenges: Waste Water (Sanitation) Provision**

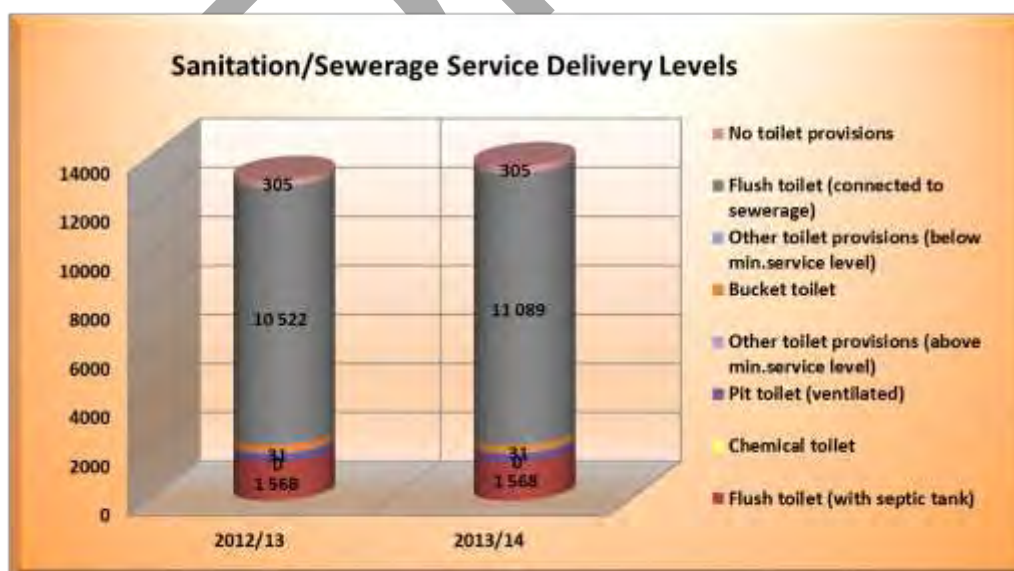
Description	Actions to address
A shortage of funding for upgrades of the Waste Water Treatment Plants and necessary maintenance	Capital funding and tariffs

**Table 63.: Waste Water (Sanitation) Provision Challenges**

## b) Sanitation Service Delivery Levels

Households		
Description	2012/13	2013/14
	Outcome	Actual
	No.	No.
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	10 522	11 089
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
<i>Minimum Service Level and Above sub-total</i>	<b>12 476</b>	<b>13 043</b>
<i>Minimum Service Level and Above Percentage</i>	<b>95</b>	<b>96</b>
<b>Sanitation/sewerage: (below minimum level)</b>		
Bucket toilet	309	309
Other toilet provisions (below min.service level)	0	0
No toilet provisions	305	305
<i>Below Minimum Service Level sub-total</i>	<b>614</b>	<b>614</b>
<i>Below Minimum Service Level Percentage</i>	<b>5</b>	<b>4</b>
<b>Total households</b>	<b>13 090</b>	<b>13 657</b>
<i>Including informal settlements</i>		

Table 64.: Sanitation service delivery levels



Graph 3.: Sanitation/Sewerage Service Delivery Levels



**c) Employees: Sanitation Services**

Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	10	14	11	3	21.42
4 - 6	5	10	8	2	20
7 - 9	0	1	0	1	100
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>25</b>	<b>19</b>	<b>6</b>	<b>24</b>

*Employees and Posts numbers are as at 30 June.*

**Table 65.: Employees Waste Water (Sanitation) Services**

**d) Capital Expenditure: Sanitation Services**

R					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<b>Infrastructure: Sanitation</b>					
Sewerage Purification	5 823 000	6 402 000	5 233 789	1 168 211	5 600 550

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

**Table 66.: Capital Expenditure 2013/14: Waste Water (Sanitation) Provision**

**3.3.3 Electricity**
**a) Introduction to Electricity**

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.

Beaufort West Municipality provides electricity services mostly to the communities of Beaufort West, Nelspoort and partially Murraysburg, whilst Eskom provides electricity to Merweville and partially to Murraysburg.

During 2013/14 the project for the electrification of 367 newly built houses were completed by the Electricity department for the amount of R4.2 million. Floodlights on the Beaufort West rugby field and Nelspoort soccer field were installed as well as 3 x 30 meter high mast lights in Beaufort West.

Electricity purchases for the 2013/14 financial year amounted to R43.32 million (Incl VAT) for 56 524 586 kWh. The electricity is sold to industrial/commercial and domestic customers. Approximately 35.3% of the electricity is sold to industrial/commercial customers, 45.8% to domestic customers, 2.6% for street lighting, 4.4% for own use and 0.44% electricity theft. Energy losses during the financial year amounted to 11.48%.

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

### 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.

### 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**

Highlights	Description
Electrification of 367 low cost houses	This units were electrified at a total cost of R4.2 million and it was a huge step forward in the effort to eradicate the housing backlog
Nelspoort soccer field lighting	4 X 20 meter scissor masts with 1 000 watt metal halide luminaires were installed and will improve the quality of life for the residents of Nelspoort as this is the only sports facility in the town
Beaufort West rugby field lighting	4 X 20 meter scissor masts with 1 000 watt metal halide luminaires were installed and will improve the quality of life for the residents of Beaufort West as this is the only sports facility catering for the game of rugby in the town
High mast lighting in Beaufort West	3 x 30 meter high mast lights were erected in the previously disadvantaged areas mainly for the safety of the residents
Testing of LED luminaires for high mast lighting	Beaufort West Municipality in conjunction with Provincial Government is in the process of testing the efficiency of LED luminaires for the 30 meter high mast lights. If the outcome of the tests proves positive, it will be a huge improvement in energy efficiency and the maintenance of these masts
EEDSM Project on municipal buildings	Through the funding from DOE, Beaufort West Municipality was able to change all of the lighting in municipal buildings to LED energy efficient lights. This will be a huge saving on the electricity for own use as well as a reduction in maintenance

*Table 67.: Electricity Highlights*

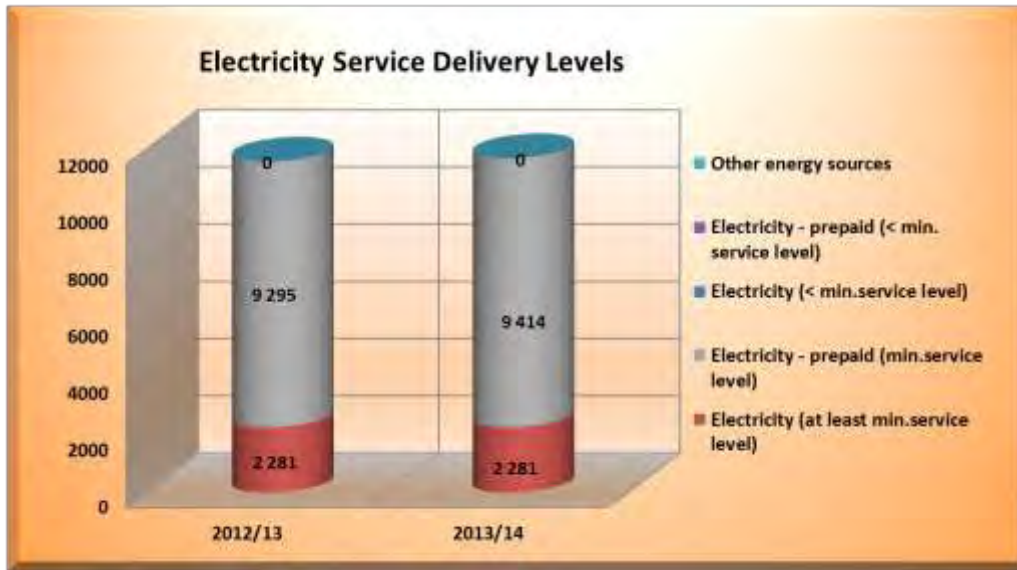
**c) Challenges: Electricity**

Description	Actions to address
High cost of electricity	To implement energy efficient products to reduce the energy consumption of electrical installations
Service delivery	To improve service delivery, we will have to appoint more qualified personnel and manage the maintenance of services and networks more closely
Funding	More funds must be made available for the maintenance of existing and ageing networks. NERSA benchmark must be followed
Discipline	The municipality must implement and drive the disciplinary processes and in doing that, discipline will improve without a doubt

*Table 68.: Electricity Challenges*
**d) Electricity Service Delivery Levels**

Households		
Description	2013/14	2013/14
	Actual	Actual
	No.	No.
<b><i>Energy: (above minimum level)</i></b>		
Electricity (at least min.service level)	2 281	2 281
Electricity - prepaid (min.service level)	9 295	9 414
<i>Minimum Service Level and Above sub-total</i>	<b>11 576</b>	<b>11 695</b>
<i>Minimum Service Level and Above Percentage</i>	<b>100</b>	<b>100</b>
<b><i>Energy: (below minimum level)</i></b>		
Electricity (<min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level Percentage</i>	0	0
<b>Total number of households</b>	<b>11 576</b>	<b>11 695</b>

*Table 69.: Electricity service delivery levels*



Graph 4.: Electricity service delivery levels

e) Employees: Electricity Services

Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	10	9	1	10
4 - 6	5	8	5	3	37.5
7 - 9	6	7	6	1	14.29
10 - 12	5	6	5	1	16.67
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>31</b>	<b>25</b>	<b>6</b>	<b>19.35</b>

Employees and Posts numbers are as at 30 June.

Table 70.: Employees: Electricity Services

f) Capital Expenditure: Electricity Services

Capital Projects	R				
	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<b>Infrastructure: Electricity</b>					
Transmission & Reticulation	1 405 000	10 914 000	5 913 658	5 000 342	5 599 018
Street Lighting	700 000	1 700 000	3 437 529	(1 737 529)	3 437 529

R					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

**Table 71.: Capital Expenditure 2013/14: Electricity Services**

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

**a) Highlights: Waste Management**

Highlights	Description
Municipal funds	10 temporary workers employed as general workers for streets cleaning and litter picking
EPWP funds	Received funds to run environmental projects (incl. recycling)
New landfill site in Murraysburg	Received funds from the Department of Public Works
Vehicles	Bought one refuse removal truck

**Table 72.: Waste Management Highlights**

**b) Challenges: Waste Management**

Description	Actions to address
Illegal dumping	Place illegal dumping sign boards on critical spots
	Distribution of pamphlets on education and awareness on illegal dumping to the community/areas
Lack of maintenance and management of landfill site	EPIP/PW on waste management (incl. landfill) and the target group for employment is the youth for 2014

**Table 73.: Waste Management Challenges**

**c) Solid Waste Service Delivery Levels**

Description	Households	
	2012/13	2013/14
	Actual	Actual
	No.	No.
<b><i>Solid Waste Removal: (Minimum level)</i></b>		
Removed at least once a week	10 940	11 491
<b><i>Minimum Service Level and Above sub-total</i></b>	<b>10 940</b>	<b>11 491</b>
<b><i>Minimum Service Level and Above percentage</i></b>	<b>100</b>	<b>100</b>
<b><i>Solid Waste Removal: (Below minimum level)</i></b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0

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Description	Households	
	2012/13	2013/14
	Actual	Actual
	No.	No.
Other rubbish disposal	0	0
No rubbish disposal	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>10 940</b>	<b>11 491</b>

Table 74.: Solid Waste Service Delivery Levels



Graph 5.: Refuse Removal Service Delivery Levels

### d) Employees: Solid Waste Services

Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	25	35	35	0	0
4 - 6	3	3	2	1	33.33
7 - 9	7	8	6	2	25
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>36</b>	<b>47</b>	<b>44</b>	<b>3</b>	<b>6.38</b>

Employees and Posts numbers are as at 30 June.

*Table 75.: Employees: Solid Waste Services*

**e) Capital Expenditure: Solid Waste Services**

R					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Infrastructure: Other					
Waste Management	0	0	464 309	(464 309)	464 309
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

*Table 76.: Capital Expenditure 2013/14: Solid Waste Services*

**3.3.5 Employees: Basic services: Merweville, Murraysburg & Nelspoort**

Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	20	21	21	0	0
4 - 6	12	12	10	2	16.67
7 - 9	3	3	3	0	0
10 - 12	2	2	2	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>37</b>	<b>38</b>	<b>36</b>	<b>2</b>	<b>5.26</b>
<i>Employees and Posts numbers are as at 30 June.</i>					

*Table 77.: Employees: Basic services: Merweville, Murraysburg & Nelspoort*

**3.3.6 Housing**

**a) Introduction to Housing**

The municipality wishes to stimulate local economy development 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 leader 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 focus strategically mainly on two components of the land use spectrum namely:

- ∞ Finance Linked Individual Subsidy Programme (FLISP) also known as Gap Subsidy Housing
- ∞ Integrated Residential Development Programme (IRDP) - Project linked subsidy housing

**Housing need:**

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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
- ∞ Gap housing R3 501 - R15 000 per month

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

<b>Subsidy</b>	<b>3822</b> - units according to recent estimates of the housing demand data base
<b>Gap</b>	<b>339</b> - potential applicants have registered on our data system

*Table 78.: Housing needs*

### b) Prioritised IRDP Housing Sites

Site	Property	Units
<b>Subsidy: Priority 1</b>		
S8	Rem Farm 185	225
<b>Total</b>		<b>225</b>
<b>Subsidy Priority 2</b>		
S1	Rem Farm 185 (41.1ha)	1 232
S1	Erf 2848 (4.9ha)	147
S2	Rem Farm 185 (1.2ha)	36
<b>Subsidy Priority 3</b>		
S7	Rem Farm 185 (20.8ha)	624
<b>Total</b>		<b>624</b>
<b>Subsidy Grand Total</b>		<b>2 264</b>

*Table 79.: Prioritised housing sites*

### c) GAP Housing Sites

Site	Property	Units
<b>GAP: Priority 1</b>		
G2	Erf 2851 – P.O.S	67
<b>GAP: Priority 2</b>		
G1	Erf 1946 – (4.Oha)	120
<b>GAP Total</b>		<b>187</b>

*Table 80.: GAP housing sites*

### d) Highlights: Housing

Highlights	Description
99.9% occupation of Project S3 & S4	Top structures completed and handed over
76% Consolidation Housing Project completed	Top structures completed and handed over



Highlights	Description
100% Xhoxha Housing Project completed	Top structures rectified and handed over

**Table 81.: Housing Highlights**

### e) Challenges: Housing

Description	Actions to address
Pre 1994 houses with structural defects	Source funding for pre 1994 rectification
Gap Housing Funding	Budget and source additional funding
Funds received late during the financial term	Comply to programme as indicated on the pipeline
Xhoxha Housing Project	Transfer of property
Consolidation Housing Project	Transfer of property and rectification
Xhoxha housing: Acceptance of the 40m <sup>2</sup> houses	Review of the size of the IRDP house
Size of the IRDP plots too small	Review of the size of the plot
Shortage of staff	Approval of the proposed revised organogram

**Table 82.: Housing Challenges**

### f) Households with access to basic housing

Number of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2012/13	10 940	10 878	99
2013/14	11 456	11 429	99

**Table 83.: Households with access to basic housing**

### g) Housing Waiting List

The following table shows the decrease in the number of people on the housing waiting list. There are currently approximately 4 161 housing units on the waiting list.

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2012/13	5 221	(12)
2013/14	4 161	(20.3)

**Table 84.: Housing waiting list**

### h) Housing Allocation

A total amount of R20 286 960 million was allocated to build houses during the financial year under review. A summary of houses built, includes:

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Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2012/13	31 100	30 317	96.8	160	573
2013/14	49 685	49 486	98	567	518

Table 85.: Houses built in 2013/14

### i) Employees: Housing

Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	1	1	1	0	0
7 - 9	3	3	3	0	0
10 - 12	0	0	0	0	0
13 - 15	0	1	0	1	100
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>20</b>

*Employees and Posts numbers are as at 30 June.*

Table 86.: 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 in the financial year under review.

The municipality has made significant progress and is one of the first municipalities in the country to have implemented free basic services to its indigent households. A debtor is considered indigent if the total monthly household income is equal to two times the amount of state funded social pensions or less (currently R2 700 per month). All indigent households are receiving 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 semi-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 **R2 700** per month will receive the free basic services as prescribed by national policy. The table, furthermore, indicates the total number of indigent households and other households that received free basic services in the past two financial years:

**b) Households: Free Basic Services**

The tables below indicates the number of households that received free basic services in the 2012/13 and 2013/14 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	%
2012/13	13 384	5 435	41	6 293	47	2 661	20	957	7
2013/14	13 864	4 627	33	6 342	45	2 898	21	3 378	24

*Table 87.: Free basic services to indigent 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
2012/13	4 699	50	2 665	289	50	176	50	50	45
2013/14	4 627	50	2 885	289	50	228	50	50	48

*Table 88.: Free basic Water services to indigent households*

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
2012/13	4 847	6	6 648	1 004	6	348
2013/14	5 293	6	6 315	1 004	6	380

*Table 89.: Free basic Water services to indigent households*

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
2012/13	2 661	643.20	2 051	0	0	0
2013/14	2 898	698.30	2158	0	0	0

*Table 90.: Free basic Water services to indigent households*

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
2012/13	2 957	1	638	0	0	0
2013/14	3 378	1	709	0	0	0

*Table 91.: Free basic Refuse Removal services to indigent households per type of service*

### c) Financial Performance: Free Basic Services

Financial Performance 2013/14: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2012/13	2013/14			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Water	6 648	3 000	3 000	6 315	3 315
Waste Water (Sanitation)	2 051	2 256	2 300	2 158	(142)
Electricity	2 665	2 500	2 500	2 885	385
Waste Management (Solid Waste)	638	727	870	709	(161)
<b>Total</b>	<b>12 002</b>	<b>8 483</b>	<b>8 670</b>	<b>12 067</b>	<b>3 397</b>

Table 92.: Financial Performance 2013/14: Cost to Municipality of Free Basic Services Delivered

## 3.4 COMPONENT B: ROAD TRANSPORT

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

### 3.4.1 Roads

#### a) Introduction to Roads

Although 950m gravel roads were upgraded to paved roads in Beaufort West. The general maintenance of tarred and gravel roads were respectively neglected due to budget constraints and unreliable machinery. The grader was refurbished by Barlows to a standard whereby it can be operational to grade roads.

Pothole repair is done by the municipality while the construction of new paved roads are undertaken by contractors. These projects are done according to EPWP standards to create job opportunities.

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

#### b) Highlights: Roads

Highlights	Description
Upgrading of Ebenezer Street	Upgrading of gravel roads to paved roads with associated stormwater

Table 93.: Roads Highlights

#### c) Challenges: Roads

Description	Actions to address
Reseal of roads	Availability of own funds
Maintenance of gravel roads	Replace unreliable machinery
Rebuilding of streets other than indigent areas	Availability of own funds

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Description	Actions to address
Lack of man power	Fill vacant positions/re-structure organogram

Table 94.: Roads Challenges

### d) Gravel Roads Infrastructure: Kilometers

Gravel Roads Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to paved	Gravel roads graded/maintained
2012/13	56 544	0	2.196	56 544
2013/14	56 544	2 963	950	27 694

Table 95.: Gravel road infrastructure

### e) Tarred Road Infrastructure: Kilometers

Tarred/Paved Road Infrastructure: Kilometres					
Year	Total tarred/paved roads	New paved roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar/paved roads maintained
2012/13	97 656	2 196	0	0	97 656
2013/14	99 852	950	0	0	99 852

Table 96.: Tarred road infrastructure

### f) Cost: 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 & Replacements	Resealed	Maintained
	R		
2012/13 (Main roads)	0	0	0
2012/13 (Other roads)	0	0	2 752
2013/14 (Main roads)	0	0	33 312.62
2013/14 (Other roads)	3 568 729.82	0	0

\* The cost for maintenance include storm water

Table 97.: Cost of construction/maintenance of roads and storm water

### g) Employees: Roads and Stormwater

Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	20	36	22	14	38.89
4 - 6	4	8	6	2	25

Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	8	9	6	3	33.33
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	1	0	1	100
19 - 20	0	0	0	0	0
<b>Total</b>	<b>32</b>	<b>54</b>	<b>34</b>	<b>20</b>	<b>37.04</b>

*Employees and Posts numbers are as at 30 June.*

**Table 98.: Employees: Roads and Stormwater**

#### **h) Capital Expenditure: Roads and Stormwater**

R					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<b>Infrastructure – Road Transport</b>					
Roads Pavements & Bridges	3 459 000	4 782 000	4 074 979	646 707	4 074 979
Stormwater	5 583 000	4 432 000	1 779 729	2 528 871	1 779 729

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

**Table 99.: Capital Expenditure 2013/14: Roads and Stormwater**

#### **3.4.2 Waste water (Stormwater drainage)**

During the financial year no major new infrastructure were constructed to prevent flooding of houses. Adhoc additions were completed, such as new stormwater catch pits to cope with severe problems. Stormwater structures were also built along new paved roads.

A new detention pond system was planned in Hillside to prevent flooding of houses. No construction could take place due to a lack of funding. Only the cleaning of the existing structures could take place.

Clearing of the Kuils- and Gamka River of vegetation took place on a regular basis.

#### **a) Highlights: Waste Water (Stormwater Drainage)**

Highlights	Description
Gamka – and Kuils River	Clearing from vegetation to prevent blockages and make the environment safe for the community

**Table 100.: Waste Water (Storm water drainage) Highlights**

**b) Challenges: Waste Water (Storm water Drainage)**

Description	Actions to address
Stormwater Master Plan	Stormwater Master Plan must be updated, existing plan is outdated
Old stormwater pipes	Upgrade stormwater system
Extension of existing stormwater system	Availability of own funds
Lack of man power	Fill vacant positions/re-structure organogram

*Table 101.: Waste Water (Stormwater drainage) Challenges*

**c) Stormwater Infrastructure: Kilometers**

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

Stormwater Infrastructure: Kilometres				
Year	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2012/13	Master Plan outdated	1.08	1.445	17.1
2013/14	Master Plan outdated	2.04	0	17.1

*Table 102.: Stormwater infrastructure*

**d) Cost: Stormwater Infrastructure**

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

Financial year	Stormwater Measures		
	New R'000	Upgraded R'000	Maintained R'000
2012/13	4 182	0	Part of roads
2013/14	Part of new road construction	0	Part of roads

*Table 103.: Cost of construction/maintenance of stormwater systems*

An amount of R550 000 was made available to create jobs through pot hole repair and repairing water and sanitation repairs for indigent households. Material was purchased with savings from the operating and maintenance budget.

Personal appointed for these projects are as follows:

Description	Female	Male	Youth
Data Capturer	1	0	1
Supervisors	1	1	1
Labourers	6	11	10

*Table 104.: Additional job creation*

**3.4.3 Employees: Other Services**

<b>Employees: Fleet Management (Workshop)</b>					
<b>Job Level</b>	<b>2012/13</b>		<b>2013/14</b>		
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	0	0	0	0	0
4 - 6	4	4	4	0	0
7 - 9	1	1	1	0	0
10 - 12	1	1	1	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>

*Employees and Posts numbers are as at 30 June.*

*Table 105.: Employees Fleet Management*

**3.5 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT**

**3.5.1 Planning and Building Control**

Due to the growing beneficiary list for subsidized housing, planning for residential areas to accommodate IRDP and GAP housing, was done by ASLA as the turnkey contractor. The aforementioned planning was done in conjunction with the officials of the municipality.

**a) Highlights: Planning and Building Control**

<b>Highlights</b>	<b>Description</b>
IRDP and GAP housing	Planning for plots

*Table 106.: Planning Highlights*

**b) Additional Service Statistics: Planning and Building Control**

<b>Type of service</b>	<b>2012/13</b>	<b>2013/14</b>
Building plans application processed	148	159
Total surface (m2 )	6 012.52	8 056.25
Approximate value (Rand)	74 758 777	29 500 688
Residential extensions	132	154
Land use applications processed	42	24



Type of service	2012/13	2013/14
Rural applications	148	159

Table 107.: Additional Performance Town Planning and Building Control

**c) Employees: Planning and Building Control**

Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	3	3	2	1	33.33
7 - 9	1	3	2	1	33.33
10 - 12	3	3	3	0	0
13 - 15	0	2	1	1	50
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>12</b>	<b>9</b>	<b>3</b>	<b>25</b>

*Employees and Posts numbers are as at 30 June.*

Table 108.: Employees: Planning

**3.5.2 Local Economic Development (Including Tourism and Market places)**

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

The sectors that are contributing the most to the town'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% compared to the provincial unemployment rate of 15,9 percent, this situation is further aggravated by the inability of the current markets to pay living wages i.e. household income is estimated at R 850 pm – R 1500 pm.

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, therefore, also has to play a role in the development of skills of the local labour force. The challenge for the Beaufort West Municipality is therefore not only to grow the economy and tax base, but to also develop skills so that the jobs that are created through the growing economy can be taken up by the local unemployed residents.

The Beaufort West Municipality has an approved Local Economic Development strategy that was compiled during a comprehensive and transparent formulation process. However this plan has not been reviewed in three years, making it very difficult to measure progress and challenges. A senior official in top management is responsible for economic development and implementation, which is challenging due to limited resources and capacity. The IDP and LED functions were separated in 2012

so that the unit consists of an IDP Coordinator (which is vacant) and LED Official (which is vacant), instead of the IDP Manager managing both functions. Both these functions still reside within the Office of the Municipal Manager.

**3.6 COMPONENT D: COMMUNITY AND SOCIAL SERVICES**

**3.6.1 Libraries**

**a) Highlights: Libraries**

Highlights	Description
Slims System	A Library Information Management System that SITA and a user-based selection team had settled on as the replacement for PALS
Care of elderly readers	Treatment of hands and nails to the elderly
Information session in collaboration with local clinics on breastfeeding	Information sessions to new mothers on breastfeeding
Information session: Career exhibitions: Some students have also received full scholarships	Assistance to scholars in completing application forms of universities and colleges. Some of them received bursaries
Spelling Bee	Program held with the local prisoners who form a part of our patrons
Poetry event with local correctional services	Program held with our patrons in prison
Math's competition	Held with the local primary school in Nelspoort
Mandela day festival	All libraries had different programs in the community. Some served some soup and others gave blankets to the poor

*Table 109.: Libraries Highlights*

**a) Challenges: Libraries**

Challenge	Description
Relay staff in Nelspoort Library	Staff shortage, only one staff member on duty
Merweville Library too small [not user friendly]	Currently all departments of local municipality under one roof
General training for professionalism in library	There is a need for training to staff members of all libraries
Slims training	One day training in SLIMS is not sufficient to staff members
Library Manager	Position of Manager Libraries is vacant due to lack of funding and functions of this vacancy are attended to by the Director: Corporate Services
Senior Librarian in Church Street Library	Position of Senior Librarian in Church Street Library is for more than 12 months vacant due to the lack of funding and it is anticipated that the position will be filled early in the 2014/15 year

*Table 110.: Libraries Challenges*

**b) Service statistics for Libraries**

Type of service	2012/13	2013/14
Library members	17 474	12 079

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Type of service	2012/13	2013/14
Books circulated	203 855	181 390
Exhibitions held	±132	63
Internet users	±9 844	37 340
New library service points or Wheelie Wagons	1	0
Visits by school groups	±24	32
Primary and Secondary Book Education sessions	±12	18

Table 111.: Service statistics for Libraries

### c) Employees: Libraries

Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	19	19	18	1	5.26
7 - 9	0	0	0	0	0
10 - 12	2	3	2	1	33.33
13 - 15	0	1	0	1	100
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>23</b>	<b>20</b>	<b>3</b>	<b>13.04</b>

Employees and Posts numbers are as at 30 June.

Table 112.: Employees: Libraries

### d) Capital Expenditure: Libraries

R					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<b>Other Assets</b>					
Computers - hardware/equipment	175 000	237 000	197 439	39 561	197 439
Furniture and other office equipment	317 000	379 000	501 549	(122 549)	501 549
General vehicles	57 000	51 000	3 865 986	(3 814 986)	3 865 986

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R					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Plant & equipment	1 669 000	433 000	322 260	110 740	322 260
Other Buildings	13 000	0	1 990	(1 990)	1 990
Other Land	350 000	350 000	0	0	0
Other	0	190 000	27 526	162 474	27 526

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

Table 113.: Capital Expenditure 2013/14: Libraries

### 3.6.2 Cemeteries

There are enough burial ground in all the towns under the jurisdiction of Beaufort West for the near future. However, new cemeteries will have to be developed in the 2015/16 financial year.

#### a) Challenges: Cemeteries

Description	Actions to address
Vandalism of perimeter fencing as well as the tombstones	Fixing of the perimeter fence
Animals entering the cemeteries and damaging the graves and flowers	

Table 114.: Cemeteries Challenges

## 3.7 COMPONENT G: SECURITY AND SAFETY

This component includes: traffic; law enforcement; fire and disaster management

### 3.7.1 Traffic Services and Law Enforcement

#### a) Highlights: Traffic Services and Law Enforcement

Highlights	Description
Implementation of a central server for all traffic offences	All traffic offence notices issued by Beaufort West Municipality, as well as Provincial Traffic are captured on one local server for ease of payment and expediting enquiries
Female Grade A Examiner of License	Female Traffic Officer can now test applicants for all codes of driving licenses

Table 115.: Traffic Services Highlights

#### b) Challenges: Traffic Services and Law Enforcement

Challenges	Actions to overcome
Exposure to corruption	Appointment of additional supervisors
Lack of discipline	Expedite disciplinary measures
Lack of trust amongst staff	Workshops on change management and team building

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Challenges	Actions to overcome
Poor supervision	Span of control to be investigated
Appointment of staff with no work ethic	Improve vetting of applicants beforehand

Table 116.: Traffic Services Challenges

### c) Additional Service statistics for Traffic Services and Law Enforcement

Details	2012/13	2013/14
Animals impounded	85	105
Motor vehicle licenses processed	11 637	11 135
Learner driver licenses processed	1 024	540
Driver licenses processed	502	691
Driver licenses issued	2 946	1 664
Fines issued for traffic offenses	1 350	836
R-value of fines collected	696 050	451 730
Roadblocks held	8	2
Complaints attended to by Traffic Officers	66	36
Awareness initiatives on public safety	0	0

Table 117.: Additional performance Service Statistics for Traffic Services

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

Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	1	1	50
4 - 6	7	10	9	1	10
7 - 9	5	6	5	1	16.67
10 - 12	4	5	4	1	20
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>19</b>	<b>24</b>	<b>20</b>	<b>4</b>	<b>16.67</b>

*Employees and Posts numbers are as at 30 June.*

Table 118.: Employees: Traffic and Law Enforcement Services

### 3.7.2 Fire Services and Disaster Management

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

Details	2012/13	2013/14
Operational call-outs	93	118
Reservists and volunteers trained	13	0
Awareness initiatives on fire safety	4	7

Table 119.: Fire Service Data

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

Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	11	13	11	2	15.39
7 - 9	0	0	0	0	0
10 - 12	0	2	1	1	50
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>15</b>	<b>12</b>	<b>3</b>	<b>20</b>

Employees and Posts numbers are as at 30 June.

Table 120.: Employees: Fire services and Disaster Management

## 3.8 COMPONENT H: SPORT AND RECREATION

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

### 3.8.1 Sport and Recreation

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

All sport and recreation areas are mowed and irrigated on a regular basis.

#### a) Highlights: Sport and Recreation

Highlights	Description
Upgrades at the Rustdene sport field	A new swimming pool was constructed at the Rustdene sport field from MIG funds and a bar was constructed for the VIP area

Table 121.: Sport and Recreation Highlights

**b) Challenges: Sport and Recreation**

Description	Actions to address
Vandalism of perimeter fencing and all electrical equipment on the outside of the buildings	Appoint security

*Table 122.: Sport and Recreation Challenges*
**c) Service statistics for Sport and Recreation**

Type of service	2012/13	2013/2014
<b>Community parks</b>		
Number of parks with play park equipment	8	8
Number of wards with community parks	7	7
<b>Swimming pools</b>		
Number of visitors per annum	26 497	12 807
R-value collected from entrance fees	R143 155	R76 844
<b>Sport fields</b>		
Number of wards with sport fields	7	7
R-value collected from utilization of sport fields	R156 773	R93 690
<b>Sport halls</b>		
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	R49 573	R21 550

*Table 123.: Additional performance information for Sport and Recreation*
**d) Employees: Sport and Recreation**

Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	16	21	18	3	14.29
4 - 6	11	16	11	5	31.25
7 - 9	1	3	1	2	66.67
10 - 12	1	1	1	0	0
13 - 15	1	0	0	0	0

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Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>30</b>	<b>41</b>	<b>31</b>	<b>10</b>	<b>24.39</b>

*Employees and Posts numbers are as at 30 June.*

Table 124.: Employees: Sport and Recreation

### e) Capital Expenditure: Sport and Recreation

R					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<b>Community</b>					
Sports fields & Stadia	0	918 000	644 569	273 431	644 569

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

Table 125.: Capital Expenditure 2013/14: Sport and Recreation

## 3.9 COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

### 3.9.1 Corporate Services

This component includes: Administration, Councilor Support, Thusong Service Centers, Municipal Management, IDP, and Internal Audit.

#### a) Highlights: Corporate Services

Highlights	Description
Implementation of Compliance Assist	Implementation of a web based compliance monitoring system that will assist in future to remind employees of key deliverables in terms of the legislation monitored via the system
Distribution of Council resolutions	All Council resolutions where distributed within an average of 8 days

Table 126.: Corporate Services Highlights



**b) Challenges: Corporate Services**

Description	Actions to address
Resignation of Director: Corporate Services	Position were vacant since 1 November 2013 and a final decision regarding the appointment of a new director were only taken on 30 June 2014. The responsibilities of the Director: Corporate Services were carried out by the Senior Manager: Corporate Services

*Table 127.: Corporate Services Challenges*

**c) Employees: Corporate Services**

Employees: Administration					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	3	2	1	33.33
4 - 6	2	2	2	0	0
7 - 9	3	3	3	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>11.11</b>

*Employees and Posts numbers are as at 30 June.*

*Table 128.: Employees: Administration*

Employees: Councillor Support and Thusong Service Centres					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	1	1	1	0	0
7 - 9	2	2	1	1	50
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50</b>

*Employees and Posts numbers are as at 30 June.*

*Table 129.: Employees: Councillor Support and Thusong Service Centres*

Employees: Municipal Management (Directors, Administration, IDP, Internal Audit, etc.)					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	2	3	2	1	33.33
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20 +	4	6	4	2	33.33
<b>Total</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>3</b>	<b>27.27</b>

*Employees and Posts numbers are as at 30 June.*

**Table 130.:** *Employees: Municipal Management*

### 3.9.2 Financial Services

#### a) Highlights: Financial Services

Highlights	Description
Audit opinion	Achieved an unqualified audit opinion for the 2012/13 financial year

**Table 131.:** *Financial Services Highlights*

#### b) Challenges: Financial Services

Description	Actions to address
Filling of critical vacancies	CFO to be appointed in September 2014
Cash flow problems	Implement saving initiatives
Grant dependency	Increase own revenue
Capacity shortages	Employment of financial interns
Low revenue collection	Strict revenue collection

**Table 132.:** *Financial Services Challenges*

**c) Debt Recovery statistics**

Details of the types of account raised and recovered	2012/13			2013/14			2014/15		
	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	21 645	20 242	93	21 275	20 813	97	24 364	23 633	97
Electricity	60 677	60 475	99	40 623	40 065	99	41 950	41 830	99
Water	11 785	10 952	93	11 399	10 243	89	14 487	12 893	89
Sanitation	10 053	9 449	94	10 465	8 978	86	13 396	11 520	86
Refuse	5 126	3 894	76	5 350	3 824	71	6 649	5 718	86

**Table 133.: Debt recovery**
**d) Employees: Financial Services**

Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0
4 - 6	22	24	21	3	12.5
7 - 9	3	4	4	0	0
10 - 12	7	8	7	1	12.5
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>34</b>	<b>39</b>	<b>35</b>	<b>4</b>	<b>10.26</b>

Employees and Posts numbers are as at 30 June.

**Table 134.: Employees: Financial Services**
**3.9.3 Human Resource Services**
**a) Highlights: Human Resources**

Highlights	Description
Staff appointment meetings	12 staff appointment meetings were held since 1 July 2013 to 30 June 2014 – Candidates interviewed for 92 vacancies

**Table 135.: Human Resource Highlights**

**b) Challenges: Human Resources**

Description	Actions to address
Policies to be reviewed and approval of draft policies	Director: Corporate Services to arrange workshops
Advertising of vacancies on receipt of requisitions	When notifying a Director of an employee exiting the service of the municipality a draft advertisement and job description must accompany the notice. On receipt of the signed staff requisition from the Director and the Municipal Manager, the vacancy can be advertised immediately
Appointment of advertised positions to be filled within 3 months	Applications received must be captured daily that shortlisting of candidates start within a month from the closing date, where after the process of competency tests and screening of shortlisted candidates can be completed before interviewing candidates
Compliance with health and safety legislation	ISHS (Pty) Ltd. was re-appointed to assist with health & safety issues. Re-appoint and train new safety reps
Regular LLF meetings	A schedule for monthly meetings until November 2014 was accepted at the meeting of the LLF held on 28 May 2014. HR notify members in advance by means of memoranda and e-mail notices to submit items for discussion prior to scheduled meetings
Injury on Duty (IOD)	Employees must be issued with the correct protective clothing/gear to do certain jobs to avoid IOD's and claim compensation after being paid by the municipality when not re-appointed. IOD's must be accompanied by an incident report which state that the health & safety rep/committee investigated the incident
Leave administration	The correct capturing of all leave forms is very crucial. Council must provide funds in the budget to appoint a dedicated clerk to do leave administration
Update/induction of employees regarding joining medical aid funds, pension/retirement fund benefits, absence of leave and other related issues	Regular meetings with employees in all the sections of the municipality including Merweville, Murraysburg and Nelspoort

*Table 136.: Human Resource Challenges*

**c) Employees: Human Resource Services**

Employees: Human Resource Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

Employees: Human Resource Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
<i>Employees and Posts numbers are as at 30 June.</i>					

**Table 137.:** Employees: Human Resource services

### 3.9.4 Information and Communication Technology (ICT) Services

#### a) Introduction to Information and Communication Technology (ICT) Services

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

#### b) Highlights: ICT Services

Highlights	Description
Backup of data	99% of all data backed up successfully
IT queries/problems	97% of IT queries resolved within 2 working days
Network downtime at after-hour pay points	Downtime at after-hours pay points reduced to less than 1 hour per incident

**Table 138.:** ICT Service Highlights

#### c) Challenges: ICT Services

Description	Description
Aging computer equipment	Due to budgetary constraints the municipality were not able to replace all computers equipped with Windows XP before the decommissioning date of Windows XP by Microsoft
Overall network downtime	Due to lightning strikes and theft of network equipment, damage occurred to the network which resulted in overall network downtime of 5.28%

**Table 139.:** ICT Service Challenges

#### d) Capital Expenditure: ICT Services

Capital Expenditure 2013/14: ICT Services					
R					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Other	0	0	24 809	(24 809)	24 809
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

**Table 140.:** Capital Expenditure 2013/14: ICT Services

## 3.9.5 Procurement Services

### a) Highlights: Procurement Services

Highlights	Description
Compliance assessment was done by Provincial Treasury to assist with gaps and development of SCM processes	Report was presented to Council and recommendations were made and implemented to improve service delivery.

Table 141.: Procurement Services Highlights

### b) Challenges: Procurement Services

Description	Actions to address
SCM module aligned to financial management system - Sebata	Business plan submitted to Provincial Treasury for funding
Fully functional centralised SCM unit	Implementation report submitted to Council with recommendations

Table 142.: Procurement Services Challenges

### c) Service Statistics for Procurement Services

Description	Total No	Monthly Average	Daily Average
Requests processed	27	2	0
Orders processed	3363	281	15
Requests cancelled or referred back	2	Dependant on demand	Dependant on demand
Extensions	2	Dependant on demand	Dependant on demand
Bids received (number of documents)	115	Dependant on demand	Dependant on demand
Bids awarded	20	Dependant on demand	Dependant on demand
Bids awarded ≤ R200 000	13	Dependant on demand	Dependant on demand
Appeals registered	0	0	0
Successful Appeals	0	0	0

Table 143.: Service Statistics for Procurement Division

### d) Details of Deviations for Procurement Services

Type of deviation	Number of deviations	Percentage of total deviations number	Value of deviations R	Percentage of total deviations value
Emergency	8	3	432 199.43	6
Sole Supplier	75	25	1 919 584.59	27
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	212	72	4 683 935.14	67

Type of deviation	Number of deviations	Percentage of total deviations number	Value of deviations R	Percentage of total deviations value
to follow the official procurement process				
<b>Total</b>	<b>295</b>	<b>100</b>	<b>7 035 719.16</b>	<b>100</b>

Table 144.: Statistics of deviations from the SCM Policy

### 3.9.6 Municipal buildings

#### a) Introduction to municipal buildings

Maintenance on municipal buildings is done on an adhoc basis due to financial constraints. The only planned renovation that could be completed is at the municipal stores as it was specifically budgeted for.

We are in the process of developing a maintenance plan for all municipal buildings. It is anticipated that it will be completed in the 2014/15 financial year.

#### b) Highlights: Municipal Buildings

Highlights	Description
Fixing of plumbing to save water	Indigent households

Table 145.: Municipal Buildings Highlights

#### c) Challenges: Municipal Buildings

Description	Actions to address
Maintenance of municipal buildings	Availability of own funds /Lack of man power
Maintenance of indigent households	Utilise savings of projects where available

Table 146.: Buildings Challenges

#### d) Low cost housing: New houses

Year	New	Rebuilt
2012/13	10	10
2013/14	551	16

Table 147.: New and rebuilt houses

#### e) Cost: Maintenance Municipal Buildings

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

Maintenance details	2012/13 R	2013/14 R
Municipal	3 010 516	3 696 517
Low cost housing	74 536	215 000

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Maintenance details	2012/13 R	2013/14 R
<b>Total</b>	<b>3 085 052</b>	<b>3 911 517</b>

Table 148.: Cost of maintenance of buildings

### f) Employees: Building Maintenance

Employees: Building Maintenance					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	9	7	2	22.22
4 - 6	4	6	5	1	16.67
7 - 9	1	1	1	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>17</b>	<b>14</b>	<b>3</b>	<b>17.65</b>

Employees and Posts numbers are as at 30 June.

Table 149.: Employees Building Maintenance

### 3.9.7 Fleet Management

#### a) Introduction to Fleet Management

Managing and operating the municipal workshop and fleet is crucial for service delivery by the municipality.

The fleet consists out of:

- ∞ 21 lease vehicles
- ∞ 123 out of different types of manufactures such as trailers, compressors and earth moving machines

Most of the repair and maintenance are tendered out and different suppliers do have the contracts to deliver the services, the reason for that is for work guarantee and warranty purpose. The workshop manage the small plant and smaller day to day repairs. Parallel with the workshop is the managing of the welding work shop, who deliver various types of services to the community and repairs on buildings of the municipality.

#### b) Highlights: Fleet Management

Highlights	Description
Leasing of new vehicles	Full maintenance contract
Rebuilding of grader	Barlow World rebuilt the grader

Table 150.: Fleet Management: Highlights



**c) Challenges: Fleet Management**

Description	Actions to address
Maintenance of municipal vehicles	Availability of own funds
Availability of vehicles and equipment	Aging and outdated to be replaced
The managing of fleet in the outside towns	Mechanisms to be put in place to monitor the processes of maintenance and more visits per month
Misuse of fleet	Workers must be inducted/disciplinary processes to be implemented
Training	Drivers to be trained

*Table 151.: Fleet Management Challenges*

**d) Cost: Fleet Management**

Direct cost (material and service providers) to maintain the municipal fleet:

Financial Year	Rands
2012/13	738 004
2013/14	1 756 644

*Table 152.: Cost of fleet*

**e) Cost of workshop**

Financial Year	Rands
2012/13	1 377 255
2013/14	1 440 906

*Table 153.: Cost of the workshop*

**3.10 COMPONENT L: SERVICE DELIVERY PRIORITIES FOR 2014/15**

The main development and service delivery priorities for 2014/15 forms part of the municipality’s top layer SDBIP for 2014/15 and are indicated in the table below:

**3.10.1 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	Annual Target
TL11	Create temporary job opportunities in terms of EPWP projects	Number of temporary jobs opportunities created	All	500

*Table 154.: Service delivery priority for 2014/15: 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*

**3.10.2 To embark on a turnaround strategy to address the administrative and financial challenges facing the municipality**

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL4	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
TL46	0.5% of the municipality's operational budget spent on implementing its workplace skills plan (Actual amount spent on training/total operational budget)x100	(Actual amount spent on training/total operational budget)x100	All	0.50%

*Table 155.: Service delivery priority for 2013/14: To embark on a turnaround strategy to address the administrative and financial challenges facing the municipality*

**3.10.3 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	Annual Target
TL1	Transfer 64 housing units in XHOXHA to beneficiaries by the end of June	Number of housing units transferred by end June	4	64
TL2	Purchase land for future housing development by the end of June	Land purchased by end June	2; 7	1
TL3	Review of the housing selection policy and submit to Council by end June	Housing selection policy reviewed and submitted to Council	All	1
TL5	Limit the % electricity unaccounted for to less than 10%	% calculated as (kwh sold/kwh purchased)x100	All	10%
TL6	90% of the electricity maintenance budget spent ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of the budget spent	All	90%
TL7	95% of the approved project budget spent to install new flood lighting at Merweville sport grounds (Total expenditure on project/ Approved budget for the project)x100	% of the budget spent	7	95%
TL8	95% of the approved project budget spent to install new foundations high mast light (Total expenditure on project/ Approved budget for the project)x100	% of the budget spent	2	95%
TL9	95% of the approved project budget spent to install new high mast lights for the greater Beaufort West (Total expenditure on project/ Approved budget for the project)x100	% of the budget spent	2; 7	95%
TL10	95% of the approved project budget spent to install new flood lighting at Rustdene Sport grounds (Total expenditure on project/ Approved budget for the project)x100	% of the budget spent	3; 5; 6	95%
TL12	Construct new roads Phase II in Beaufort West, Hillside II, Rustdene & Kwa Mandlenkosi	Number of meters of new roads constructed	All	400

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL13	Limit unaccounted water to less than 15% between source and sector meters	% of water unaccounted for between source and sector meters	All	15%
TL14	Maintain water quality as per SANS 241 physical and micro parameters	% water quality level	All	95%
TL15	Maintain quality of final waste water outflow	% quality level	All	90%
TL16	90% of the roads and stormwater assets maintenance budget spent ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent	All	90%
TL17	90% of the sanitation assets maintenance budget spent ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent	All	90%
TL18	90% of the parks and recreation maintenance budget spent ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent	All	90%
TL19	90% of the water assets maintenance budget spent ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent	All	90%
TL20	95% of the approved project budget spent to implement Water Conservation/Water Demand Management Plan with the replacement of water meters	% of budget spent	All	95%
TL21	95% of the approved project budget spent to upgrade the sport facilities in Beaufort West by end June	% of budget spent	All	95%
TL22	95% of the approved project budget spent to rehabilitate Pieter street in Beaufort West by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	3	95%
TL23	95% of the approved project budget spent to rehabilitate Ebenezer avenue and Pieter street in Beaufort West by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	3	95%
TL24	95% of the approved project budget spent to install water pressure reducing valves in Beaufort West by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	All	95%
TL25	95% of the approved project budget spent to install the stormwater pipeline in Buitekant Street Beaufort West by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	3; 5; 6	95%

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL26	95% of the approved project budget spent to install the sewerage pipeline and pump station in Buitekant Street Beaufort West by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	3; 5; 6	95%
TL27	95% of the approved project budget spent to upgrade the water supply to Murraysburg by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	1	95%
TL28	95% of the approved project budget spent to upgrade the stormwater channel 2292 in Murraysburg South by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	1	95%
TL29	95% of the approved project budget spent to complete the new fencing of the stormwater channel Phase 1 in Murraysburg by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	1	95%
TL30	95% of the approved project budget spent to rehabilitate identified roads in Murraysburg by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	1	95%
TL31	95% of the approved project budget spent to rehabilitate roads and stormwater in Murraysburg by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	1	95%
TL32	95% of the approved project budget spent to construct the new bulk water Supply to Nelspoort by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	2	95%
TL33	95% of the approved project budget spent to upgrade the sanitation oxidation ponds in Nelspoort by end June (Total expenditure on project/ Approved budget for the project)x100	% of budget spent	2	95%
TL38	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network	Number of residential properties which are billed for water or have pre-paid meters	All	11 938
TL39	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas)	All	10 890
TL40	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)	Number of residential properties which are billed for sewerage	All	11 938
TL41	Number of formal residential properties for which refuse is removed once per week	Number of residential properties which are billed for refuse removal	All	11 938

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL42	Provide free basic electricity to indigent households earning less than R2400 per month	Number of households receiving free basic electricity	All	5 385
TL43	Provide free basic water to indigent households earning less than R2400 per month	Number of households receiving free basic water	All	6 293
TL44	Provide free basic sanitation to indigent households earning less than R2400 per month	Number of households receiving free basic sanitation	All	2 661
TL45	Provide free basic refuse removal to indigent households earning less than R2400 per month	Number of households receiving free basic refuse removal	All	957
TL47	The percentage of the municipal capital budget spent (Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted for capital projects)X100	(Actual amount spent on projects /Total amount budgeted for capital projects)X100	All	75%

*Table 156.: Service delivery priority for 2014/15: To improve and maintain current basic service delivery and infrastructure development through the provision of basic services and specific infrastructural development projects*

### 3.10.4 To improve the financial viability of the municipality

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL34	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	All	2
TL35	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	32%
TL36	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	0.8
TL37	Achieve a payment percentage of above 85% $\{(\text{Gross Debtors Closing Balance} + \text{Billed Revenue} - \text{Gross Debtors Opening Balance} - \text{Bad Debts Written Off}) \text{ divided by Billed Revenue} \} \times 100$	Payment % achieved	All	85%

*Table 157.: Service delivery priority for 2014/15: To improve the financial viability of the municipality*

### 3.10.5 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	Annual Target
TL48	Compile the Risk based audit plan and submit to Audit committee for consideration by end September	Risk based audit plan submitted to Audit committee for consideration by end September	All	1

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL49	Implement the approved RBAP for 2014/15 period ((Number of audits completed for the period/ audits planned for the period))	(Number of audits completed for the period/ audits planned for the period)x100	All	70%

**Table 158.:** *Service delivery priority for 2014/15: To promote good governance through ongoing communication between the council and citizens through community participation, effective information dissemination and communication and ward based consultation*

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## CHAPTER 4

## 4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2012/13	2013/14
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	0
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.01	0.06

Table 159.: National KPIs– Municipal Transformation and Organisational Development

## 4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Beaufort West Municipality currently employs **353** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR 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 performance indicator 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/actual

African		Coloured		Indian		White	
Target June	Actual June	Target June	Actual June	Target June	Actual June	Target June	Actual June
106	93	182	234	0	0	65	26

Table 160.: 2013/14 EE targets/Actual by racial classification

Males (Including disability)		Females (Including disability)	
Target June	Actual June	Target June	Actual June
189	252	163	101

Table 161.: 2013/14 EE targets/actual by gender classification

**b) Specific Occupational Categories - Race**

The table below indicates the number of employees by race within the specific occupational categories:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	1	1	0	2	0	0	0	0	4
Senior management	0	2	0	4	0	0	0	2	8
Professionally qualified and experienced specialists and mid- management	1	5	0	1	1	4	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	30	0	4	8	19	0	4	70
Semi-skilled and discretionary decision making	19	48	0	2	9	20	0	7	105
Unskilled and defined decision making	39	88	0		10	17	0		154
<b>Total permanent</b>	<b>65</b>	<b>174</b>	<b>0</b>	<b>13</b>	<b>28</b>	<b>60</b>	<b>0</b>	<b>13</b>	<b>353</b>
Non- permanent employees	6	14	0	2	1	19	0	1	43
<b>Grand total</b>	<b>71</b>	<b>188</b>	<b>0</b>	<b>15</b>	<b>29</b>	<b>79</b>	<b>0</b>	<b>14</b>	<b>396</b>

Table 162.: Occupational Categories

**4.2.2 Vacancy Rate**

The approved organogram for the municipality had 428 posts for the 2013/14 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 75 Posts were vacant at the end of 2013/14, resulting in a vacancy rate of 17.52%.

Below is a table that indicates the vacancies within the municipality:

Per Post Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	4	2
Middle management (T14-T19)	6	3
Admin Officers (T4-T13)	202	45
General Workers (T3)	141	25
<b>Total</b>	<b>353</b>	<b>75</b>
Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	8	3



Per Post Level		
Post level	Filled	Vacant
Corporate Services	29	6
Financial Services	35	4
Community Services	80	11
Engineering Services	150	44
Electro-Technical Services	25	6
Murraysburg	26	1
<b>Total</b>	<b>353</b>	<b>75</b>

Table 163.: Vacancy rate per post and functional level

### 4.2.3 Turnover rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a **decrease** from **4.63%** in 2012/13 to **6.8%** in 2013/14.

The table below indicates the turn-over rate over the last two years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2012/13	324	8	15	4.63%
2013/14	353	51	24	6.8%

Table 164.: Turnover Rate

## 4.3 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing 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 injury will influence the loss of man hours and therefore financial and productivity performance.

The number of injuries shows an **increase** for the 2013/14 financial year from **17** employees injured against **9** employees in the 2012/13 financial year.

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

Directorates	2012/13	2013/14
Municipal Manager	0	0
Corporate Services	0	0

Directorates	2012/13	2013/14
Financial Services	0	0
Community Services	3	7
Engineering Services	5	9
Electro-Technical Services	1	1
<b>Total</b>	<b>9</b>	<b>17</b>

Table 165.: 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 2013/14 financial year shows an **increase** when comparing it with the 2012/13 financial year.

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

Department	2012/13	2013/14
Municipal Manager	11	34
Corporate Services	320	340
Financial Services	392	756
Community Services	1 024	855
Engineering Services	1 327	1 403
Electro-Technical Services	43	16
<b>Total</b>	<b>3 117</b>	<b>3 394</b>

Table 166.: Sick Leave

#### 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 policies	
Name of policy	Date approved/ revised
Employment Policy	2003
Internal Conditions of Service	2003
Sexual harassment	2007
Subsistence and Travelling	2007
Training & Development	2007
Language	2007
Support Staff	2007

Approved policies	
Cell Phone	2007
Induction Training and Staff Orientation	2007
Internal control: Salaries and grants	2007
Study	2007
IT	2007
HIV/AIDS	2007
Induction programme	2008
Recruitment and Selection	To be revised and approved in 2014 together with employment policy – combine documents
Employment Equity	To be revised and approved 2015
Incapacity / Ill-Health	To be revised and approved 2014
Substance Abuse	To be revised and approved 2014
Smoking Policy	To be revised and approved 2014
Overtime	To be revised and approved 2014
Retirement Planning	To be revised and approved 2014
Unauthorized Absence	To be revised and approved 2014
Vetting	To be revised and approved 2014
Uniform Protective Clothing	To be revised and approved 2014

Table 167.: HR policies and plans

#### 4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource 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 human resource 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 (2013/14)	Number of Employees that received training (2013/14)
MM and S57	Female	0	0
	Male	1	1
Legislators, senior officials and managers	Female	5	4
	Male	15	9
Associate professionals and Technicians	Female	4	4
	Male	3	3
Professionals	Female	5	5

Management level	Gender	Number of employees identified for training at start of the year (2013/14)	Number of Employees that received training (2013/14)
	Male	10	10
Clerks	Female	14	13
	Male	6	15
Service and sales workers	Female	18	18
	Male	7	7
Craft and related trade workers	Female	3	3
	Male	4	4
Plant and machine operators and assemblers	Female	3	0
	Male	17	4
Elementary occupations	Female	61	61
	Male	55	55
Sub total	Female	118	108
	Male	118	108
<b>Total</b>		<b>236</b>	<b>216</b>

Table 168.: Skills Matrix

#### 4.4.2 Skills Development – Training provided

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period(2013/14)						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	1	1	0	0	1	1	0
	Male	2	2	0	0	2	2	0
Legislators, senior officials and managers	Female	2	2	0	0	2	2	0
	Male	11	11	0	0	11	11	0
Professionals	Female	5	5	0	0	5	5	0
	Male	10	10	0	0	10	10	0
Technicians and associate professionals	Female	0	0	0	0	0	0	0
	Male	4	4	0	0	4	4	0
Clerks	Female	14	14	0	0	14	14	0
	Male	6	6	0	0	6	6	0
Service and sales workers	Female	0	0	8	8	8	8	0
	Male	0	0	14	14	14	14	0

Occupational categories	Gender	Training provided within the reporting period(2013/14)						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
Craft and related trade workers	Female	3	3	0	0	3	3	0
	Male	4	4	0	0	4	4	0
Plant and machine operators and assemblers	Female	3	3	0	0	3	3	0
	Male	17	17	0	0	17	17	0
Elementary occupations	Female	61	61	0	0	61	61	0
	Male	55	55	0	0	55	55	0
Sub total	Female	86	86	8	8	94	94	0
	Male	96	96	14	14	110	110	0
Total		218	218	22	22	204	204	0

Table 169.: Skills Development

#### 4.4.3 Skills Development - Budget allocation

The table below indicates that a total amount of **R330 040** were allocated to the workplace skills plan and that **42.4%** of the total amount was spent in the 2013/14 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R			
2012/13	58 658 893	224 480	83 771	37.3
2013/14	67 216 728	330 040	139 986	42.4

Table 170.: 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 Municipal Finance Management Act. 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))
<b>Financial Officials</b>				
Accounting Officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	3	3	3	3
Any other financial officials	20	20	0	20
<b>Supply Chain Management Officials</b>				
Heads of supply chain management units	1	1	1	1
Supply chain management senior managers	0	0	0	0
<b>Total</b>	<b>26</b>	<b>26</b>	<b>6</b>	<b>26</b>

Table 171.: 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 well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000		
2012/13	66 271	197 767	33.5
2013/14	71 808	254 234	28.2

Table 172.: Personnel Expenditure

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

Financial year	2012/13	2013/14		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
<b>Councillors (Political Office Bearers plus Other)</b>				
Salary	2 695	2 857	2 857	2 634
Pension Contributions	208	227	227	193
Medical Aid Contributions	24	26	26	38
Motor vehicle allowance	771	840	840	711
Cell phone allowance	191	220	220	271
Housing allowance	0	0	0	0
Other benefits or allowances	47	0	0	47
In-kind benefits	0	0	0	0
<b>Sub Total</b>	<b>3 936</b>	<b>4 170</b>	<b>4 170</b>	<b>3 894</b>
<b>% increase/ (decrease)</b>	<b>1.1</b>	<b>5.8</b>	<b>5.8</b>	<b>(6.7)</b>
<b>Senior Managers of the Municipality</b>				
Pension Contributions	3 036	3 937	3 937	2 781
Pension Contributions	427	636	636	463
Medical Aid Contributions	46	78	78	31
Motor vehicle allowance	427	554	554	348
Cell phone allowance	0	46	46	0
Housing allowance	0	0	0	0
Performance Bonus	412	390	390	359
Other benefits or allowances	241	61	61	304
In-kind benefits	0	0	0	0
<b>Sub Total</b>	<b>4 589</b>	<b>5 702</b>	<b>5 702</b>	<b>4 286</b>
<b>% increase/ (decrease)</b>	<b>(6.9)</b>	<b>29.2</b>	<b>29.2</b>	<b>(24.9)</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	45 210	47 103	47 143	46 598
Pension Contributions	6 065	7 770	7 770	6 164
Medical Aid Contributions	1 074	1 221	1 221	1 147
Motor vehicle allowance	913	1 133	1 133	1 220
Cell phone allowance	0	0	0	0
Housing allowance	252	235	235	246
Overtime	3 093	2 672	2 672	3 268
Other benefits or allowances	1 139	1 341	1 341	4 985
<b>Sub Total</b>	<b>57 746</b>	<b>61 475</b>	<b>61 515</b>	<b>63 628</b>

Financial year	2012/13	2013/14		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
% increase/ (decrease)	7.4	6.4	6.5	3.4
Total Municipality	66 271	67 177	67 217	71 808
% increase/ (decrease)	5.98	1.36	0.34	6.83

Table 173.: Personnel Expenditure

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CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2013/14 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 2013/14 financial year:

Financial Summary						
R'000						
Description	2012/13	2013/14			2013/14 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	22 253	24 352	23 435	23 192	-5.00	-1.05
Service charges	78 302	86 959	86 836	85 099	-2.18	-2.04
Investment revenue	979	1 060	1 060	1 012	-4.77	-4.77
Transfers recognised - operational	65 941	68 035	77 571	77 919	12.68	0.45
Other own revenue	23 051	17 198	20 784	50 193	65.74	58.59
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>190 526</b>	<b>197 604</b>	<b>209 686</b>	<b>237 415</b>	<b>16.77</b>	<b>11.68</b>
Employee costs	62 335	67 177	67 217	67 914	1.08	1.03
Remuneration of councilors	3 936	4 170	4 170	3 894	-7.08	-7.08
Depreciation & asset impairment	13 328	14 216	14 216	25 024	43.19	43.19
Finance charges	4 132	1 577	1 662	4 087	61.41	59.33
Materials and bulk purchases	47 786	65 618	69 190	56 475	-16.19	-22.52
Transfers and grants	40	0	0	60	100.00	100.00
Other expenditure	66 210	57 169	67 424	96 781	40.93	30.33
<b>Total Expenditure</b>	<b>197 767</b>	<b>209 926</b>	<b>223 878</b>	<b>254 234</b>	<b>17.43</b>	<b>11.94</b>
<b>Surplus/(Deficit)</b>	<b>(7 240)</b>	<b>(12 323)</b>	<b>(14 192)</b>	<b>(16 819)</b>	<b>26.73</b>	<b>15.62</b>
Transfers recognised - capital	51 170	24 012	29 566	21 348	-12.48	-38.49
Contributions recognised - capital & contributed assets	61	0	0	363	100.00	100.00

Financial Summary						
R'000						
Description	2012/13	2013/14		2013/14 %Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>43 991</b>	<b>11 689</b>	<b>15 373</b>	<b>4 893</b>	<b>-138.92</b>	<b>-214.22</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	51 170	24 012	29 566	21 348	-12.48	-38.49
Public contributions & donations	61	0	0	363	100.00	100.00
Borrowing	2 358	0	0	4 092	100.00	100.00
Internally generated funds	615	1 010	5 010	4 852	79.19	-3.25
<b>Total sources of capital funds</b>	<b>54 204</b>	<b>25 022</b>	<b>34 575</b>	<b>30 656</b>	<b>18.38</b>	<b>-12.79</b>
<b>Financial position</b>						
Total current assets	48 639	32 748	37 867	49 429	33.75	23.39
Total non-current assets	381 292	399 435	398 928	388 898	-2.71	-2.58
Total current liabilities	46 344	31 245	35 661	46 034	32.13	22.53
Total non-current liabilities	42 335	44 283	45 968	46 161	4.07	0.42
Community wealth/Equity	341 240	356 655	355 166	346 132	-3.04	-2.61
<b>Cash flows</b>						
Net cash from (used) operating	63 295	25 737	20 358	25 616	-0.47	20.53
Net cash from (used) investing	(54 317)	(24 321)	(29 618)	(32 343)	24.80	8.43
Net cash from (used) financing	(1 423)	(4 182)	(4 182)	567	837.79	837.79
<b>Cash/cash equivalents at the year end</b>	<b>7 555</b>	<b>(2 766)</b>	<b>(13 442)</b>	<b>(6 161)</b>	<b>55.11</b>	<b>-118.20</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	18 098	6 767	4 655	11 937	43.31	61.00
Application of cash and investments	(12 004)	(5 199)	696	(11 735)	55.70	105.93
<b>Balance - surplus (shortfall)</b>	<b>6 094</b>	<b>1 568</b>	<b>5 351</b>	<b>202</b>	<b>-677.11</b>	<b>-2 551.92</b>
<b>Asset management</b>						
Asset register summary (WDV)	379 670	398 202	397 307	385 221	-3.37	-3.14
Depreciation & asset impairment	13 328	14 216	14 216	25 024	43.19	43.19
Renewal of Existing Assets	0	0	0	0	0	0
Repairs and Maintenance	11 271	15 668	19 240	17 408	10.00	-10.52

Financial Summary						
R'000						
Description	2012/13	2013/14			2013/14 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Free services</b>						
Cost of Free Basic Services provided	11 654	9 646	9 646	12 068	20.07	20.07
Revenue cost of free services provided	17 837	16 284	16 284	19 721	17.43	17.43
<b>Households below minimum service level</b>						
Water:	0	0	0	0	0	0
Sanitation/sewerage:	0	0	0	0	0	0
Energy:	0	0	0	0	0	0
Refuse:	0	0	0	0	0	0

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

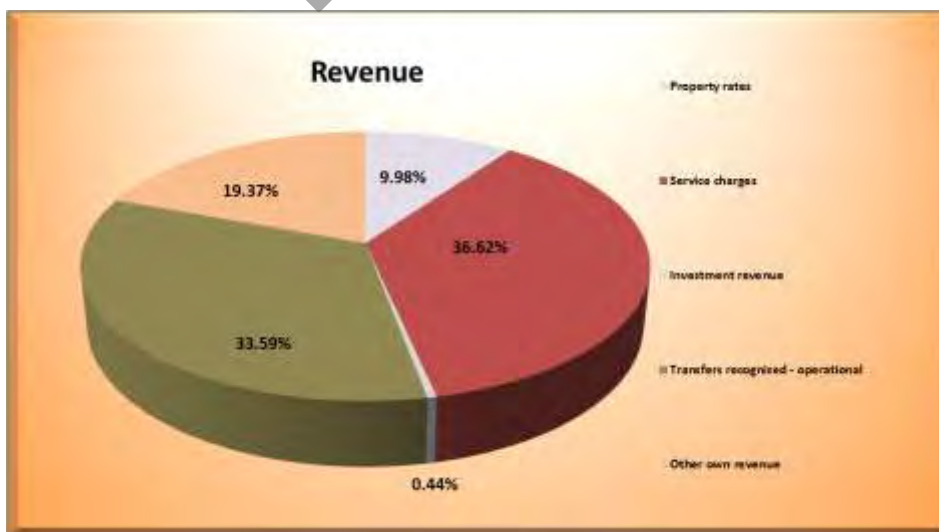
**Table 174.:** Financial Performance 2013/14

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	
2012/13	261 461	241 757	(19 704)	-8	201 050	197 767	3 283	2
2013/14	239 252	259 127	19 875	8	223 878	254 234	(30 356)	-14

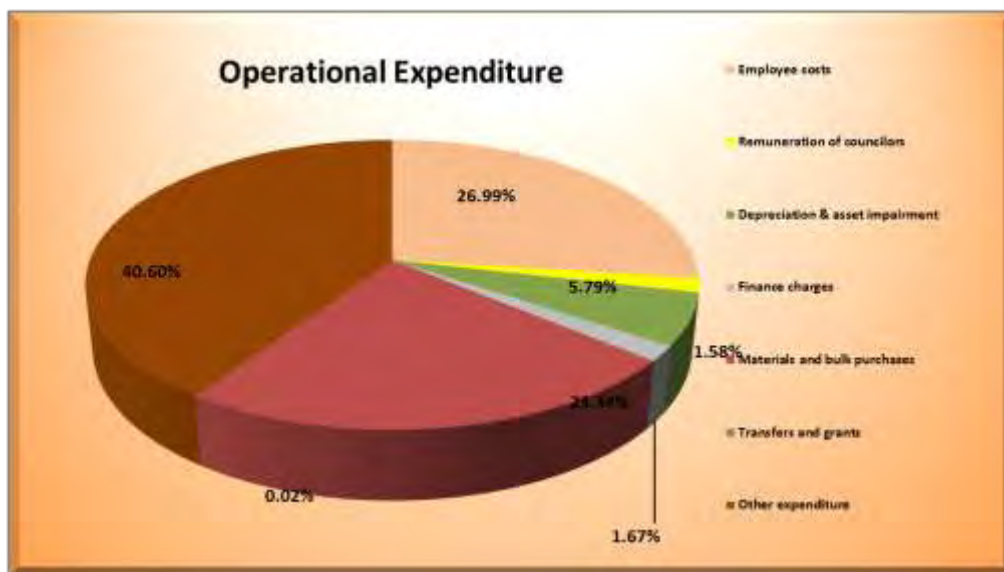
**Table 175.:** Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2013/14



*Graph 6.: Revenue*

The following graph indicates the various types of expenditure items in the municipal budget for 2013/14



*Graph 7.: Operating expenditure*

**5.1.1 Revenue collection by Vote**

The table below indicates the Revenue collection performance by Vote:

Vote Description	2012/13		2013/14		2012/13 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Vote 1 - Municipal Manager	517	517	0	300	491	100.00
Vote 2 - Director: Corporate Services	42 434	42 434	38 995	39 123	27 557	-41.51
Vote 3 - Director: Financial Services	26 024	26 024	28 574	30 546	31 334	8.81
Vote 4 - Director: Engineering Services	62 000	62 000	46 068	44 304	48 008	4.04
Vote 5 - Director: Community Services	36 126	36 070	42 217	48 862	78 409	46.16
Vote 6 - Director: Electrical Services	74 713	74 713	65 762	76 117	73 328	10.32
<b>Total Revenue by Vote</b>	<b>241 814</b>	<b>241 757</b>	<b>221 616</b>	<b>239 252</b>	<b>259 127</b>	<b>14.48</b>

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

*Table 176.: Revenue by Vote*

**5.1.2 Revenue collection by Source**

The table below indicates the revenue collection performance by source for the 2013/14 financial year:

Description	2012/13	2013/14			2013/14 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Property rates	21 646	23 732	22 815	22 792	-4.12	-0.10
Property rates - penalties & collection charges	607	620	620	400	-55.05	-55.05
Service Charges - electricity revenue	51 718	58 579	58 339	56 621	-3.46	-3.03
Service Charges - water revenue	11 493	12 087	12 087	12 150	0.52	0.52
Service Charges - sanitation revenue	9 456	10 820	10 734	10 223	-5.83	-4.99
Service Charges - refuse revenue	5 635	5 473	5 637	6 105	10.35	7.67
Service Charges - other	0	0	0	0	0	0
Rentals of facilities and equipment	750	960	1 009	815	-17.78	-23.81
Interest earned - external investments	979	1 060	1 060	1 012	-4.77	-4.77
Interest earned - outstanding debtors	1 392	1 415	1 500	1 858	23.86	19.28
Dividends received	0	0	0	0	0	0
Fines	12 403	12 495	14 042	40 874	69.43	65.65
Licences and permits	657	638	638	546	-16.92	-16.90
Agency services	472	460	510	541	14.98	5.74
Transfers recognised - operational	65 941	68 035	77 571	77 919	12.68	0.45
Other revenue	7 377	1 229	3 084	5 560	77.89	44.53
Gains on disposal of PPE	0	1	1	0	0	0
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>190 526</b>	<b>197 604</b>	<b>209 646</b>	<b>237 415</b>	<b>16.77</b>	<b>11.70</b>

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

**Table 177.: Revenue by Source**

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2013/14 financial year:

Description	2012/13	2013/14			2013/14 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>Operating Cost</b>						
<b>Governance and administration</b>	<b>40 886</b>	<b>38 107</b>	<b>41 819</b>	<b>54 629</b>	<b>30.24</b>	<b>23.45</b>
Executive and council	13 954	12 456	13 622	16 602	24.97	17.95
Budget and treasury office	15 199	14 585	16 965	14 000	-4.18	-21.18
Corporate services	11 733	11 066	11 231	24 027	53.95	53.26
<b>Community and public safety</b>	<b>43 301</b>	<b>50 869</b>	<b>56 791</b>	<b>84 723</b>	<b>39.96</b>	<b>32.97</b>
Community and social services	6 686	7 615	7 952	7 698	1.07	-3.31
Sport and recreation	7 210	6 272	6 854	7 679	18.32	10.74
Public safety	13 373	14 418	14 340	39 605	63.60	63.79
Housing	16 033	22 564	27 643	29 741	24.13	7.05
<b>Economic and environmental services</b>	<b>19 814</b>	<b>21 325</b>	<b>21 531</b>	<b>20 833</b>	<b>-2.36</b>	<b>-3.35</b>
Planning and development	4 330	4 587	4 483	4 355	-5.33	-2.93
Road transport	15 483	16 737	17 048	16 477	-1.58	-3.46
<b>Trading Services</b>	<b>93 535</b>	<b>99 324</b>	<b>103 425</b>	<b>93 750</b>	<b>-5.95</b>	<b>-10.32</b>
Electricity	59 244	65 704	68 783	57 799	-13.68	-19.00
Water	21 572	19 284	19 450	19 798	2.60	1.76
Waste water management	4 719	5 323	5 245	5 740	7.26	8.62
Waste management	8 000	9 015	9 947	10 413	13.43	4.48
<b>Other</b>	<b>231</b>	<b>301</b>	<b>314</b>	<b>300</b>	<b>-0.44</b>	<b>-4.48</b>
<b>Total Expenditure</b>	<b>197 767</b>	<b>209 926</b>	<b>223 878</b>	<b>254 234</b>	<b>17.43</b>	<b>11.94</b>
<p><i>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.</i></p>						

Table 178.: Operational Services Performance

## 5.2 Financial Performance per Municipal Function

### 5.2.1 Water Services

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>15 724</b>	<b>18 169</b>	<b>15 288</b>	<b>21 271</b>	<b>14.58</b>
Expenditure:					
Employees	4 136	4 076	3 967	4 536	10.15
Repairs and Maintenance	2 015	2 085	2 150	2 436	14.40
Other	15 421	13 122	13 333	12 825	-2.32
<b>Total Operational Expenditure</b>	<b>21 572</b>	<b>19 284</b>	<b>19 450</b>	<b>19 798</b>	<b>2.60</b>
<b>Net Operational (Service) Expenditure</b>	<b>(5 848)</b>	<b>(1 114)</b>	<b>(4 162)</b>	<b>1 473</b>	<b>175.65</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Table 179.: Financial Performance: Water services**

### 5.2.2 Waste Water (Sanitation)

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>17 144</b>	<b>17 038</b>	<b>17 571</b>	<b>17 156</b>	<b>0.69</b>
Expenditure:					
Employees	2 417	3 110	3 032	3 233	3.80
Repairs and Maintenance	482	794	794	455	-74.68
Other	1 820	1 418	1 418	2 052	30.87
<b>Total Operational Expenditure</b>	<b>4 719</b>	<b>5 323</b>	<b>5 245</b>	<b>5 740</b>	<b>7.26</b>
<b>Net Operational (Service) Expenditure</b>	<b>12 424</b>	<b>11 715</b>	<b>12 327</b>	<b>11 416</b>	<b>-2.62</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Table 180.: Financial Performance: Waste Water (Sanitation) services**

### 5.2.3 Electricity

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>74 713</b>	<b>65 762</b>	<b>76 117</b>	<b>73 328</b>	<b>10.32</b>
Expenditure:					
Employees	5 451	6 102	5 891	6 212	1.78

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Repairs and Maintenance	1 450	2 172	5 803	4 667	53.46
Other	52 343	57 430	57 089	46 920	-22.40
<b>Total Operational Expenditure</b>	<b>59 244</b>	<b>65 704</b>	<b>68 783</b>	<b>57 799</b>	<b>-13.68</b>
<b>Net Operational (Service) Expenditure</b>	<b>15 470</b>	<b>59</b>	<b>7 334</b>	<b>15 528</b>	<b>99.62</b>

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

**Table 181.: Financial Performance: Electricity**
**5.2.4 Waste Management**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>6 887</b>	<b>6 599</b>	<b>6 798</b>	<b>7 442</b>	<b>11.33</b>
Expenditure:					
Employees	5 635	5 779	5 849	6 839	15.51
Repairs and Maintenance	1 269	1 095	1 895	2 092	47.69
Other	1 096	2 141	2 203	1 481	-44.56
<b>Total Operational Expenditure</b>	<b>8 000</b>	<b>9 015</b>	<b>9 947</b>	<b>10 413</b>	<b>13.43</b>
<b>Net Operational (Service) Expenditure</b>	<b>(1 114)</b>	<b>(2 415)</b>	<b>(3 149)</b>	<b>(2 971)</b>	<b>18.69</b>

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

**Table 182.: Financial Performance: Waste Management**
**5.2.5 Housing**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>15 294</b>	<b>21 633</b>	<b>26 678</b>	<b>28 859</b>	<b>25.04</b>
Expenditure:					
Employees	696	739	769	783	5.58
Repairs and Maintenance	88	80	80	268	70.06
Other	15 249	21 745	26 794	28 691	24.21
<b>Total Operational Expenditure</b>	<b>16 033</b>	<b>22 564</b>	<b>27 643</b>	<b>29 741</b>	<b>24.13</b>



Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Net Operational (Service) Expenditure</b>	<b>(739)</b>	<b>(931)</b>	<b>(966)</b>	<b>(881)</b>	<b>-5.64</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Table 183.: Financial Performance: Housing**
**5.2.6 Road Transport**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>28 434</b>	<b>10 275</b>	<b>9 753</b>	<b>8 318</b>	<b>-23.53</b>
Expenditure:					
Employees	7 594	8 285	7 951	8 584	3.49
Repairs and Maintenance	2 767	3 298	3 498	3 246	-1.62
Other	5 123	5 154	5 599	4 648	-10.90
<b>Total Operational Expenditure</b>	<b>15 483</b>	<b>16 737</b>	<b>17 048</b>	<b>16 477</b>	<b>-1.58</b>
<b>Net Operational (Service) Expenditure</b>	<b>12 951</b>	<b>(6 462)</b>	<b>(7 295)</b>	<b>(8 160)</b>	<b>20.81</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Table 184.: Financial Performance: Road Transport**
**5.2.7 Planning and Development**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>297</b>	<b>414</b>	<b>432</b>	<b>386</b>	<b>-7.33</b>
Expenditure:					
Employees	3 249	3 544	3 371	3 371	-5.14
Repairs and Maintenance	138	157	188	131	-20.40
Other	944	886	924	854	-3.77
<b>Total Operational Expenditure</b>	<b>4 330</b>	<b>4 587</b>	<b>4 483</b>	<b>4 355</b>	<b>-5.33</b>
<b>Net Operational (Service) Expenditure</b>	<b>(4 033)</b>	<b>(4 173)</b>	<b>(4 051)</b>	<b>(3 970)</b>	<b>-5.13</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Table 185.: Financial Performance: Planning and Development**

**5.2.8 Community & Social Services**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>4 053</b>	<b>4 384</b>	<b>4 534</b>	<b>4 161</b>	<b>-5.36</b>
Expenditure:					
Employees	4 421	5 146	5 539	5 796	11.22
Repairs and Maintenance	364	339	492	498	31.83
Other	1 900	2 129	1 921	1 403	-51.73
<b>Total Operational Expenditure</b>	<b>6 686</b>	<b>7 615</b>	<b>7 952</b>	<b>7 698</b>	<b>1.07</b>
<b>Net Operational (Service) Expenditure</b>	<b>(2 632)</b>	<b>(3 232)</b>	<b>(3 418)</b>	<b>(3 537)</b>	<b>8.64</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Table 186.: Financial Performance: Community & Social Services**
**5.2.9 Public Safety**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>12 646</b>	<b>12 769</b>	<b>14 156</b>	<b>40 800</b>	<b>68.70</b>
Expenditure:					
Employees	5 808	7 055	6 960	6 613	-6.68
Repairs and Maintenance	855	841	841	572	-47.09
Other	6 710	6 522	6 539	32 420	79.88
<b>Total Operational Expenditure</b>	<b>13 373</b>	<b>14 418</b>	<b>14 340</b>	<b>39 605</b>	<b>63.60</b>
<b>Net Operational (Service) Expenditure</b>	<b>(727)</b>	<b>(1 649)</b>	<b>(184)</b>	<b>1 195</b>	<b>237.97</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Table 187.: Financial Performance: Public Safety**
**5.2.10 Sport and Recreation**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>514</b>	<b>247</b>	<b>1 351</b>	<b>1 266</b>	<b>80.46</b>

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Expenditure:					
Employees	3 755	3 965	4 042	4 313	8.06
Repairs and Maintenance	1 151	1 351	1 671	1 678	19.48
Other	2 304	956	1 141	1 689	43.38
<b>Total Operational Expenditure</b>	<b>7 210</b>	<b>6 272</b>	<b>6 854</b>	<b>7 679</b>	<b>18.32</b>
<b>Net Operational (Service) Expenditure</b>	<b>(6 696)</b>	<b>(6 025)</b>	<b>(5 504)</b>	<b>(6 413)</b>	<b>6.06</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Table 188.: Financial Performance: Sport and Recreation**

**5.2.11 Executive and council**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>39 556</b>	<b>35 307</b>	<b>35 585</b>	<b>24 512</b>	<b>-44.04</b>
Expenditure:					
Employees	3 407	4 560	4 508	3 556	-28.22
Repairs and Maintenance	0	13	13	4	-258.03
Other	10 778	8 185	9 415	13 342	38.65
<b>Total Operational Expenditure</b>	<b>14 185</b>	<b>12 758</b>	<b>13 936</b>	<b>16 902</b>	<b>24.52</b>
<b>Net Operational (Service) Expenditure</b>	<b>25 371</b>	<b>22 549</b>	<b>21 649</b>	<b>7 610</b>	<b>-196.30</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Table 189.: Financial Performance: Executive and Council**

**5.2.12 Budget and Treasury Office**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>25 998</b>	<b>28 553</b>	<b>30 524</b>	<b>31 317</b>	<b>8.83</b>
Expenditure:					
Employees	10 041	9 702	9 973	8 166	-18.81
Repairs and Maintenance	103	408	408	341	-19.55

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Other	655	4 475	6 585	5 493	18.53
<b>Total Operational Expenditure</b>	<b>10 799</b>	<b>14 585</b>	<b>16 965</b>	<b>14 000</b>	<b>-4.18</b>
<b>Net Operational (Service) Expenditure</b>	<b>15 199</b>	<b>13 968</b>	<b>13 559</b>	<b>17 318</b>	<b>19.34</b>

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

**Table 190.: Financial Performance: Budget and Treasury Office**

**5.2.11 Corporate Services**

Description	2012/13	2013/14			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue (excluding tariffs)</b>	<b>497</b>	<b>466</b>	<b>466</b>	<b>311</b>	<b>-49.82</b>
Expenditure:					
Employees	5 203	5 991	6 001	5 911	-1.35
Repairs and Maintenance	588	2 816	2 948	1 022	-175.51
Other	5 979	2 258	2 283	17 094	86.79
<b>Total Operational Expenditure</b>	<b>11 770</b>	<b>11 066</b>	<b>11 231</b>	<b>24 027</b>	<b>53.95</b>
<b>Net Operational (Service) Expenditure</b>	<b>(11 273)</b>	<b>(10 600)</b>	<b>(10 766)</b>	<b>(23 716)</b>	<b>55.31</b>

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

**Table 191.: Financial Performance: Corporate Services**

**5.3 Grants**

**5.3.1 Grant Performance**

The municipality had a total amount of **R78 million** for infrastructure and other projects available that was received in the form of grants from the National and Provincial Governments during the 2013/14 financial year. The performance in the spending of these grants is summarised as follows:

Description	2012/13	2013/14			2013/14 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000					%
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>45 918</b>	<b>43 257</b>	<b>45 856</b>	<b>44 608</b>	<b>3.03</b>	<b>-2.80</b>

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2012/13	2013/14			2013/14 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
<b>Operating Transfers and Grants</b>						
Equitable share	32 765	35 567	35 567	35 567	0	0
Finance Management Grant	1 322	1 450	1 450	1 549	6.39	6.39
Meter, Audit Management & Maintenance Strategy	186	0	0	0	0	0
Electrification of Central Karoo	9 313	4 000	3 599	2 359	-69.55	-52.56
Expanded Public Works Programme	1 311	1 000	1 000	1 093	8.54	8.54
Municipal Systems Improvement Grant	800	890	890	857	-3.84	-3.84
MIG - Project Management Unit	222	350	350	231	-51.83	-51.83
Electricity Demand Side Grant	0	0	3 000	2 501	100.00	-19.94
132 Kv Substation	0	0	0	450	100.00	100.00
<b>Provincial Government:</b>	<b>18 788</b>	<b>24 778</b>	<b>31 465</b>	<b>32 854</b>	<b>24.58</b>	<b>4.23</b>
Housing	14 649	21 510	26 555	28 774	25.25	7.71
Consumer Housing Education Program	25	0	0	14	100.00	100.00
Main Road Subsidy	0	59	59	0	0	0
Nelspoort Project Base Subsidy	24	0	0	0	0	0
Refuse Recycling Project	404	0	0	0	0	0
Community Development Workers Operating Grant	379	0	217	302	100.00	28.13
Library Grant	2 869	3 209	3 334	3 035	-5.75	-9.87
Upgrading Nelspoort Civil Services	2	0	0	0	0	0
Thusong Centre Operating Grant	436	0	0	0	0	0
Tourism Potential Nelspoort	0	0	0	60	100.00	100.00
Upgrading Sport Facilities Murraysburg	0	0	0	200	100.00	100.00
Mandela Memorial Service	0	0	100	100	100.00	0
Compliance Module	0	0	0	57	100.00	100.00
Financial Management Support Grant	0	0	1 200	313	100.00	- 283.80
<b>Other grant providers:</b>	<b>1 640</b>	<b>0</b>	<b>250</b>	<b>457</b>	<b>100.00</b>	<b>45.31</b>
Shared Services (CKDM)	172	0	0	55	100.00	100.00

Description	2012/13	2013/14			2013/14 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>Operating Transfers and Grants</b>						
Expanded Public Works Programme (CKDM)	504	0	250	400	100.00	37.48
Disater Fund	4	0	0	0	0	0
Beneficiries Merweville Housing	27	0	0	0	0	0
Beneficiries Nelspoort Housing	46	0	0	0	0	0
Capacity Building Programme	27	0	0	0	0	0
Watercrisis	52	0	0	0	0	0
Customer Care Services	345	0	0	0	0	0
Existing Houses Nelspoort	464	0	0	3	100.00	100.00
<b>Total Operating Transfers and Grants</b>	<b>66 345</b>	<b>68 035</b>	<b>77 571</b>	<b>77 919</b>	<b>12.68</b>	<b>0.45</b>

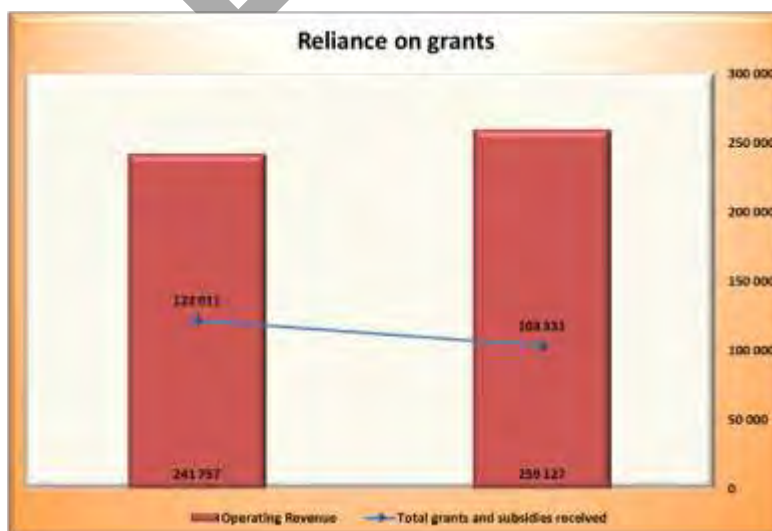
*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

**Table 192.: Operating Grant Performance**

**5.3.2 Level of Reliance on Grants & Subsidies**

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2012/13	122 011	241 757	50.47
2013/14	103 331	259 127	39.88

**Table 193.: Reliance on grants**



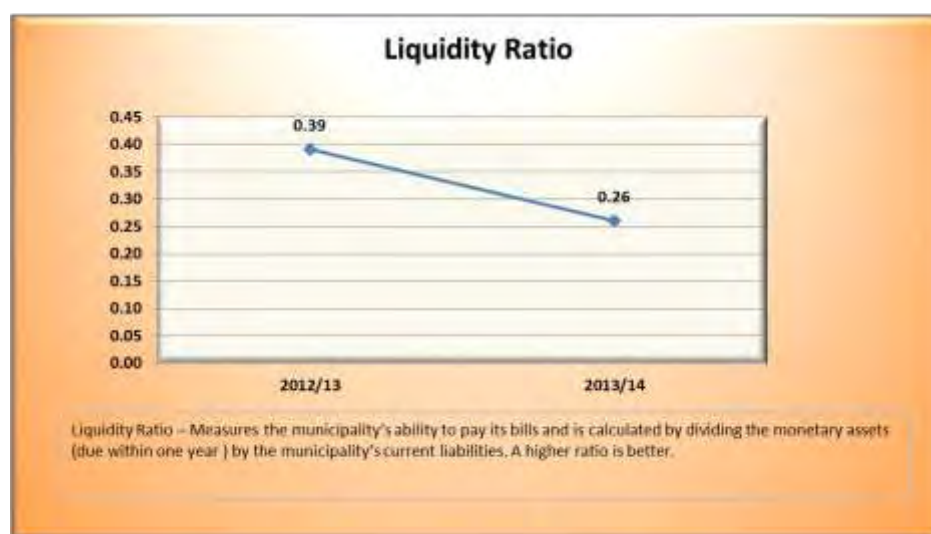
**Graph 8.: Reliance on grants**

**5.4 Financial Ratios Based on Key Performance Indicators**

**5.4.1 Liquidity Ratio**

Description	Basis of calculation	2012/13	2013/14
		Audited outcome	Audited outcome
Current Ratio	Current assets/current liabilities	1.05	1.07
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.79	0.70
Liquidity Ratio	Cash and equivalents/Trade creditors and short term borrowings	0.39	0.26

*Table 194.: Liquidity Financial Ratio*

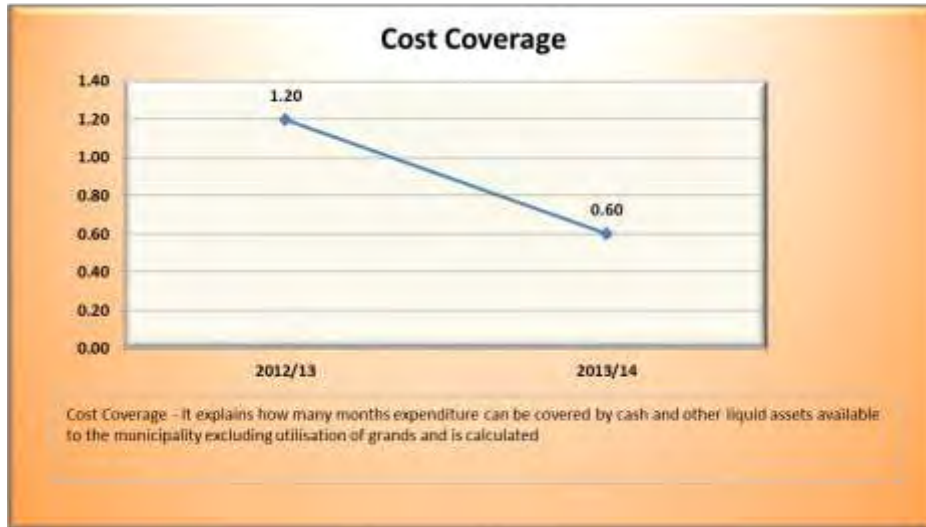


*Graph 9.: Liquidity ratio*

**5.4.2 IDP Regulation Financial Viability Indicators**

Description	Basis of calculation	2012/13	2013/14
		Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.2	0.6
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	27.00%	31.80%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	19.50	18.10

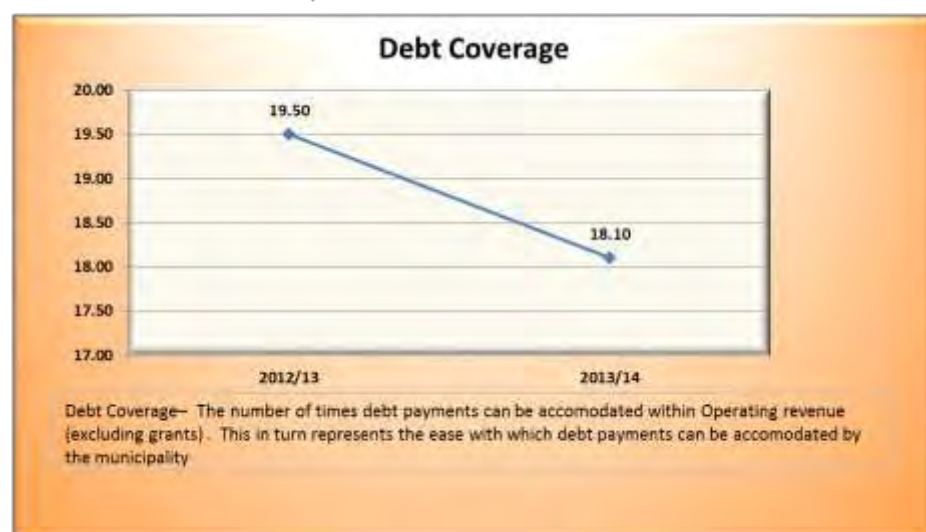
*Table 195.: Financial Viability National KPAs*



Graph 10.: Cost Coverage



Graph 11.: Outstanding Service Debtors to Revenue





*Graph 12.: Debt coverage*

**5.4.3 Repairs and maintenance**

Description	Basis of calculation	2012/13	2013/14
		Audited outcome	Audited outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.92%	7.33%

*Table 196.: Repairs and maintenance*



*Graph 13.: Repairs and maintenance*

**5.4.4 Borrowing Management**

Description	Basis of calculation	2012/13	2013/14
		Audited outcome	Audited outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.04	0.03

*Table 197.: Borrowing Management*



*Graph 14.: Capital charges to Operating Expenditure*

**5.4.5 Employee costs**

Description	Basis of calculation	2012/13	2013/14
		Audited outcome	Audited outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.70%	28.60%

*Table 198.: Employee Costs*



*Graph 15.: Employee Costs*

**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**

Cash Flow Outcomes				
R'000				
Description	2012/13	2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Ratepayers and other	123 981	125 474	124 904	119 382
Government - operating	65 024	67 660	72 126	75 009
Government - capital	56 987	24 012	28 600	28 322
Interest	2 371	1 060	1 060	2 870
Dividends	0	0	0	0
<b>Payments</b>				
Suppliers and employees	(180 896)	(190 892)	(204 670)	(195 820)
Finance charges	(4 132)	(1 577)	(1 662)	(4 087)
Transfers and Grants	(40)	0	0	(60)
<b>Net cash from/(used) operating activities</b>	<b>63 295</b>	<b>25 737</b>	<b>20 358</b>	<b>25 616</b>
<b>Cash flows from investing activities</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	114	0	0	0
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	(288)	701	701	(2 055)
Decrease (increase) in non-current investments	0	0	0	0
<b>Payments</b>				
Capital assets	(54 143)	(25 022)	(30 319)	(30 288)
<b>Net cash from/(used) investing activities</b>	<b>(54 317)</b>	<b>(24 321)</b>	<b>(29 618)</b>	<b>(32 343)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				
Short term loans	0	0	0	0
Borrowing long term/refinancing	2 358	0	0	4 092
Increase (decrease) in consumer deposits	0	47	47	0
<b>Payments</b>				
Repayment of borrowing	(3 781)	(4 229)	(4 229)	(3 526)
<b>Net cash from/(used) financing activities</b>	<b>(1 423)</b>	<b>(4 182)</b>	<b>(4 182)</b>	<b>567</b>
<b>Net increase/ (decrease) in cash held</b>	<b>7 555</b>	<b>(2 766)</b>	<b>(13 442)</b>	<b>(6 161)</b>
<b>Cash/cash equivalents at the year begin:</b>	<b>10 543</b>	<b>9 533</b>	<b>18 098</b>	<b>18 098</b>

Cash Flow Outcomes				
R'000				
Description	2012/13	2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash/cash equivalents at the yearend:	18 098	6 767	4 655	11 937

Table 199.: Cashflow

**5.6 Gross Outstanding Debtors per Service**

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2012/13	6 419	8 297	11 422	107	29 648	55 892
2013/14	5 725	10 736	15 131	97	57 894	89 583
Difference	-694	2 439	3 709	-11	28 247	33 690
% growth year on year	-11	29	32	-10	95	60

Note: Figures exclude provision for bad debt

Table 200.: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2013/14



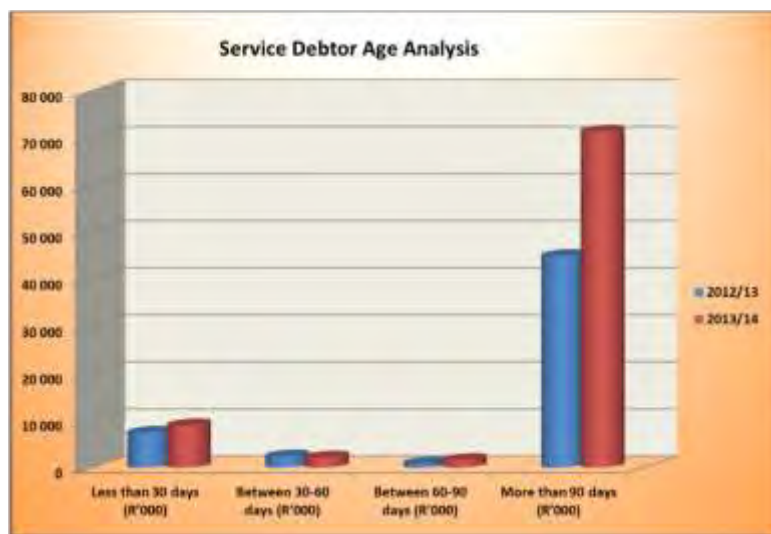
Graph 16.: Debt per type of service

**5.7 Total Debtors Age Analysis**

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
2012/13	7 482	2 461	915	45 035	55 892
2013/14	9 045	2 216	1 698	76 624	89 583
Difference	1 563	-245	783	31 589	33 690
% growth year on year	21	-10	86	70	60

*Note: Figures exclude provision for bad debt.*

**Table 201.:** Service debtor age analysis



**Graph 17.:** Service debtors age analysis

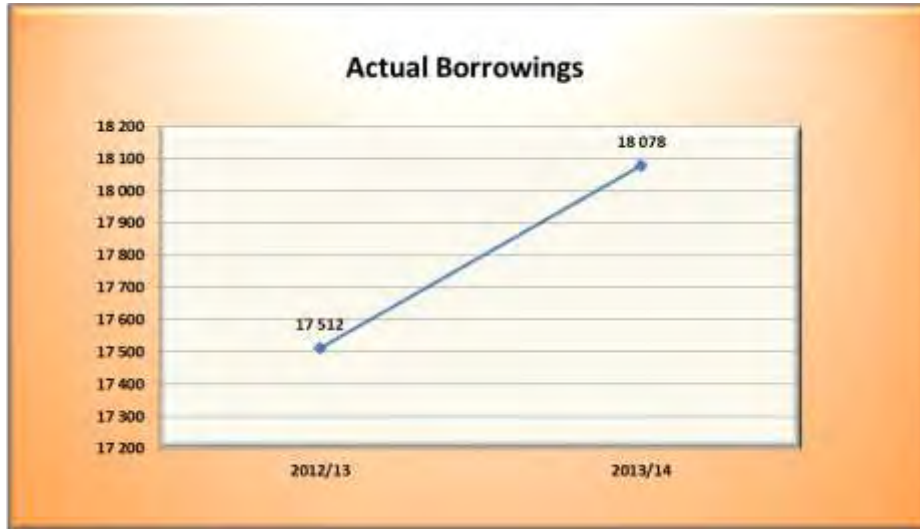
**5.8 Borrowing and Investments**

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**

Actual Borrowings R' 000		
Instrument	2012/13	2013/14
Long-Term Loans (annuity/reducing balance)	15 417	13 544
Financial Leases	2 095	4 534
<b>Total</b>	<b>17 512</b>	<b>18 079</b>

**Table 202.:** Actual Borrowings



Graph 18.: Actual borrowings

5.8.2 Municipal Investments

Actual Investments		
R'000		
Investment type	2012/13	2013/14
	Actual	Actual
Deposits – Bank	16 812	9 332
<b>Total</b>	<b>16 812</b>	<b>9 332</b>

Table 203.: Municipal Investments

**CHAPTER 6**

**COMPONENT A: AUDITOR-GENERAL OPINION 2012/13**

**6.1 Auditor General Report 2012/13**

**Audit report Status: Unqualified with emphasis of matter**

Main issues raised under emphasis of matter	Corrective steps implemented/ To be implemented
The municipality has materially underspent its capital budget to the amount of R18 639 591.	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.
Lack of procedures for the accurate recording of actual achievements and lack of frequent review of validity of reported achievements against source information.	The municipality has a performance system where actual achievements are recorded. The Internal Auditor reviews the validity of the reported achievements against the source information on a quarterly basis.
46% of total planned targets were not achieved.	Reasons for non-achievement will be investigated and managed.
The Performance Audit Committee did not submit at least twice during the financial year an audit report to council on the review of the performance management system as required by the Municipal Planning and Performance Regulation.	The Audit Committee will be required to submit at least two reports on the review of the performance management system to council.
The measures taken to improve performance were not reported in the Performance report.	Measures taken to improve performance will be included in the next performance report.
Expenditure was incurred in excess of the limits of the amounts provided for the votes of the approved budget.	All heads of departments will be tasked to view the budgeted amounts available on the financial system before approving the expenditure.
The Audit Committee did not advise council on matters relating to financial control and internal audits, risk management, accounting policies, effective governance, performance management or performance evaluation and matters relating to compliance with laws and regulations as required by the MFMA.	The Accounting officer will ensure that the Audit Committee report to council on a quarterly basis.
The Audit Committee did not respond to the council on the issues raised in the Audit Report of the Auditor General as required by the MFMA.	The accounting officer will ensure that the Audit Committee include all issues raised in the Audit Report of the Auditor General to the council.
The accounting officer did not exercise oversight over financial reporting end related internal control processes and in addition did not ensure a proper review of the financial statement and performance report.	The accounting officer will ensure in future that oversight will be exercised over financial reporting and related internal control processes as well as the review of the performance report.
Management did not identify and mitigate the risk of unauthorized expenditure.	Management will develop a list of all unauthorized expenditure, identify the risks as well as controls in order to mitigate the risk in future.
Management have not implemented sufficient documented policies and procedures to guide the operations of the municipality resulting in non-compliance with various laws and regulations	Standing Operating Procedures (SOP's) will be drafted in order to guide the operations of the municipality. A system called "Compliance assist" was also implemented - which serves as a reminder to comply. In order to comply with various laws and regulations, this system will assist each department to comply, monitor compliance and report on compliance.

## CHAPTER 6: AUDITOR-GENERAL'S FINDINGS

Main issues raised under emphasis of matter	Corrective steps implemented/ To be implemented
Audit findings detected by the internal audit function are not followed-up by management and recommendations are not implemented accordingly.	Progress on implementation of Internal Audit findings will be a standing item on the agenda of the regular meetings with the Directors.

Table 204.: Auditor-General Report 2012/13

## COMPONENT B: AUDITOR-GENERAL OPINION 2013/14

### 6.2 Auditor General Report 2013/14

#### Audit report Status: Unqualified with emphasis of matter

Main issues raised under emphasis of matter	Corrective steps implemented/ To be implemented
The municipality has materially under spent its capital budget to the amount of R7 841 844.	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 Performance Audit Committee did not submit, at least twice during the financial year, an audit report to Council on the review of the performance management system as required by the Municipal Planning and Performance Regulation.	The Audit Committee will be required to submit at least two reports on the review of the performance management system to Council.
The Audit Committee did not advise Council on matters relating to financial control and internal audits, risk management, accounting policies, effective governance, performance management or performance evaluation and matters relating to compliance with laws and regulations as required by the MFMA.	The Accounting Officer will ensure that the Audit Committee report to Council on a quarterly basis.
The Audit Committee did not respond to the Council on the issues raised in the audit report of the Auditor-General as required by the MFMA.	The Accounting Officer will ensure that the Audit Committee include all issues raised in the audit report of the Auditor-General to Council.
The Accounting Officer did not exercise oversight over financial reporting end related internal control processes and in addition did not ensure a proper review of the financial statement and performance report.	The Accounting Officer will ensure in future that oversight will be exercised over financial reporting and related internal control processes, as well as the review of the performance report.
The Audit Committee did not advise the Council on matters relating to the adequacy, relating and accuracy of financial reporting and information, as required by the MFMA.	The Accounting Officer will ensure that the Audit Committee do advise Council on matters relating to the adequacy and accuracy of financial reporting and information.
The audit committee did not advise the Council on matters relating to compliance with legislation, as required by the MFMA.	The Accounting Officer will ensure that the Audit Committee do advise Council on matters relating to compliance with legislation as required by the MFMA.
The financial statements submitted to audit contained numerous misstatements. This was mainly due to staff members not fully understanding the requirements of the financial reporting framework. The annual performance report was not reviewed for completeness and accuracy by management prior to submission for audit.	In future senior staff members will be tasked to review the annual financial statements for completeness and accuracy prior to submission for audit.

Table 205.: Auditor-General Report 2013/14



**LIST OF ABBREVIATIONS**

<b>AG</b>	Auditor-General
<b>CAPEX</b>	Capital Expenditure
<b>CBP</b>	Community Based Planning
<b>CFO</b>	Chief Financial Officer
<b>DPLG</b>	Department of Provincial and Local Government
<b>DWAF</b>	Department of Water Affairs and Forestry
<b>EE</b>	Employment Equity
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HR</b>	Human Resources
<b>IDP</b>	Integrated Development Plan
<b>IFRS</b>	International Financial Reporting Standards
<b>IMFO</b>	Institute for Municipal Finance Officers
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>MAYCOM</b>	Executive Mayoral Committee
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>MIG</b>	Municipal Infrastructure Grant
<b>MM</b>	Municipal Manager
<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>MTECH</b>	Medium Term Expenditure Committee
<b>NGO</b>	Non-governmental organisation
<b>NT</b>	National Treasury
<b>OPEX</b>	Operating expenditure
<b>PMS</b>	Performance Management System
<b>PT</b>	Provincial Treasury

<b>SALGA</b>	South African Local Government Organisation
<b>SAMDI</b>	South African Management Development Institute
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework

Draft