

2014/15



ECONOMIC POWERBASE AND MUNICIPALITY OF EXCELLENCE

**ANNUAL
REPORT
Volume I**

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

FOREWORD BY THE EXECUTIVE MAYOR: CLLR BRUTUS MAHLAKU

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

The Annual Report seeks to portray a picture of the efforts our municipality made to address the needs of approximately 149 109 (Census 2011 data) inhabitants spread through our municipal area namely, Sasolburg, Zamdela, Deneysville, Refengkgotso, Viljoensdrift, Oranjeville and Metsimaholo and based on a growth rate of 2, 86 % per annum the estimated population would be 167 459 and 51 385 households by June 2015.

Calculation model:

<i>Based on Census 2011</i>	<i>2012 Growth 2,86%</i>	<i>2013 Growth 2,86%</i>	<i>2014 Growth 2,86%</i>	<i>2015 Growth 2,86%</i>
<i>Population 149 109</i>	<i>153 374</i>	<i>157 760</i>	<i>162 272</i>	<i>166 913</i>
<i>Households 45 755</i>	<i>47 064</i>	<i>48 410</i>	<i>49 795</i>	<i>51 219</i>
<i>Household Size 3,2</i>	<i>3,2</i>	<i>3,2</i>	<i>3,2</i>	<i>3,2</i>

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

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

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

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

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

CLLR. BRUTUS MAHLAKU

EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

The 2014/15 Annual Report of Metsimaholo Local Municipality represents a culmination of serious efforts taken towards achieving better services for our communities. This Year also heralds great strides that were deliberately adopted by the Municipality in ensuring that it anchors once and for all within sustainability and best practice.

Key amongst the priorities of 2014/15 was to create a stable Municipality free from endemic conflicts that have, for too long, ravaged the running of the Municipality. This was achieved although at a huge cost for the Municipality.

The 2012-2017 Integrated Development Plan adopted by Council in 2012 constitutes the strategic document for the implementation of priorities of Council. The various clusters of the administration were held to account by Committees of Council proving that corporate governance principles underpin the functioning of our Municipality. The report reflects the work done by members of Council and administration of Metsimaholo Local Municipality employees with the vision of creating a Municipality that is responsive to the needs of the community.

We are proud to report that in the period under review:

- A service provider was appointed for the electrification of Amelia and the Project will be completed June 2017.
- Tireless efforts were made to eradicate the bucket system in our townships and we have made plans to address this challenge within the next two financial years in Refengkgotso (Themba Khubeka section). A service provider has been appointed for the removal of night soil in both Refengkgotso and Metsimaholo in order to ensure that our people live with dignity.
- The construction of Sanitation project at Oranjeville extension was completed
- The Gortin Phase 4 Sanitation project for Construction of Sewerage station, Rising Mains and sewer networks was nearing completion and the anticipation date was December 2015.

Our communities that find themselves in informal settlements continue to receive services through the installation of communal taps, in Amelia and Gortin.

Our spending on the Municipal Infrastructure Grant (MIG) remained at 100% on all projects that were allocated funding.

In collaboration with the Provincial Department of Corporative Governance and Traditional Affairs, Human Settlement, resulted in the delivery of title deeds to rightful recipients.

In line with the Government Policy to alleviate poverty the Municipal Council adopted an Indigent Policy that ensures that poverty stricken households in the Municipal area have access to basic services.

The financial year under review also presented certain financial challenges, the municipality incurred unforeseen expenditure emanating from the labour unrest which also affected service delivery to the community. This had a negative impact on our cash flows and collections. Revenue for the year totaled R965 million. Expenditure for the year totaled R815 million. The actuarial gains and fair value adjustments totaled R1.7 million. The net surplus for the year was R152 million. The increasing tariffs are being felt by the community and our debt impairment increased from R85 million to R115 million in the current year. The situation has returned to normal and we are improving our liquidity ratio, debt management and cash flow management will be a priority going forward.

We have committed ourselves to excel in our work, be accountable to our community and accelerate our service delivery plans in order to improve the lives of our people. This we have achieved through an action plan that sought to address all audit findings that have not been resolved and also highlighted the quick wins that were be achieved in the financial year 2014/15.

It can never go unnoticed that during trying times, our communities stood by us and we sincerely commend them and our dedicated employees for their courage and discipline.

We will continue to take concrete steps to realize our vision and achieve our objectives for the future and betterment of our communities.

S.M MOLALA

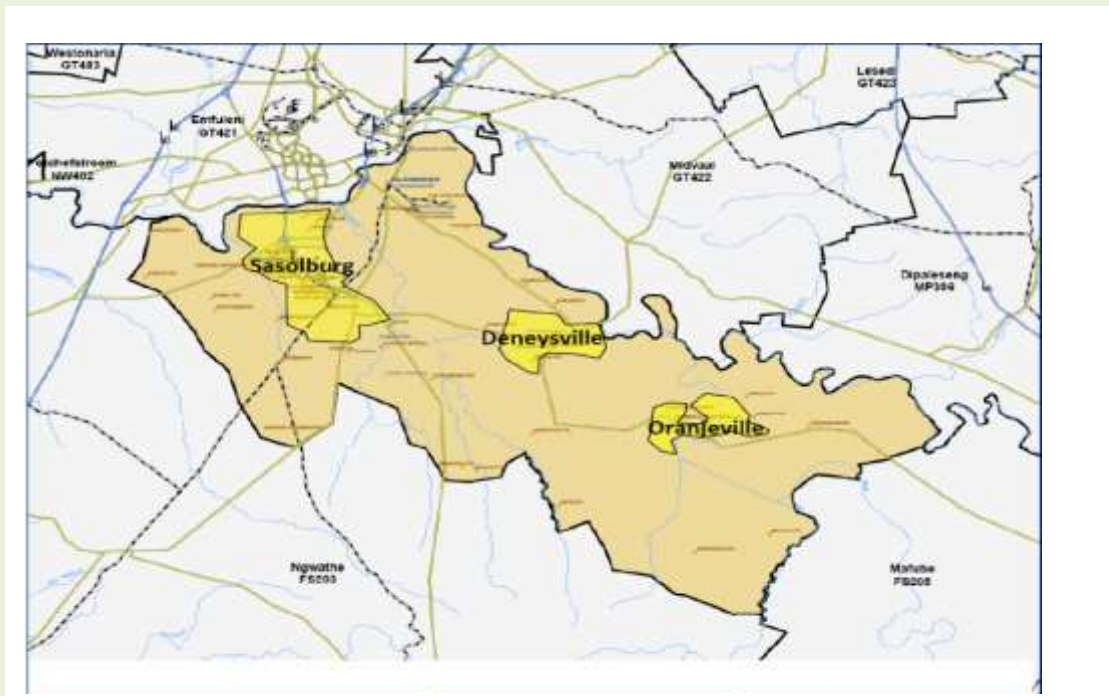
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

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

The Metsimaholo Local Municipality covers an area of “1`219`090 km²” and includes Deneysville, Metsimaholo, Oranjeville, Refengkgotso, Roodia, Sasolburg, Vaalpark Zamdela, Kragbron, villages, portions of the Vaaldam and –river developments, Lethabo Power Station and a number of farming communities. It is inhabited by approximately 167 459 (June 2015) people & 51 385 households (*Note: 45 415 households in urban and 5 970 in rural areas*) implicating approximately 90% living in the urban areas of the Municipal region. 149 109 people & 45 755 households (*50`389 in urban and 5 970 in rural areas*) which implies that more than 90% live in the urban areas of the Municipal region.

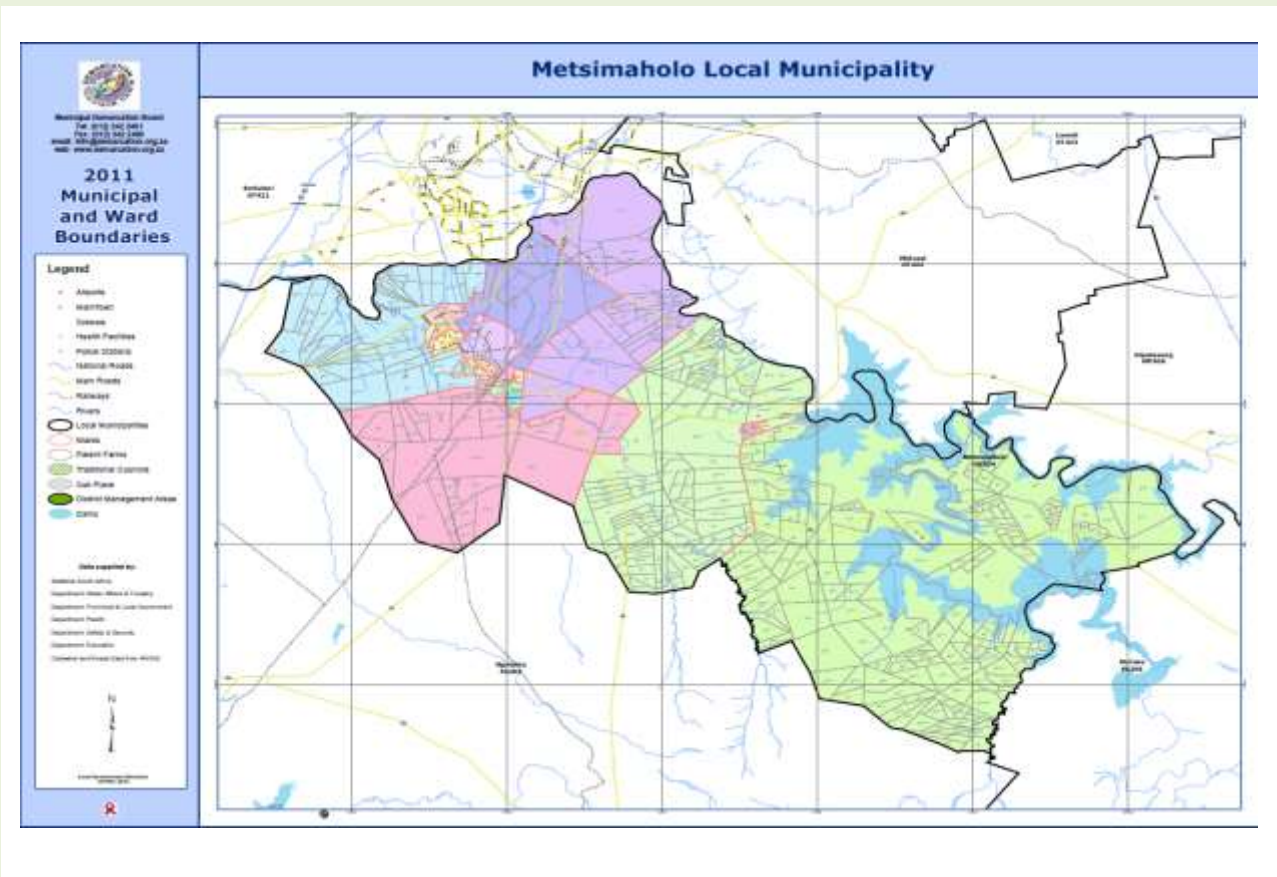


A large percentage of houses in Deneysville and along the Vaaldam and -river are holiday homes, which implies that the actual permanent inhabitants of the community may be less than estimated. The majority of the rural population is active in the agricultural sector.

A total of 1 767 farms are located within the Metsimaholo municipal area and several small holdings and small farms (468 in total) are, however, located adjacent to the Vaaldam- and –River between Oranjeville, Deneysville and Sasolburg (*refer to the SDF 2015/16*).

A total of 1 675 farms are located within the Metsimaholo municipal area and several small holdings and small farms (468 in total) are, however, located adjacent to the Vaaldam- and –River between Oranjeville, Deneysville and Sasolburg (*refer to the Deneysville SDF*).

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



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

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

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

Table 1: Number of registered voters per ward

Ward	1	2	3	4	5	6	7
No. of registered voters	3 698	3 155	3 773	3 152	2 859	3 189	3 257
Ward	8	9	10	11	12	13	14
No. of registered voters	3 676	2 881	2 956	3 564	3 160	3 813	3 741
Ward	15	16	17	18	19	20	21
No. of registered voters	3 722	3 532	3 694	3 583	3 230	2 945	2 995

Demographic and Socio-Economic Profile of the Municipality

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

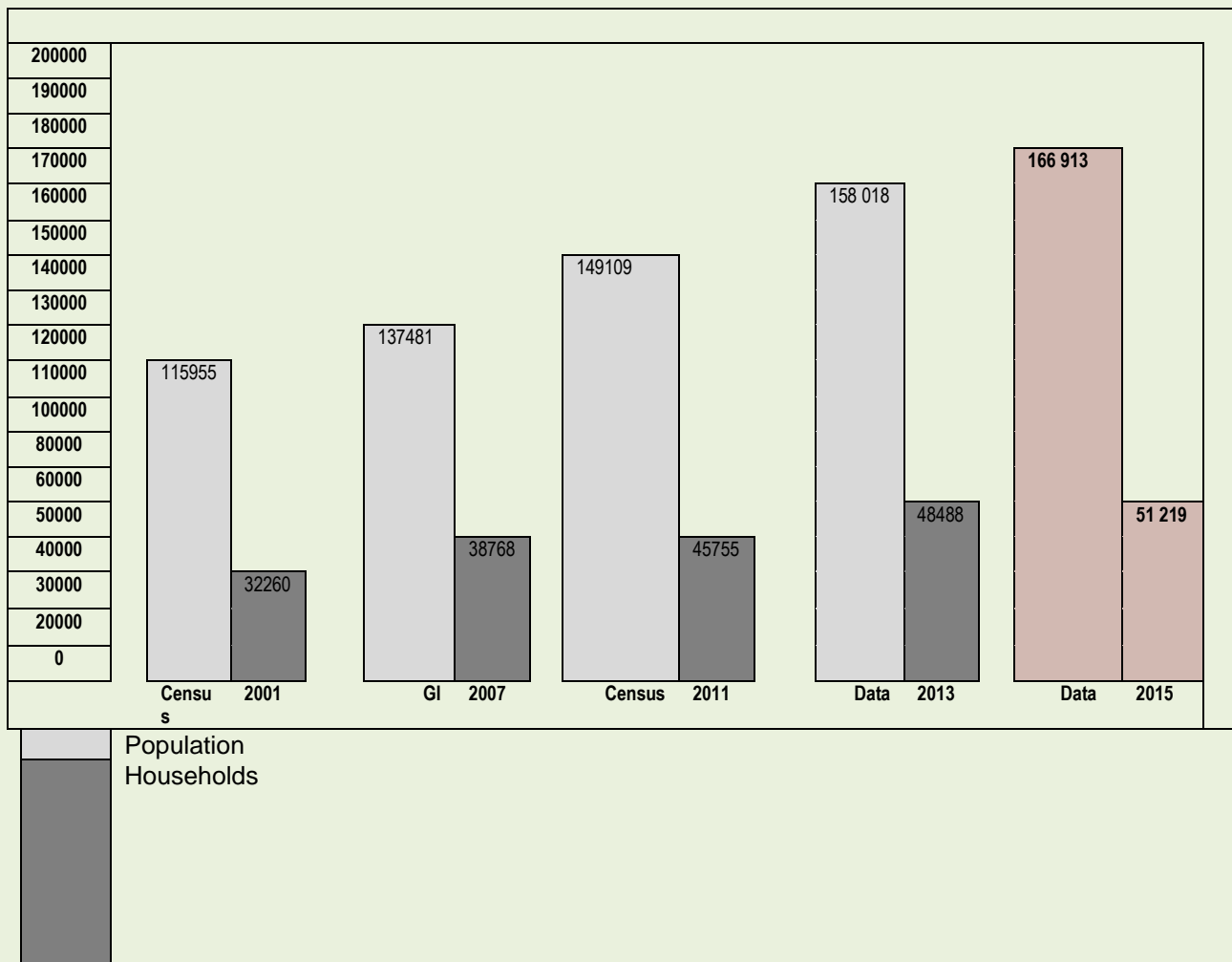


Table 2: Population and household statistics

	Census 2001	Global Insight (GI) 2007	Census 2011	Preferred data 2013	Preferred data 2015
Population	115 955	137 481	149 109	162 670	166 913
Households	32 260	38 768	45 755	49 915	51 219
Average Household Size	3.6	3.5	3.2	3.3	3.2

The Housing Development Agency (A Division of Dept. Human Settlements) during December 2013, quantified a backlog of an estimated 7 679 human settlement households for METSIMAHOLO without formal serviced erven (*escalated to 8 881 in Dec 2015*). The focal point was on residents lacking in adequate income or means to live comfortably, who reside on un-developed or developed municipal erven or open spaces, identifiable as the most needy of households, eligible for housing and the very poorest in the local community and that policies are aimed at providing as much assistance as possible or to provide in the urgent need for land on which to settle in a less formal manner.

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

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

(Urban Expansion illustrated in the table below):

RESIDENTIAL AREA	NUMBER OF CREATED ERVEN	ERVEN IN PROCESS OF CREATION AND OCCUPIED	Hectares of land secured	ERVEN PLANNED AND/OR IN PROCESS OF CREATION (NOT OCCUPIED YET)	Hectares of land secured
Sasolburg	7 794	<i>Erf 1 448 70 erven in Nic Ferreira Str Sasolburg Ext 1</i>	0.9505 Ha	7 000 (Riet- / Wonder Fontein)	494 Ha
Vaalpark	3 032 (Heron Banks 317)	40		277 Heron Banks	
Moodraai	2 930	0	0	2 930	0
Zamdela	20 327	-	-	351 Zamdela Ext 17 3 223 Zamdela Ext	288.55 Ha

				18 (Mooibraai)	
Kragbron	652	0	0	1 579 CRU's at Hostel 3 (800)	3 Ha
Deneysville	1 857	0	0	20 (Note 33% still undeveloped)	
Refenggotso	3 368	2 537 (Themba Khubeka - Mooi Plaats)	198,26 Ha	2 000 (Vaaldam Small Holdings & Koppies fontein)	48.4 Ha
Oranjeville	949	0	0	0	0
Metsimaholo	1 481	0	0	1 000 (based on invasion 16 Dec 2015)	50 Ha
	39 460	2 647		11 651	
Rural – Villages	1 186	0	0	0	0
Rural – Holdings	468	0	0	0	0
Rural – Farms	1 675	0	0	0	0
	3 329	2 647	199.26 Ha	11 651	883.95 Ha

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

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

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

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

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

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

Municipal data till June 2015 confirmed the following core data:

DESCRIPTION	1996	+5	2001	+5	2006	+5	2011	+5	2015	+11.8%
Total Population		106 935		115 955		132 806		149 108	(June)	169 077
Males										
Black		39 137		46 223		56 501		65 750		77 517
White		16 293		14 470		13 473		12 794		12 294
Coloured		312		375		433		468		525
Asian		102		109		133		139		156
Female										
African		35 114		40 222		48 679		57 062		66 342
White		15 806		14 260		13 228		12 500		11 800
Coloured		139		200		244		268		301
Asian		32		96		115		127		142
Young (0 – 14)	27%		27.7%		27%		26,3%		26%	
Working Age (15 – 64)	69%		69.3%		69%		69,3%		69%	
Elderly (65+)	3%		3.7%		4%		4,4%		4%	
Gender Ratio	104%		104.4%		106%		108,6%		105%	
Dependency Ratio	45%		45.7%		45		44.3%		45%	
Growth Rate	1.60%		1.62%		2.24%		2,86%		2.9%	
Population Density	63.68 per /km ²		72.23 per /km ²		78.95 per /km ²		87 per /km ²		89.39 per /km ²	
Unemployment	39%		37%		34.5%		32.1%		30%	
Youth Employment Rate	47%		47.7%		44.4%		41.1%		40%	
No schooling Aged 20+	10%		10.7%		8.2%		5.7%		5%	
Higher Education Aged 20+	8%		8.3%		10.35 %		12.4%		11%	

Matric Aged 20+	22%		22.2%		26%		29.8%		25%	
Number of Households		25 679		32 260		39 000		45 757		50 389
Number of Agricultural Households		3 203		4 003		4 822		5 672		5 970
Average Household Sizes		3.7		3.19		3.03		2.9		3.0
Number of households in Informal Areas								7 679		8 881
Female Headed Households	32%		32%				32.5%			32%
Formal Dwellings	63%		63.6%				64.99%			66.2%
Housing Owned / Paying Off	40%		43.2%				57.3%			71.25%
Number of serviced stands (water, electricity, sewer)								41 181		
Flush Toilets Connected to Sewer	65%		69%				74%			81%
Weekly Refuse Removal Services	60%		61.1%				78.9%			85%
Piped Water Inside Dwellings	40%		43.2%				71.7%			85%
Electricity for Lightning	75%		77.7%				86.4%			90%
Number of Hectares of Land Procured & Suitable for Human Settlement								43.4183 Ha		464 Ha
Number of Wards		17		21			21			21

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

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

The dominant position of Metsimaholo in the Northern Free State is apparent with 67% of the Provincial economic output generated therein. Approximately 95% of all manufacturing output is produced in Metsimaholo. It follows that Metsimaholo can be regarded as a significant contributor to the output of the other sectors.

Table 3: Gender distribution of population

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

Table 4: Racial distribution of population

	Census 2001		Global Insight (GI) 2007		Census 2011	
Black African	93 981	81.0%	110 182	80.1%	122 698	82.3%
White	21 207	18.3%	26 352	19.2%	24 392	16.4%
Coloured	582	0.5%	693	0.5%	1 068	0.7%
Indian or Asian	185	0.2%	254	0.2%	477	0.3%
Other	-	-	-	-	474	0.3%

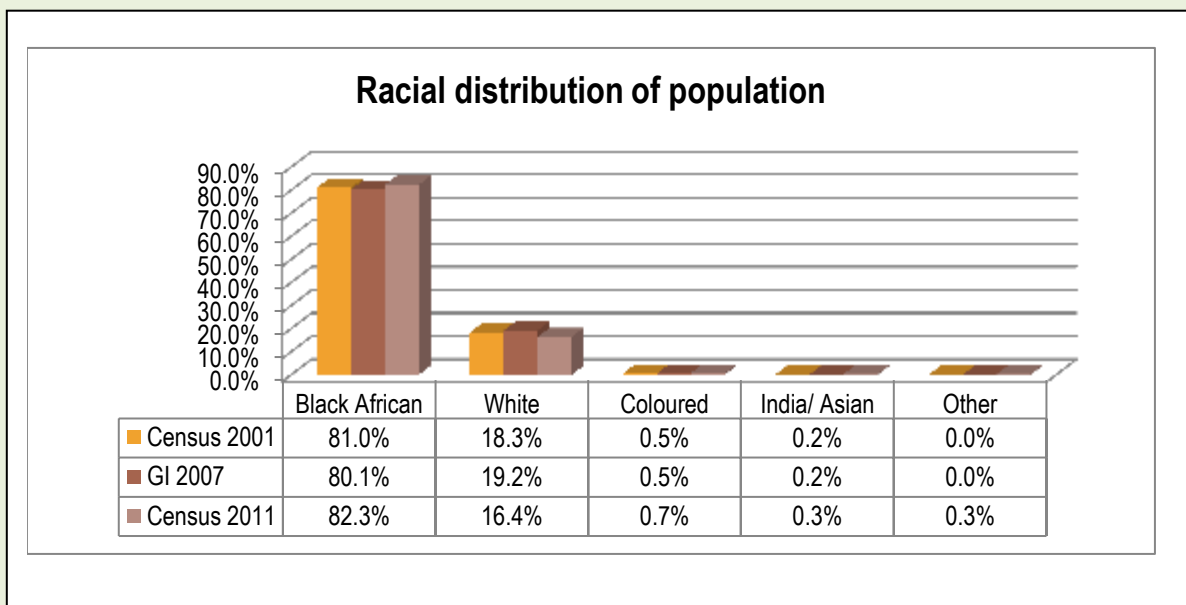


Table 4: Age distribution of population

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

Table 5: HIV and AIDS prevalence

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

Table 6: Labour force

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

Definitions:

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

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

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

Poverty indicators

Table 7: Poverty indicators

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

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

Table 8: Functional literacy

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

Spatial statistics: Table 9: Spatial statistics

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

³Number of people per km²

⁴% of people living in urban areas

Table 9: Overview of Neighborhoods

DEMOGRAPHIC PROFILE: SUMMARY JUNE 2015 (Refer to Chapters 5 and 9 of the IHSP)

REGION	TOWNS	NUMBER OF EXTENSIONS	BUSINESS INDUSTRIAL & OTHER CREATED	RESIDENTIAL CREATED	HIGH DENSITY / FLATS	RESIDENTIAL DEVELOPED	TOTAL CREATED	ERF CREATION IN PROGRESS	BACKLOG QUANTIFICATION: TO BE ERADICATED BY 2022	ESTIMATED SINGLES FOR AFFORDABLE RENTAL STOCK	HOUSEHOLDS (Average 3,38/hse)	ESTIMATED POPULATION JANUARY 2016 (+ 3% pa)
SASOLBURG	SASOLBURG	73	1 942	5 852	1 782	5 328 (196 BNG)	7 794	3 201	688	2 121	8 604 (2.15)	18 565
	VAALPARK	3	267	2 765	891	2 389	3 032	2	5	747	3 895 (1.8)	6 885
	ZAMDELA	16	777	19 550	2 137 (1697 Mun included)	2 357 (14359 RDP)	20 327	3 574	3 295	6 513	25 258 (4.0)	101 480
	KRAGBRON	0 (1)	40 (31)	612 (1548)	13 (4)	560	652 (1579)	1 579	350	120	1 433 (2.1)	3 069
DENEYSVILLE	DENEYSVILLE	2	287	1 570	73	622	1 857	20	25	421	1 060 (2.0)	2 160
	REFENG-KGOTSO	4	166	3 202	6	394 (2797 RDP)	3 368	2 537	2 870	4 706	6 861 (3.1)	21 303
ORANJEVILLE	ORANJEVILLE	2	69	880	6	308	949		25	46	489 (2.0)	1 017
	METSIMA-HOLO	6	74	1 407	0	74 (1106 RDP)	1 481	1 000	797	804	2 787 (1.8)	5 001
RURAL	VILLAGES Town Hse				1 186	1 186	7		307	75	1 693 (2.0)	3 509
	HOLDINGS					230	468		70	121	960 (2.0)	1 140
	FARMS		85			497	1 675		449	257	3 317 (1.5)	4 948
TOTAL	11	107	3 738	37 386	4 912	13 945 (18 458 RDP)	43 189	11 913	8 881	15 931	56 359 (3.0)	169 077

KEY CHALLENGES METSIMAHOLO: SUMMARY JUNE 2015

REGION	TOWN	NUMBER OF STANDS CREATED	KEY CHALLENGES IDENTIFIED QUANTIFIED 'BACKLOGS'	WARD	PRIORITY	LOWCOST RDP/BNG 55%	LOW TO MIDDLE FLISP - 26%	MIDDLE COST 16%	HIGH COST 3%	BACKLOG	ERVEN OCCUPIED	RESID ERVEN UNDEVELOPED	ERF CREATION IN PROCESS	SURPLUS / SHORTFALL IN ERVEN
Sasolburg	Sasolburg	7794	Sasolburg Ext 1,12,16 & 20 (Coney Island Area) Sasol Ext 58 SOLD	16/17	15	500	45	0	0	545	0	697	2757	2909
			(Zamdela Host 4 Re-Location Nic Ferreira Street Sasol Ext 1)	12	1	139	0	0	0	139	70	0	70	0
		(3201)	Farms Wonderfontein, Boschbank & Rietfontein (To be vacated)	16	16	0	0	4	0	4	0	0	0	4
	Vaalpark	3032	Vaalpark North (Adjacent to Vaal River)	14	18	5	0	0	0	5	0	0	0	5
			Heron Banks and Vaalpark North (49 x Mun Erven on TENDER)	14	19	0	0	0	338 (High Cost)	(300)	0	338 (High Cost)	0	338
				0	0	644	45	4	0	693	0	0	0	0
Zamdela	Zamdela	20327	Zamdela Hostels 1,2,3	12	14	10	4	0	0	14	0	0	0	14
			Zamdela Erf 2314 (Malakabeng)	12	6	70	9	0	0	79	0	0	0	79
			Zamdela Hostel 4 (CRU Project)	12	2	35	6	0	0	41	0	0	0	41
			Zamdela Thembalethu Hostel	9	13	30	20	10	0	60	0	0	0	60
			Zamdela Ext 6 (Somers Post Erf 9845)	1	12	370	70	30	0	470	0	0	0	470
			Zamdela Ext 9 (Sigma Mine / SCI)	6/13	11	0	100	0	0	100	0	0	(100)	0
			Zamdela Ext 11-15 (Sakubusha Secondary school area)	1 & 13	0	0	0	0	0	0	0	0	0	0
			Zamdela Ext 15	1	10	200	50	15	0	265	0	0	0	265
			Zamdela Ext 13 Erf 16370	1	9	130	40	8	0	178	0	0	0	178
			Zamdela Ext 13	1	8	65	6	4	0	75	0	0	0	75

			Erf 15816											
			Zamdela Ext 13 Erf 14881	1	7	230	40	20		290		0	0	290
			Zamdela Ext 16 Amelia (Erven 21798 – R57 road, 21820, 21819, 21910, 21911, 19981, 19982, 19983, 19974)	19	5	600	250	73		923		0	0	923
			Zamdela Backyards	(0)	13	685	60	40		785		0	0	785
a			MOOIDRAAI Development Zamdela Ext 17 (Private)	1	4	15	0	0		15		0	0	31 23 35 1
				0	0	2 440	655	200		3 295		0	0	0
Krag- bron	Phase 1	652	Kragbron (Old Eskom Village)	1	20	300	40	10		350		0	0	350
	Phase 2	(1573)	New development – not finalized	1	19	0	0	0		0		0	0	15 73
				0	0	300	40	10		350		0	0	0
Deneys- ville	D/Ville	1857	Erven to be disposed per Tender and residents at Caravan Park	20	18	20	5	0		25		0	28	0
	Refeng kgotso	(2537)	Themba Khubeka (already occupied informal area)	20	3	1 800	500	200		2 500		2 537	0	0
		3368	Vaaldam Small Holdings (36 x Plots)	3	11	200	100	50		350		0	0	10 00
		1	Koppiesfontein	3	11	15	5	0		20		0	0	10 00
				0	0	2 035	610	250		2 895		0	0	0
Oranje- ville	O/Ville	949	Backyards	5	17	20	5	0		25		0	0	0
	Metsim aholo	1481	Backyards EMERGENCY Project	5	2	600	150	47		797		0	0	10 00
				0	0	620	155	47		822		0	0	0
Farms	Villages	1186	Maccou Vlei, Wolwehoek, Groenpunt	1	21	150	100	57		307		0	0	0
	Hol- dings	468	Area of jurisdiction	1	21	40	20	10		70		0	0	0
	Farms	1767	Area of jurisdiction	1	22	349	80	20		449		0	0	0
						539	200	87		826				
TOTALS						6 578	1 705	598	338 (High Cost)	8 881		2 607	725	10 87 4

The Minister of Human Settlement on July 15th, 2014, announced a program, which included a `commitment` by the Department of Human Settlements to ***“eradicate backlogs and to identify and implement 50 national priority Catalytic Projects using different tenure options to deliver mega, high impact integrated and sustainable human settlements that clearly demonstrate spatial, social and economic integration.”***

Following the above the Department of Human Settlements and through the Housing Development Agency (H D A) decided to:

1. Intervene and acquire land for Metsimaholo identified as sustainable, viable and appropriately located; and
2. to fast-track housing development services for the purpose of creating sustainable human settlements

ANALYSIS ON LAND AVAILABILITY: JUNE 2015

Residential Area	Occupied	Unoccupied	TOTAL	Availability
SASOLBURG REGION				
Sasolburg	5 328	524	5 852	The “non-exempted” Welgelegen West erven disposed by MLM to a private developer Human Settlements in process to develop 140 BNG houses in Nic Ferreira / Erf 1448 Sasolburg for the re-location of beneficiaries from Hostel 4 – CRU Project. Not available for other human settlement projects H D A (Human Settlements) acquired land north of Sasolburg. In planning stages for 3189 erven. Accessible approximately January 2018 for Mixed Development (<i>Catalytic / Mega Project</i>) Erf 8009 Sasolburg Extension 9 (Show Grounds – as alternative for BNG / FLISP houses
Vaalpark / Roodia	2 389	376	2 765	Non – exempted (high cost) erven situated between Minnaar street and Vaal river disposed by Municipality to Heron Banks (360 planned high cost) 49 Municipal Owned Non-exempted (high cost) erven situated between Minnaar street and Vaalpark High to be disposed per Tender (Other privately owned)
Zamdela	19 550 (16716 developed)	200	19 550	All erven allocated. 16716 developed (2357 formal & 14359 RDP/BNG houses) Human Settlements in process to build 420 CRU Rental Units at Hostel 4 Zamdela <i>Sasol Chemical Industries plan to build 100</i>

				<p><i>FLISP houses for Sigma Mine workers in Zamdela Ext 9</i></p> <p>351 Privately developed erven in Zamdela Ext 17 accessible for Flisp and high cost developments</p> <p>Zamdela Ext 15 has been formalized in August 2015 for 200 Erven: HOWEVER approximately 316 residents invaded erven and will have to be re-located / accommodated in Moidraai.</p> <p>3123 Government planned erven in Zamdela Ext 18 (Moidraai) not approved, or serviced yet – accessible in January 2017</p> <p>Human Settlements plan to re-develop Hostel 3 Zamdela to CRU (600)</p>
Kragbron phase 1	560	52	612	Kragbron has been developed by Eskom in 1910 to be formalized in 2016. These erven will not be accessible by the MLM
Kragbron Phase 2	1 548		1 548	Phase 2 in process of township establishment and not accessible for MLM
DENEYSVILLE REGION				
Deneysville	622	948	1570	Out of the 948 erven not occupied only <u>28 Non-Exempted erven</u> registered in name of MLM. To be disposed of per TENDER and not accessible for low cost housing
Refengkgotso	3 191	11	3 202	Refengkgotso has been developed with 394 formal and 2797 RDP houses. Themba Khubeka (Refengkgotso) and situated on a portion of the Farm Mooi Plaats is in process of township establishment and services installations. As soon as the area has been formalized RDP houses will be built for qualifying beneficiaries
				Human Settlement in process to acquire / purchase 36 PLOTS (Vaaldam Small Holdings)
ORANJEVILLE REGION				
Oranjeville	308	572	880	Oranjeville is in existence since 1918. Erven are privately owned and not accessible to the MLM.
Metsimaholo Town	1 407 227 informally occupied		1 180	All erven in Metsimaholo town allocated. During December 2015 an estimated 797 residents invaded land and claimed to be registered on waiting lists for erven. Erven to be planned, created and serviced.
RURAL / FARMING				

AREAS				
Villages	806			All erven privately owned and not accessible for MLM
Holdings	230			All erven privately owned and not accessible for MLM
Farm Houses	497			All erven privately owned and not accessible for MLM
TOTAL	36 663	2 683	37 159	

The residential precincts of the Metsimaholo Municipality; especially the high density precincts of Zamdela and Refengkgotso, experienced dramatic growth and National Government noted a local growth rate of approximately 3% per annum over 10 years. It follows that enormous pressure is placed on road networks, services and other urban amenities. Complicating the latter is the mining activities around Sasolburg / Zamdela and the extreme scarcity in developable land for neighborhood extension.

Influx to the area, and the inability to timely address the housing need, ultimately resulted in informal settlements and land invasion on properties not earmarked for residential purposes, gradually increasing in the Municipality.

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

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

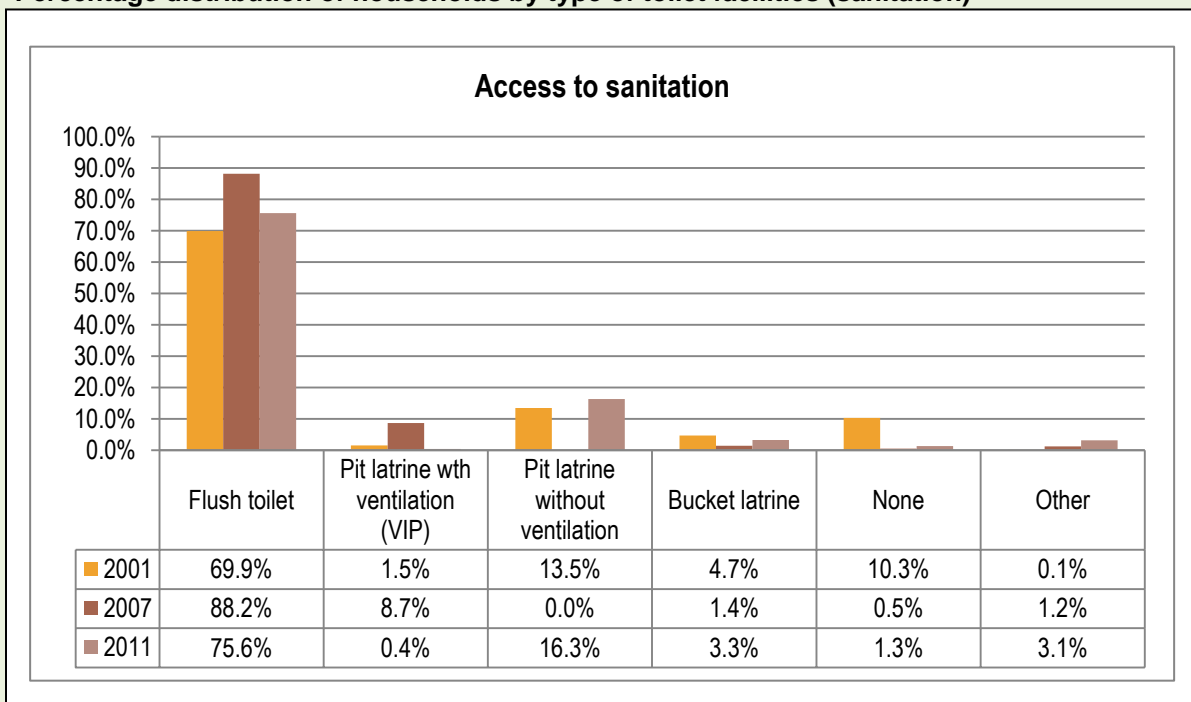
Free basic services are provided to indigent households according to the Municipality's indigent policy. This includes 10kl of water, 50kWh electricity, R 50 subsidy on assessment rates, free sanitation and refuse removal per month. A total number of 8 336 households were recorded in the indigent register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

Access to Municipal services

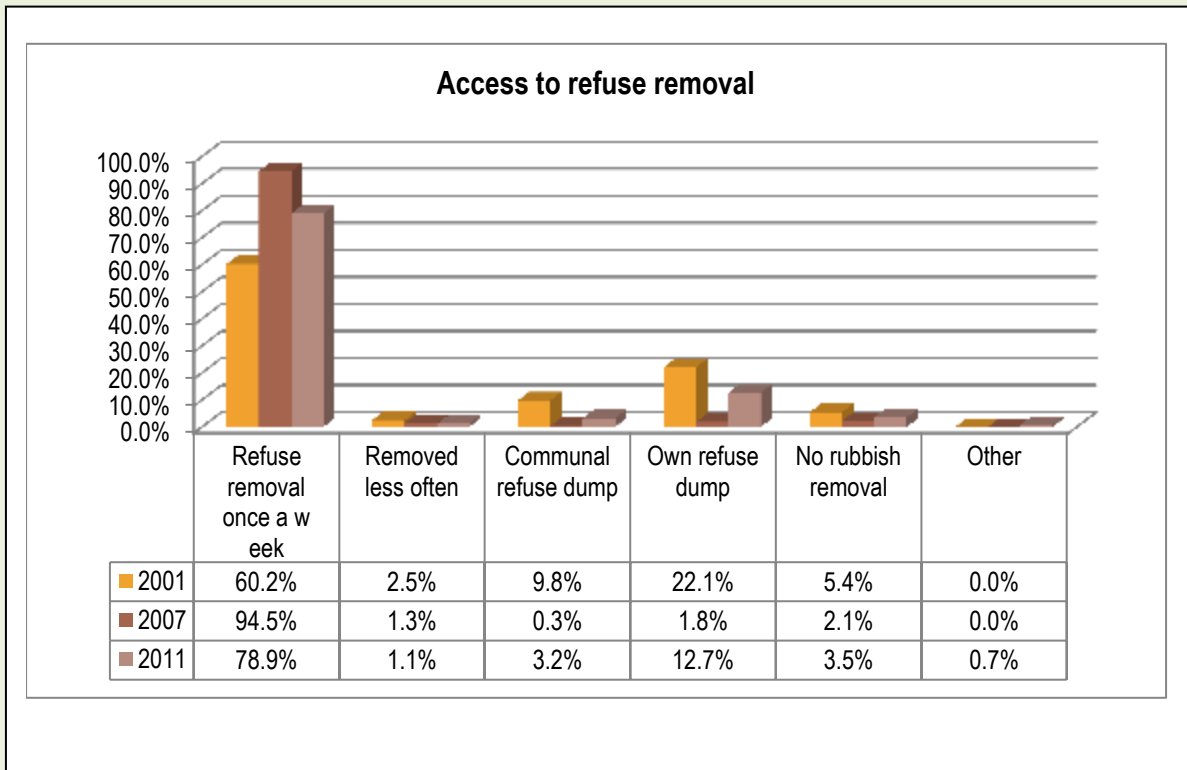
Percentage distribution of households by water source

	Census 2001	CS 2007	Census 2011
Piped water			
inside the dwelling	41,7	73,0	71,7
inside the yard	39,3	16,3	22,1
from access point outside the yard	17,8	10,5	5,3
Borehole	0,2	-	-
Other	0,9	0,2	0,9
Total	100,0	100,0	100,0

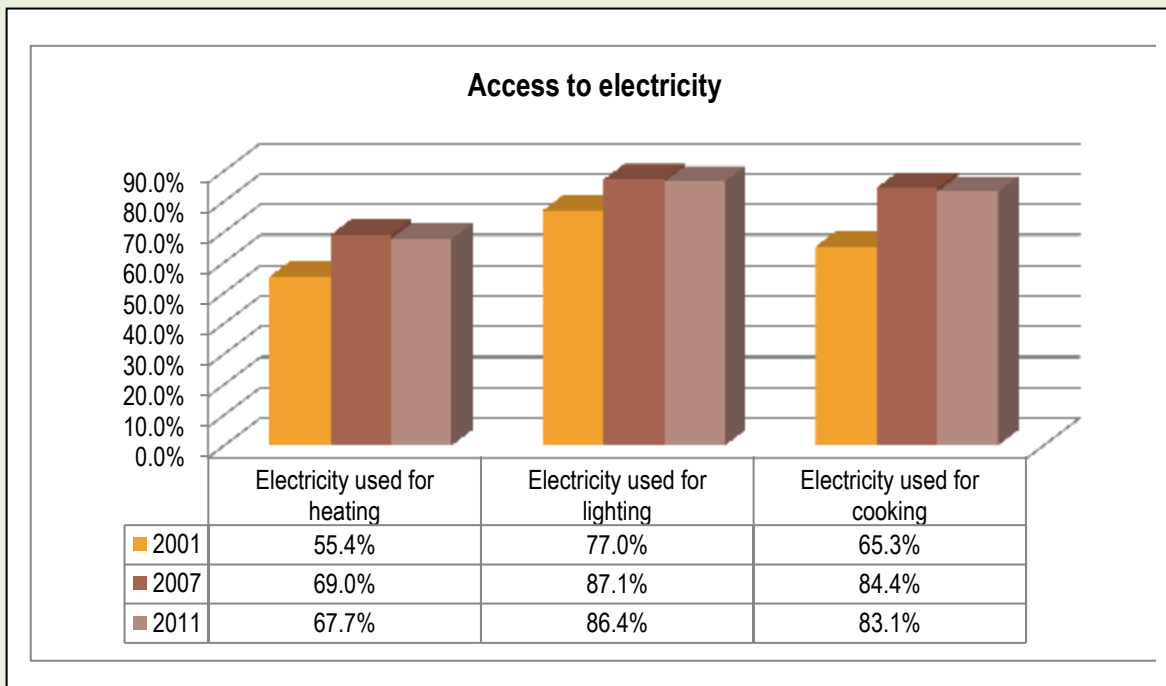
Percentage distribution of households by type of toilet facilities (sanitation)



Percentage distribution of households by type of refuse removal



Percentage distribution of households by type of energy



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

COMMENT ON ACCESS TO BASIC SERVICES:

See Chapter 3 Service Delivery Performance information

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

See Chapter 5 Financial Performance information for full financial overview

Table 10: Financial Overview – 2014/15

Financial Overview: 2014/15			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	178 990	168 990	302 818
Taxes, Levies and tariffs	661 065	666 965	597 939
Other	49 662	46 048	66 502
Sub Total	889 717	882 003	967 259
Less: Expenditure	868 505	879 111	814 936
Net Total*	21 212	2 892	152 323

* Note: surplus/(deficit)

Table 11: Operating Ratios

Operating Ratios	
Detail	%
Expenditure items as a % of total expenditure	
Bulk purchases	34.3
Employee related cost	21.5
Debt impairment	14.1
Contracted services	10.2
Depreciation and amortisation	4.8
Top 5 major items as a % of total expenditure	84.9
Repairs and maintenance (excluding internal labour cost)	3.2
Remuneration of councillors	1.8
Average collection rate for the year (Excluding prepaid electricity)	78.1
Income as a % of Total Revenue	
Service charges	50.3
Property rates	11.5
Internally generated revenue	68.7
Government grants and subsidies	31.3
Top 3 major items as a % of total revenue	
Water service	25.8
Electricity service	20.2
Rates	11.5

COMMENT ON OPERATING RATIOS:

The information above shows the major income sources and major expenditure items. More than 55% of expenditure goes towards bulk purchases and employee related costs. More than two thirds of revenue is generated internally with grant funding being just under one third of the total revenue sources.

A detailed analysis is done on ratios (in terms of MFMA Circular 78) in chapter 5 of this report.

Table 12: Total Capital Expenditure

Total Capital Expenditure: 2013/14 to 2014/15			R'000
Detail	2013/14	2014/15	
Original Budget	163 587		136 861
Adjustment Budget	126 197		78 265
Actual	70 910		188 267

COMMENT ON CAPITAL EXPENDITURE:

The major contributing factor for the actual exceeding budget was the donation of land by the Department of Human Settlements to the value of R 133m

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW**ORGANISATIONAL DEVELOPMENT PERFORMANCE****INTRODUCTION**

Metsimaholo Local Municipality has in the past three financial years filled the vacancies of the Municipal Manager and all Senior Managers to ensure that the organisational effectiveness is managed strategically from the top.

Organisational development performance of the municipality is geared towards the achievement of the municipality's vision and mission and to that end, organisational learning and capacity development hold a key to problem solving and collaborative management of the municipality.

Human engineering continues to be a driver of greater workforce productivity, in an effort to adhering to the Back to Basic machinery of better service for our communities. The municipality is focusing its attention on structural change, technological change and behavioural change to ensure that the goals and objectives are achieved.

1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2014/15

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

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the financial statements of the Metsimaholo Local Municipality set out on, pages 07 to 96 (of Volume II) which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR-GENERAL'S RESPONSIBILITY

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

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

OPINION

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

EMPHASIS OF MATTERS

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

Restatement of corresponding figures

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

Irregular expenditure

9. As disclosed in note 48 to the financial statements, the municipality incurred irregular expenditure of R48 211 911 (2014: R65 034 263) during the year under review mainly due to non-compliance with supply chain management requirements.

Material impairments

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

Going concern

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

ADDITIONAL MATTERS

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

Unaudited disclosure notes

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

Unaudited supplementary information

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

PREDETERMINED OBJECTIVES

16. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2015:
- KPA 1: Service Delivery and Infrastructural Development (on pages 67 to 99 of Volume II)
17. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned key performance area. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material findings in respect of the selected key performance area is as follows:

KPA 1 SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT

USEFULNESS OF REPORTED PERFORMANCE INFORMATION

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

RELIABILITY OF REPORTED PERFORMANCE INFORMATION

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

ADDITIONAL MATTER

23. I draw attention to the following matter:

ACHIEVEMENT OF PLANNED TARGETS

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

COMPLIANCE WITH LEGISLATION

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

Annual financial statements

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

Expenditure management

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

Budgets

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

30. Procurement and contract management

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

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

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

INTERNAL CONTROL

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

LEADERSHIP

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

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

FINANCIAL AND PERFORMANCE MANAGEMENT

37. The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the municipality's design and implementation of internal controls for financial management and financial reporting, and weaknesses in the information systems.

38. The municipality did not have a proper system of record management to maintain information that supports the reported performance due to a lack of capacity in the performance information unit.

Other reports

INVESTIGATIONS

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

Auditor - General

Bloemfontein

30 November 2015



1.7 STATUTORY ANNUAL REPORT PROCESS

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

COMMENT ON THE ANNUAL REPORT PROCESS:

The 2014/15 Annual Report was compiled and submitted to the Auditor General in August 2015. Amendments and corrections were made as per the recommendations of the Auditor General. The report was then tabled to Council on 27 January 2016, as required by section 27 (1) and (2) of the MFMA (No 56 of 2003), which states that (1) "the accounting officer of a municipal entity must, within six months after the end of a financial year, or on such earlier date as may be agreed between the entity and its parent municipality, submit the entity's annual report municipality. (2) "The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any entity under the municipality's sole or shared control."

T1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

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

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

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

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

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

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

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

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

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

T2.1.1

EXECUTIVE MAYOR

Cllr: B.T MAHLAKU



FUNCTION:

Overall political responsibility for sound governance and service delivery

SPEAKER

Cllr: S.Z MATENA



FUNCTION:

Public participation, ward committees and managing Council and Committee

COUNCIL WHIP

Cllr: T.L SOETSANG



FUNCTION:

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

Photos (optional)

MAYORAL COMMITTEE

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

T2.1.1

COUNCILLORS

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

T2.1.2

POLITICAL DECISION-TAKING

Political decisions are taken through the Council meeting by way of voting and consensus.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA section 60(b): The Municipal Manager of a Municipality is the Accounting Officer of the Municipality for the purposes of this Act and must provide guidance on compliance with this Act to Political Structures; Political Office Bearers, and Officials of the Municipality and any entity under the sole or shared control of the Municipality.

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

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

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

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

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

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

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

2.3 INTERGOVERNMENTAL RELATIONS**NATIONAL INTERGOVERNMENTAL STRUCTURES**

The municipality participates in the relevant structures of other spheres of government. This is done by attending meetings as and when required and as per the invitations received from the various structures.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality participates in the relevant structures of other spheres of government. This is done by attending meetings as and when required and as per the invitations received from the various structures.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality does not have any municipal entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality participates in the relevant structures of other spheres of government. This is done by attending meetings as and when required and as per the invitations received from the various structures

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

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

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

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

WARD COMMITTEES

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

Table 13: Public Meetings

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Public Meeting	30 July 2014	1	0	100	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	3 July 2014	1	0	63	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	14 October 2014	1	0	30	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	11 September	1	0	63	Yes	Notices with date and detailed information are

	2014					issued to the community in order for them to attend the meetings.
Block Meeting	18 September 2014	1	0	43	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	2 October 2014	1	0	40	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	3 September 2014	1	0	51	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	7 October 2014	3	0		No	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	24 August 2014	1	0	30	Yes	Notices with date and detailed information are issued to the community in order for them to attend

						the meetings.
Public Meeting	5 October 2014	1	0	152	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	8 December 2014	3	0	141	No	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	2 July 2014	1	0	95	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	29 September 2014	1	0	34	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	18 March 2015	1	0	104	Yes	Notices with date and detailed information are issued to the community in order

						for them to attend the meetings.
Block Meeting	17 February 2015	1	0	71	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	18 February 2015	1	0	122	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	19 February 2015	1	0	82	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	25 February 2015	1	0	57	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	26 February 2015	1	0	139	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.

Public Meeting	11 February 2015	1	0	68	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	9 March 2015	1	0	182	No	Next Public Meeting
Public Meeting	24 June 2015	2	0	246	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	1 February 2015	1	0	206	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	January 2015	1	0	175	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	2 June 2015	1	0	112	No	Next Block Meeting

Public Meeting	21 May 2015	2	0	129	Yes	Notices with date and detailed information are issued to the
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						community in order for them to attend the meetings.
Block Meeting	30 April 2015	1	0	27	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	16 April 2015	1	0	39	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	26 March 2015	1	0	64	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	5 February 2015	1	0	70	No	Next Public Meeting
Public Meeting	22 June 2015	1	0	71	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	9 March 2015	1	0	169	No	Response will be within 30 days

Public Meeting	4 June 2015	1	0	69	No	Next Public Meeting
Public Meeting	4 June 2015	1	0	63	No	Next Public Meeting
Block Meeting	2 June 2015	1	0	67	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	3 June 2015	2	0	56	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Block Meeting	9 April 2015	1	0	87	Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	12 April 2015	1	0		Yes	Notices with date and detailed information are issued to the community in order for them to attend the meetings.
Public Meeting	22 February 2015	1	0	36	No	Next Public Meeting
Public Meeting	8 February 2015	1	0	115	Yes	Notices with date and detailed information are

						issued to the community in order for them to attend the meetings.
Public Meeting	5 March 2015	1	0	139	No	Next Public Meeting
Public Meeting	24 February 2015	1	0	293	No	Next Public Meeting

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Through public meetings held the Municipality managed to strengthen partnerships with communities by empowering them with information and involvement in decision making. Service delivery queries were also dealt with during the public meetings.

2.5 IDP PARTICIPATION AND ALIGNMENT

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

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

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

2.6 INTERNAL AUDIT AND RISK MANAGEMENT

INTERNAL AUDIT

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

For the year ended 30 June 2015

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

Audit Committee Members and Attendance:

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

Member who served until 31 March 2015:

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

Audit Committee Member from 01 April 2015:

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

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

Audit Committee Responsibility

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

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

The effectiveness of internal control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Audit, the Audit Report on the Annual Financial Statements and management letter of the Auditor-General. It was noted that there were instances of weaknesses in controls. However the Audit Committee is pleased to report that there has been significant improvement in the general controls and management has put mechanisms and action plans in place to deal with identified weaknesses. Management has further undertaken to report to the Audit

Committee on a regular basis on progress made in this regard.

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

Evaluation of Financial Statements

The Audit Committee has

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

Risk Management

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

Conclusion

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

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Mr. Zola Fihlani CA (SA)

Chairperson of the Audit & Performance Audit Committee

RISK MANAGEMENT

RISK MANAGEMENT

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

The drive for local government transformation with limited resources has tended to force municipalities into taking a less conservative approach to service delivery with a proportional increase in their risk exposure. Ongoing local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability. Risk management trends and components already overlap with those of internal auditing, performance management, project management, financial management, organisational development and change management, customer care, communication, etc. and require incremental inclusion in current and future plans of the entire organisation. The management of risk by implication is a managerial function, even so individual sections, departments and directorates differ in their exposure and reaction to risks and thus departments, sections and individuals form a vital part of the overall risk management process within the Municipality. In our continuously changing governance environment it is imperative that Council remains updated on key changes and challenges and how these effect the operation of business in today's environment. This will not be achieved without an effective, efficient, soundly funded and managed risk strategy that seeks to maximise its impact on the organisation with minimum resources at its disposal. National Treasury Public Sector Risk Management Framework affirms that —no organisation has a luxury of functioning in a risk-free environment and public institutions are especially vulnerable to risk associated with fulfilling their mandates.

Top Risks to the Municipality

1. Ageing of Electricity, water, and sewer networks
2. Payments of creditors not done within 30 days.
3. Encroachment of roads, reserves, servitudes and building lines.
4. Occurrence of fruitless, wasteful and irregular expenditure

5. Absence of sector plans
6. Fraud and corruption (non-reporting of fraud and corruption cases)
7. Failure to recover data and systems efficiently and effectively in the event of disruptions
8. Labour unrest
9. Cable theft
10. The absence of Disaster Management Plan

2.7 ANTI-CORRUPTION AND FRAUD

ANTI -FRAUD AND ANTI-CORRUPTION STRATEGY

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

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

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

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

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

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT (SCM)

The supply chain management function operated without a SCM manager for the year. The manager was appointed in July 2015. The department was reliant on and supported by interns. Permanent appointments have since been made in the SCM department, allowing the interns to also be rotated for work experience. The focus in the department is to review the SCM policy, provide training to all departments, improve on the processes and internal controls and reduce the level of irregular expenditure going forward.

2.9 BY-LAWS

Table 14: By-laws introduced

By-laws Introduced during 2014/15					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
	Credit control and debt collection	No	0	No	0
	Rates by-laws	No	0	No	0
	Land use planning	No	0	No	0

**Note: See MSA section 13.*

COMMENT ON BY-LAWS:

The process of promulgation will be finalised in 2015/16. There are new by-laws that have been identified and they will be finalised in the new financial year.

2.10 WEBSITES

Table 15: Municipal Website

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Date Published
Current Annual and Adjustments Budgets and all budget-related documents	No	
All current Budget-related policies	No	
The previous Annual Report (2012/13)	No	
The Annual Report (2013/14) published/to be published	No	
All current Performance Agreements (2014/15) required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	No	
All Service Delivery Agreements (2014/15)	No	
All long-term borrowing contracts (2014/15)	No	
All Supply Chain Management contracts above a prescribed value (give value) for 2014/15	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2013/14	No	
Contracts agreed in 2014/15 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-Private Partnership agreements referred to in section 120 made in 2014/15	No	
All Quarterly reports tabled in the council in terms of section 52 (d) during 2014/15	No	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

In 2014/15 the website was not compliant with section 75 of MFMA. It had to be redeveloped and redesigned. It went live on 28 September 2015.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

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

The main objectives of the study were as follows:

- To collect household data on the demographic profile of all wards: population estimates, number of households in each ward, age profile, gender and race profile, disabilities.
- To collect household data on the socioeconomic profile of wards: education profile, household income categories and sources, employment status (employed, unemployed, not economically active), and tenure status, etc.
- To collect household data on access to services of wards: access to water, sanitation, electricity, refuse removal, roads, housing, community halls, libraries, health services e.g. clinics or hospitals, recreational facilities, sports facilities, ambulance and fire rescue services, etc.

Table 16: Satisfaction Surveys Undertaken

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

COMMENT ON SATISFACTION LEVELS:

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

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

INTRODUCTION

The following are the completed projects:

- Zamdela Amelia Sanitation Phase 3
- Zamdela Amelia 11kv Substation (in Leitrim)
- Metsimaholo ext. 6 Sanitation for 368 stands

The following are the ongoing projects:

- Zamdela Gortin Sanitation Phase 4
- Zamdela Amelia 88kv Substation (in Leitrim)
- Refengkgotso WWTW
- Zamdela CRU (Community Residential Unit Human Settlement Project)

Phase 1 Units completed (ready for occupation Aug 2015)	= 96
Phase 2 Units in working progress (ready for occupation Sept 2015)	= 32
Phase 3 Units planned (practical completion Dec 2016)	= 296
- Sasolburg Ext 1

(Emergency BNG houses Human Settlement Project Completed)	= 74
(Emergency BNG houses Human Settlement Project In working progress)	= 70

The following are new projects:

- Metsimaholo Sports Facility
- Zamdela Amelia Electrification
- Refengkgotso Themba Kubheka infrastructure (FSHS)
- Water Conservation and Management – water loss project

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

The Municipality has well serviced records for sanitation, water and electricity. No Water projects were implemented during the 2014/15 financial year.

There is an on-going sanitation project in Gortin and is anticipated to be completed in the first half of 2016.

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

3.1. WATER PROVISION**INTRODUCTION TO WATER PROVISION**

The management of the Water Provision services to approximately 48000 households are done in two categories the one being the bulk supply being done by Rand Water Board (Sasolburg zone) and the other being water extracted from Vaaldam and purified (Deneysville and Oranjeville zones). There is no challenge as to the supply of water to the Municipality. The Municipality was rated at 84.5% on the Blue drop assessment. The purification works at Deneysville were expanded to see to the increased consumption and growth within the area. The informal areas are being provided with communal water taps where needed.

Table 17: Total use of Water by Sector

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2012/13	0	0	5 123 359	7 641 246	7.10%
2013/14	0	0	5 199 731	8 352 490	5.19%
2014/15	0	0	5 594 792	6 944 217	29.00%

COMMENT ON WATER USE BY SECTOR:

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

Table 18: Water Service Delivery Levels

Water Service Delivery Levels				
Description	2011/12	2012/13	2013/14	Households 2014/15
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)				
Piped water inside dwelling	34 189	34 189	34 189	34 189
Piped water inside yard (but not in dwelling)	4 894	4 894	4 894	5 710
Using public tap (within 200m from dwelling)	2 635	2 635	2 635	2 635
Other water supply (within 200m)	40	40	40	40
Minimum Service Level and Above sub-total	41 758	41 758	41 758	42 574
Minimum Service Level and Above Percentage	81.9%	81.9%	81.9%	80.3%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0	4 900
No water supply	0	0	0	0
Below Minimum Service Level sub-total	0	0	0	4 900
Below Minimum Service Level Percentage	0%	0%	0%	0%
Total number of households*	41 758	41 758	41 758	47 474
* - To include informal settlements				

Table 19: Households – Water Service Delivery Levels below minimum

Households - s below the minimum						
Description	Households					
	2011/12	2012/13	2013/14	2014/15		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	33 636	42 490	42 490	42 539	0	42 539
HHs below minimum service level	0		2 537	2 537	0	2 537
Proportion of HHs below minimum service level	0%	6%	6%	6%	0	6%
Informal Settlements						
Total households	0	2 407	2 407	2 407	0	2 407
HHs below minimum service level	0	2 407	2 407	2 407	0	2 407
Proportion of HHs below minimum service level	0%	5%	5%	5%	0	5%

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

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

Lead Department: Technical Services (DTIS)

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

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

PROGRAMME (P1): WATER

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

	connectio n)					
	1.2 No. of HHs provided with new metered yard connections	500	2 537	Target not Achieved (0)	FSHS is the implementing agent not MLM	FSHS implementing the project from June 2015
	1.7 % of maintenance plan developed and submitted for approval	100%	100%	Target not Achieved (0)	Plan not developed due to prolonged labour unrests	Plan to be developed for 2015/16
	1.8 % of water distribution loss maintained	14%	14%	Target not achieved (10%) estimates	Not all metered stands are accounted for including communal taps	Implementation of WDCM project as from June 2015

Objectives	Performance indicators	Baseline : 2013/14	Annual target: 2014/15	Actual performance : 30 June 2015	Reasons for non- or under performance	Corrective measures taken or to be taken
To ensure the effective and efficient management of water resources	1.9 % of reported water leaks repaired within an average of 48 hours	95%	100%	Target not achieved (40%)	No labour to run help desk. Therefore there are no proper records kept.	Labour to be appointed to execute work on backlog due to strike. Records also to be effectively kept July 2015.
	1.10 % compliance with the blue drop water quality accreditation system ⁵	97%	98%	Target not achieved (Latest available score is 89.4%)	Awaiting outcome of assessment done by DWS	Awaiting outcome of assessment done by DWS
	1.11 % of WSDP developed and approved	90%	90%	Target not achieved (Phase 1 completed – complete plan 25% complete)	Needs assistance from PSP to complete phases 2,3 & 4	In process of appointing PSP, being contracted to DWS at present, for completing WSDP.

	1.12 % of water demand management plan developed and approved	75%	100%	Target not achieved (20%)	Phase 1 was completed	Execution of planned work of phase 2 to start during July 2015
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Table 21: Employees – Water Services

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

Employees: Water Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0
4 - 6	2	9	7	2	22
7 - 9	4	7	7	0	0
10 - 12	8	22	8	14	63
13 - 15	7	16	2	14	87
16 - 18	14	68	34	34	50
Total	36	124	60	64	51%

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

Table 22: Capital Expenditure – Water Services

Capital Expenditure 2014/15: Water Services					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
1. Water pumps replacement	1 200	700	-	-1 200	0
2. Water treatment plant(D/V and Refengkgotso)	2 700	3 010	5 254	2 554	5 254
3. Themba Kubheka housing	11 000	-	-	-11 000	0

connection					
Total All	14 900	3 710	5 254	-9 646	5 254
Others	0	0	0	0	0

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

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

- 1/ Budget was done for water pumps but funds were not available.
- 2/ Water treatment Works – was incorrectly budgeted for, the money from DWA was R 6m for waste water treatment works
- 3/ Themba-Kubheka housing connection project was implemented by the FSHS instead of the Municipality.

Table 23: Financial Performance – Water Services

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

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

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

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

Table 24: Sanitation Service Delivery Levels

Sanitation Service Delivery Levels				
Description	2011/12	2012/13	2013/14	*Households
	Outcome No.	Actual No.	Actual No.	2014/15
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	29 723	29 723	29 723	30 091
Flush toilet (with septic tank)	3 617	3 617	3 617	3 617
Chemical toilet				
Pit toilet (ventilated)	9 190	9 190	9 234	3 249
Other toilet provisions (above minimum service level)				
Minimum Service Level and Above sub-total	42 530	42 530	42 574	36 957
Minimum Service Level and Above Percentage	70%	70%	70%	81%
Sanitation/sewerage: (below minimum level)				
Bucket toilet				2 610
Other toilet provisions (below min.service level)				
No toilet provisions	5 700	5 700	6 000	7 907
Below Minimum Service Level sub-total	5 700	5 700	6 000	10 517
Below Minimum Service Level Percentage	12%	12%	12%	22%
Total households	48 230	48 230	48 574	47 474
*Total number of households including informal settlements				

Table 25: Households – Sanitation Service Delivery Levels below the minimum

Households - Sanitation Service Delivery Levels below the minimum						
Description	2011/12	2012/13	2013/14	2014/15		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	42 530	42 530	45 140	47 474	0	47 474
Households below minimum service level	9 190	9 190	11 800	10 517	0	10 517
Proportion of households below minimum service level (%)	22%	22%	26%	22%	0	22%
Informal Settlements						
Total households	5 700	5 700	6 000	7432	0	7432
Households below minimum service level				7432	0	7432
Proportion of households below minimum service level (%)	13%	13%	13%	15.6%	0	15.6%
						T 3.2.3

Table 26 Sanitation Service Policy Objectives taken from IDP/SDBIP:

Lead Department: Technical Services (DTIS)

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

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

Programme (P2): Sanitation

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

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

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

Table 27: Employees – Sanitation Services

Employees: Sanitation Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0
4 - 6	2	9	7	2	22
7 - 9	4	7	7	0	0
10 - 12	8	22	8	14	63
13 - 15	7	16	2	14	87
16 - 18	14	68	34	34	50
Total	36	124	60	64	51%

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

Table 28: Financial Performance – Sanitation Services

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

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

Table 29: Capital Expenditure – Sanitation Services

Capital Expenditure 2014/15: Sanitation Services						
R' 000						
Capital Projects	2014/15					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
1. Sewer pumps replacement	230	230	519	289	519	
2. Gortin Sanitation Phase 4	27 389	40 032	32 244	4 855	32 244	
Total All	27 619	40 262	32 763	5 144	32 763	
Others						
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>						

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

- Sewer pumps replacement project was implemented according to the budget
- Gortin sanitation is an ongoing MIG Project

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

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

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

Table 30: Electricity Service Delivery Levels

Electricity Service Delivery Levels				Households
Description	2011/12	2012/13	2013/14	2014/15
	Actual No.	Actual No.	Actual No.	
<u>Energy: (above minimum level)</u>				
Electricity (at least minimum service level)	34 730	34 730	34 730	34 730
Electricity - prepaid (minimum service level)				
Minimum Service Level and Above sub-total	34 730	34 730	34 730	34 730
Minimum Service Level and Above Percentage				
<u>Energy: (below minimum level)</u>				
Electricity (<min.service level)	3 333	3 333	3 333	3 333
Electricity - prepaid (< min. service level)				
Other energy sources				
Below Minimum Service Level sub-total	3 333	3 333	3 333	3 333
Below Minimum Service Level Percentage				
Total number of households	38 063	38 063	38 063	38 063

Table 31: Households – Electricity Service Levels below the Minimum

Households - Electricity Service Delivery Levels below the minimum						
Description	2011/12	2012/13	2013/14	2014/15		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
Households						
Formal Settlements						
Total households						
Households below minimum service level	3 333	3 333	3 333	0	0	0
Proportion of households below minimum service level						
Informal Settlements						
Total households						
Households below minimum service level	N/A	N/A	N/A	0	0	0
Proportion of households below minimum service level						

Table 32: Electricity Service Policy Objectives taken from IDP/SDBIP

Lead Department: Technical Services (DTIS)

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

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

PROGRAMME (P3): ELECTRICITY

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

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

	3.10 Average response time maintained for faulty street- and high mast lights	3 months	2 months	Target achieved (2 months)	Not applicable	Not applicable
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Table 33: Employees – Electricity Services

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

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

Table 34: Financial Performance – Electricity Services

Financial Performance 2014/15: Electricity Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget %
Total Operational Revenue	257 536	258 727	261 438	238 378	(8.54%)
Expenditure:					
Employees	(12 175)	(15 613)	(14 033)	(10 032)	55.63%
Repairs and Maintenance	(1 398)	(3 684)	(2 741)	(1 409)	61.75%
Other	(211 582)	(269 535)	(270 042)	(233 156)	15.60%
Total Operational Expenditure	(225 155)	(288 832)	(286 816)	(244 597)	18.08%
Net Operational Expenditure	32 381	(30 105)	(25 378)	(6 219)	384.08%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Table 35: Capital Expenditure – Electricity Services

Capital Expenditure 2014/15: Electricity Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Upgrading of main Substation in Sasolburg	3 300	1 000	0	-3 300	0
Bulk supply Amelia, Gortin & Moodraai (CO)	7 000	8 000	6 795	205	6 795
Electricity Transformer(back up)	500	500	242	258	242
Electrical metering-hostels	4 000	0	0	-4 000	0

Electricity vital cable replacements	2 000	0	0	-2 000	0
Electricity building	300	0	0	-300	0
Street light fittings	0	300	89	-89	89
Air conditioners	0	430	0	0	0
Total All	17 100	10 230	7 126	-9 226	7126

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

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

- 1/ The Substation in Sasolburg was budgeted for but never implemented due to internal budget constraints.
- 2/ Bulk Supply in Amelia is a DoE project and was implemented according to plan.
- 3/ Electricity transformers were replaced according to the need,
- 4/ Pre-paid meters in hostels were transferred to 2015/16 financial year.
- 5/ There were no cable replacement in the 2014/15 financial year.
- 6/ Adjustment was done to accommodate replacement of street light fittings.

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

INTRODUCTION TO WASTE MANAGEMENT

Strategic objectives of Waste Management.

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

Functions of Waste Management

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

Table 36: Waste Management Service Delivery Levels

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

Table 37: Households –Waste Management Service Delivery Levels below the Minimum

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

Informal Settlements						
Total households	0	0	0	0	0	0
Households to below minimum service level	0	0	0	0	0	0
Proportion of households to below minimum service level	0	0	0	0	0	0

Table 38: Waste Management Service Policy Objectives taken from IDP/SDBIP

Lead Department: Social Services (DSS)

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

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

PROGRAMME (P 10) – WASTE MANAGEMENT

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

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

Lead Department: Social Services (DSS)

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

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

PROGRAMME (P 12) – CLEAN COMMUNITIES

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

Table 39: Employees – Waste Management Services

Employees: Waste Management Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	2	2	2	0	0
4 – 6	4	5	5	0	0
7 – 9	1	2	1	1	50
10 - 12	0	0	0	0	0
13 - 15	26	26	25	1	3
16 - 18	87	150	115	35	23
19 - 20	0	0	0	0	0
Total	120	185	149	37	20%

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

Table 40: Financial Performance – Waste Management Services

Financial Performance 2014/15: : Housing Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget %
Total Operational Revenue	4 229	8 500	8 500	4 504	88.72%
Expenditure:					
Employees	(6 758)	(6 614)	(6 614)	(6 193)	6.80%
Repairs and Maintenance	(2)	(258)	(157)	(3)	
Other	(2 825)	(3 725)	(3 937)	(7 901)	52.85%
Total Operational Expenditure	(9 585)	(10 597)	(10 708)	(14 097)	24.83%
Net Operational Expenditure	(5 356)	(2 097)	(2 208)	(9 593)	78.14%

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

Table 41: Capital Expenditure – Waste Management Services

Capital Expenditure 2014/15: : Waste Management Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Project A Rehabilitation: Dumping site-Sasolburg	1 000	0	0	-1 000	
Total All					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

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

3.5 HOUSING

INTRODUCTION TO HOUSING

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

Indicators from municipal data confirmed:

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

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

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

Table 42: Percentage of Households with Access to Basic Housing

Percentage of Households with Access to Basic Housing (Area of Jurisdiction)			
Year end	Total households (including in formal and informal settlements – Themba Khubeka included)	Households in formal settlements (Estimated)	Percentage of HH's in formal settlements
2011/12	46 154	38 530	83%
2012/13	47 581	38 640	81%
2013/14	49 052	38 790	79%
2014/15	54 470	38 990	72%

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

Table 43: Housing Service Policy Objectives taken from IDP/SDBIP

Lead Department: Economic Development and Planning (DEDP)

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

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

Programme (P5) - Human settlements

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

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

Objectives	Key Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	5.4 Housing accreditation application submitted to Province (Level 1& 2)	0%	50%	Target achieved (50%)	Not applicable	Not applicable

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

Table 44: Employees – Housing Services

Employees: Housing Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	2	1	0	50
4 – 6	4	7	3	4	57
7 – 9	5	6	4	2	33
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	9	15	8	6	40%

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

Table 45: Financial Performance – Housing Administration Services

Financial Performance 2014/15: : Housing Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget %
Total Operational Revenue	4 229	8 500	8 500	4 504	88.72%
Expenditure:					
Employees	(6 758)	(6 614)	(6 614)	(6 193)	6.80%
Repairs and Maintenance	(2)	(258)	(157)	(3)	
Other	(2 825)	(3 725)	(3 937)	(7 901)	52.85%
Total Operational Expenditure	(9 585)	(10 597)	(10 708)	(14 097)	24.83%
Net Operational Expenditure	(5 356)	(2 097)	(2 208)	(9 593)	78.14%

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

T 3.2.8

Table 46: Capital Expenditure – Housing Services

Capital Expenditure 2014/15: : Housing Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
NB: Competence of Provincial/National Dept.					
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
T 3.2.9					

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

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

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

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

Table 47: FREE BASIC SERVICES

	2012/13	2013/14	2014/15
Free water:			
- all residents	6kℓ	6kℓ	6kℓ
- indigent residents	10kℓ	10kℓ	10kℓ
Free Electricity:			
- all residents	50kWh	50kWh	50kWh
- non Municipal supply	Agreement with Eskom	Agreement with Eskom	Agreement with Eskom
Sewerage			
Basic sewerage – all residents	Free	Free	Free
Additional sewerage - indigents	Free	Free	Free
Free Refuse removal - indigents	Free	Free	Free
Indigent subsidy (property rates)	R50.00	R50.00	R50.00
Income level for registration of indigents	R2 750 per month per household	R3 000 per month per household	R3 500 per month per household
Number of registered indigents	8 530 [#]	8 575	8 336

Table 47.1: Cost to Municipality of FBS Delivered

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

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

An indigent registration campaign will be held in the 2015 / 2016 financial year with the possibility of making such a campaign an annual event. The municipality is of the view that there are many more people who qualify to receive indigent support but have not come forward to register as such. The free basic services to indigents is fully subsidised from the Equitable Share.

Table 48: Free Basic Services Policy Objectives taken from IDP/SDBIP

Lead Department: Finance (CFO)

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

Key Performance Area (KPA2): Local Economic Development

PROGRAMME (P9)–SUSTAINABLE LIVELIHOODS

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure that poor households have access to free basic municipal services	9.1 Place an advert annually in the newspaper calling for IGG registrations	0	1	Target not achieved (0)	No advert placed to promote indigent registration and verification delay due to no capacity in the section	Place the advert / Continue with verification drive with the assistance of temp fieldworkers
	9.2 Captured all new IGG applications on Indigent register within two months	47%	100%	Target achieved 100%	Not applicable	Not applicable
	9.3 Number of households on indigent register captured	8 433	11 000	Target not Achieved 8 631	Verification delay due to no capacity in the section. Also advertise for calling for registration	Appointment of staff

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

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

3.7 ROADS

INTRODUCTION TO ROADS

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

Table 49: Gravel Road Infrastructure

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

Table 50: Tarred Road Infrastructure

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

Table 51: Cost of Construction/Maintenance

Cost of Construction/Maintenance						
						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2010/11	1900	0	6 000	0	6 200	4 800
2011/12	0	0	9 000	0	0	4800
2012/13	0	0	6 853	0	0	10 680
2013/14	0	0	2 402	0	0	3 292
2014/15	0	0	1 987	0	0	1 654

Table 52: Roads Services Policy Objectives taken from IDP/SDBIP

Lead Department: Technical Services (DTIS)

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

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

Programme 4: Roads and storm water

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

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

Table 53: Employees – Roads Services

Employees: Roads Services					
Job Level	2012/13	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	2	3	3	0	0
7 - 9	2	12	6	6	50
10 - 12	3	10	6	4	40
13 - 15	18	22	10	12	54
16 - 18	12	18	11	7	38
19 - 20	0	0	0	0	0
Total	37	65	36	29	44%

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

Table 54: Financial Performance – Roads Services

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

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

Table 55: Capital Expenditure – Roads Services

Capital Expenditure 2014/15: : Roads Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Roads and storm water: Scotts Str Oranjeville	7 000	7 000	0	-7 000	0
Resealing of roads(all roads)	25 700	0	2 461	-23 239	0
Upgrading of Zamdela gravel roads and storm water drainage in wards(7, 8, 9, 10, 11 and 12)	0	0	0	0	0
Paving at Refengkgotso	6 000	0	0	-6 000	0
Total All	38 700	7 000	2 461	-36 239	0
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

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

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

This function is not performed by the Municipality. It is the competency of the Province.

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

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

Table 56: Storm water Infrastructure

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

Table 57: Cost of Construction/Maintenance

Cost of Construction/Maintenance				R' 000
	Storm water Measures			
	New	Upgraded	Maintained	
2010/11	1 800	700	330	
2011/12	1 900	900	420	
2012/13	1 900	1 800	840	
2013/14	0	0	0	
2014/15	0	0	763	

Table 58: Storm water Service Policy Objectives taken from IDP/SDBIP

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

Table 59: Employees – Storm water Services

Employees: Storm water Services					
Job Level	2012/13	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	2	3	3	0	0
7 - 9	2	12	6	6	50
10 - 12	3	10	6	4	40
13 - 15	18	22	10	12	54
16 - 18	12	18	11	7	38
19 - 20	0	0	0	0	0
Total	37	65	36	29	44%

Table 60: Financial Performance – Storm water Services (REFER TO TABLE 55)

Financial Performance 2014/15: Storm water Services					
					R'000
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	REFER TO TABLE 55				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

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

Table 61: Capital Expenditure – Storm water Services (REFER TO TABLE 56)

Capital Expenditure 2014/15: Storm water Services					
					R' 000
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

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

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

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

3.10 PLANNING

INTRODUCTION TO PLANNING

Main elements of the planning strategies

- To delineate the Deneysville and Orangeville CBDs (enhancement of Development Nodes)
The justification of this strategy is that the CBDs of these areas are not clearly defined and therefore leads to haphazard development. The aim here is to define and describe the jurisdiction to ensure densification and coordinated development. For the Sasolburg CBD, it has been a trend that some businesses in town close shop and move into residential areas.
- To identify and stimulate development opportunities through spatial planning
The spatial development framework gives a desirable and sustainable spatial pattern taking into consideration infrastructure availability, which in turn informs longer term planning and capital investment.
- To monitor and regulate land uses and land development
The aim of the town planning scheme and the proposed land use management scheme is to ensure orderly planning and development happens within the legislative parameters. This, with the aim of maintaining the prescribed zonings and form ascribed to a specified area. The draft land use management scheme is planned for revision by the Department of Rural Development and Land Reform (DRDLR) during the 2014/2015 financial year. Another achievement is that the SPLUMA (Spatial Planning and Land Use Management Act) was enacted in August 2013, and will come into operation locally on the 1st July 2015. This process marks the commencement of a period where Municipalities take responsibility of their planning matters. Metsimaholo has made institutional arrangements and is ready for implementation

Table 62: Applications for Land Use Development

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

Table 63: Planning Policy Objectives taken from IDP/SDBIP

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

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

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

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

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

Table 64: Employees – Planning Services

Employees: Planning Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	2	1	1	50
4-6	5	10	6	2	20
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16/18	0	0	0	0	0
19-20	0	0	0	0	0
	6	12	7	3	25%

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

Table 65: Financial Performance – Planning Services

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

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

Table 66: Capital Expenditure – Planning Services

Capital Expenditure 2014/15: : Planning Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
There were no capital projects					
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

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

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

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

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

Table 67: Economic Employment by Sectors

Economic Employment by Sectors			
Sector	Jobs		
	2012/13 No.	2013/14 No.	2014/15 No.
Agric, forestry and fishing	572	712	805
Mining and quarrying	335	374	400
Manufacturing	1 540	1 735	1 995
Wholesale and retail trade	2 062	2 906	3 075
Finance, property, etc.	1 607	1 818	1 915
Govt, community and social services	2 634	3 050	3 100
Infrastructure services	659	1 083	1 500
Total	9 409	11 678	12 790
Source			

COMMENT ON LOCAL JOB OPPORTUNITIES:

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

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

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

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

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

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

Table 68: Jobs Created through LED Initiatives

Jobs Created during 2014/15 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2011/12	38	2	36	Register
2012/13				No data found
2013/14	1 406	247	1 159	Attendance Register
2014/15				
Initiative A (2014/15) SMMEs	0	0	0	Attendance Register
Initiative B (2014/15) SLP				Membership of the cooperative/ Register of staff
Initiative C (2014/15) Co ops	0	0	0	Registration documents
Initiative D (2014/15) CWP	0	0	0	Attendance Register and contracts

Table 69: Jobs Created through EPWP Projects

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

Table 70: LED Policy Objectives taken from IDP/SDBIP

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

SP3: Build united, non-racial, integrated and safer communities

Key Performance Area KPA1: Service delivery and infrastructure development

Programme 6: Public transport

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

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

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

Key Performance Area (KPA2): Local Economic Development

Programme 7: Local Economic Development

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

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

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

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

Key Performance Area (KPA2): Local Economic Development

Programme 8: Job Creation

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

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

Table 71: Employees – LED Services

Employees: LED Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	3	1	2	66
4 - 6	0	3	0	3	100
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	6	1	5	83%

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

Table 72: Financial Performance – LED Services

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

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

Table 73: Capital Expenditure – LED Services

Capital Expenditure 2014/15: : LED Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All (None)	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

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

Teamwork within the municipal projects internally and externally supported by bylaws and policies.

Lastly initiative from the community to live from projects initiated and their small businesses.

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

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

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

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

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

3.12 LIBRARIES AND THEATRE

INTRODUCTION TO LIBRARIES AND THEATRE

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

SERVICE STATISTICS FOR LIBRARIES AND THEATRE

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

Sasolburg	4 000
Zamdela	2 500
Deneysville	1 500
Refenggotso	2 000
Oranjeville	50

Table 74: Libraries and Theatre Policy Objectives taken from IDP/SDBIP

Lead Department: Social Services (DSS)

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

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

Programme (P15) - Arts and culture

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

Table 75: Employees – Libraries and Theatre

Employees: Libraries and Theatre					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	0	1	0	1	100
7 - 9	5	8	6	2	25
10 - 12	12	17	13	4	23
13 - 15	4	4	0	4	100
16 - 18	0	1	0	1	100
19 - 20	0	0	0	0	0
Total	23	33	21	12	36%

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

Table 76: Financial Performance – Libraries and Theatre

Financial Performance 2014/15: Libraries and Theatre					
					R'000
Details	2013/14	2014/15			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	3 182	2 684	2 684	1 860	44.30%
Expenditure:					
Employees	(5 647)	(6 667)	(6 207)	(5 895)	13.10%
Repairs and Maintenance	(19)	(67)	(52)	(8)	737.50%
Other	(752)	(1 350)	(1 196)	(575)	134.78%
Total Operational Expenditure	(6 445)	(8 084)	(7 455)	(6 478)	24.79%
Net Operational Expenditure	(3 262)	(5 400)	(4 771)	(4 618)	16.93%

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

Table 77: Capital Expenditure – Libraries and Theatre

Capital Expenditure 2014/15: : Libraries and Theatre					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Crèche donation at Harry Gwala (Copper Sunset Sands)					
	No libraries project				
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF LIBRARIES AND THEATRE OVERALL:

Metsimaholo public Libraries are hubs of education, giving residents access to books, magazines and audio-visual materials. Besides lending out material, Metsimaholo public libraries offer a wide-range of other services including literacy classes, storytelling sessions for youngsters, classroom support, gatherings for older residents and literary competitions. They are also the venues for lectures, exhibitions and meetings.

The Etienne Rousseau Theatre, with a seating capacity of 559 people is owned by Metsimaholo Local Municipality. From the gumboot dance, which was perfected as a form of entertainment by miners, the pantsula jive, which gripped the township in the 1980s, to comedy, drama, classical ballet and orchestra performances, Etienne Rousseau Theatre has hosted it all and continues to push the boundaries.

A number of internationally renowned theatrical productions are staged at the theatre complex, giving performers, writers, directors, designers and technicians an opportunity to incorporate different cultures into their performances and productions.

3.13 CEMETERIES

INTRODUCTION TO CEMETERIES

Metsimaholo local municipality carries the stories of many in its graveyards and cemeteries. There are 5 operating cemeteries and 5 non-operating cemeteries and no crematoria under the custodianship of Metsimaholo municipality. As the municipality continues to develop and grow, so does the pressure on burial space and, in 2015/16 financial year, the municipality budgeted for the development of a new cemetery in Zamdela.

The cemetery and crematoria By-laws for the municipality covers the disposal of bodies, coffins and graves, funerals, re-opening of graves and exhumations, care of graves, memorials and inscriptions, cremations and memorial work in crematoria, indigent persons and prohibited acts.

SERVICE STATISTICS FOR CEMETERIES

Number of people buried 2014/2015

Sasolburg	360
Zamdela	560
Refengkgotso	280
Oranjeville	50

Table 78: Cemeteries Policy Objectives taken from IDP/SDBIP

Department: Social Services (DSS)

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

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

Key PROGRAMME (P11) - COMMUNITY FACILITIES

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

Table 79: Employees – Cemeteries

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

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

Table 80: Financial Performance – Cemeteries

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

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

Table 81: Capital Expenditure – Cemeteries

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

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

COMMENT ON THE PERFORMANCE OF CEMETERIES OVERALL:

Metsimaholo local municipality carries the stories of many in its graveyards and cemeteries. There are 5 operating cemeteries and 5 non-operating cemeteries and no crematoria under the custodianship of Metsimaholo municipality. As the municipality continues to develop and grow, so does the pressure on burial space and, in 2015/16 financial year, the municipality budgeted for the development of a new cemetery in Zamdela.

The cemetery and crematoria By-laws for the municipality covers the disposal of bodies, coffins and graves, funerals, re-opening of graves and exhumations, care of graves, memorials and inscriptions, cremations and memorial work in crematoria, indigent persons and prohibited acts.

3.14 CHILDCARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

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

Table 82: Social Programmes Policy Objectives taken from IDP/SDBIP

Programme (P14) - Healthy Communities

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

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

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

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

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

Table 83: Employees – Social Programmes

Employees: Social Programmes					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0
4 - 6	3	9	3	6	66
7 - 9	2	4	2	2	50
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	8	16	8	8	50%

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

COMMENT ON THE PERFORMANCE OF SOCIAL PROGRAMMES OVERALL:

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

COMPONENT E: ENVIRONMENTAL PROTECTION

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

INTRODUCTION TO ENVIRONMENTAL PROTECTION

This function is performed by District Municipality

3.15 ENVIRONMENTAL PROTECTION**INTRODUCTION TO ENVIRONMENTAL PROTECTION**

This function is performed by the District Municipality

SERVICE STATISTICS FOR ENVIRONMENTAL PROTECTION

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

Table 84: Environmental Protection Policy Objectives taken from IDP/SDBIP

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

Table 85: Employees – Environmental Protection

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

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL OVERALL:

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

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

The Municipality does not perform the above functions.

COMPONENT F: HEALTH

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

INTRODUCTION TO HEALTH

Note: Recent legislation includes the National Health Act 2004.

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

3.17 CLINICS

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

3.18 AMBULANCE SERVICES

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

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

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

COMPONENT G: PUBLIC SAFETY FIRE AND DISASTER MANAGEMENT.

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

INTRODUCTION TO PUBLIC SAFETY FIRE AND DISASTER MANAGEMENT

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

3.20 TRAFFIC POLICE

INTRODUCTION TO TRAFFIC POLICE

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

Table 86: Traffic Police Service Data

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

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

Table 87: Police Policy Objectives taken from IDP/SDBIP

LEAD DEPARTMENT: SOCIAL SERVICES (DSS)

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

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

Programme 13: Safe Communities

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

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

Table 88: Employees – Traffic Police

Employees: Traffic Police					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	5	2	3	60
7 - 9	15	32	12	20	62
10 - 12	4	15	5	10	66
13 - 15	1	2	1	1	50
16 - 18	2	6	2	4	66
19 - 20	0	0	0	0	0
Total	24	61	23	38	62 %

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

Table 89: Financial Performance – Traffic Police

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

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

Table 90: Capital Expenditure – Traffic Police

Capital Expenditure 2014/15: : Traffic Police					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF TRAFFIC POLICE OVERALL:

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

3.21 FIRE**INTRODUCTION TO FIRE SERVICES**

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

Table 91: Fire Service Data

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

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

Table 92: Employees – Fire Services

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

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

Table 93: Financial Performance – Fire Services

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

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

Table 94: Capital Expenditure – Fire Services

Capital Expenditure 2014/15: : Fire Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

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

Table 95: Fire Service Policy Objectives taken from IDP/SDBIP

Programme 13: Safe Communities

LEAD DEPARTMENT: SOCIAL SERVICES (DSS)

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

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

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

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

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

INTRODUCTION TO DISASTER MANAGEMENT AND CONTROL OF PUBLIC NUISANCES, ETC

Disaster Management function is performed by District Municipality.

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

Disaster Management function is performed by District Municipality.

Table 96: Disaster Management Policy Objectives taken from IDP/SDBIP

PROGRAMME (P16) – DISASTER MANAGEMENT

Lead Department: Social Services (DSS)

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

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

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

Table 97: Employees – Disaster Management

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

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

Table 98: Financial Performance – Disaster Management

Financial Performance 2014/15: : Disaster Management					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	0	0	0	0	0
Repairs and Maintenance	(2)	(54)	(3)	(11)	391%
Other	(21)	(8)	(39)	(24)	66.67%
Total Operational Expenditure	(23)	(62)	(42)	(35)	77.14%
Net Operational Expenditure	(23)	(62)	(42)	(35)	77.14%

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

Table 99: Capital Expenditure – Disaster Management

Capital Expenditure 2014/15: : Disaster Management					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A					
Project B					
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

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

Disaster Management function is performed by District Municipality.

COMPONENT H: SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

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

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

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

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

Table 100: Sport and Recreation Policy Objectives taken from IDP/SDBIP

PROGRAMME (P11) - COMMUNITY FACILITIES

Lead Department: Social Services (DSS)

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

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

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

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

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

Table 101: Employees – Sport and Recreation

Employees: Sport and Recreation					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	1	1	50
4 - 6	4	1	0	0	0
7 - 9	1	0	0	0	0
10 - 12	3	8	0	8	100
13 - 15	30	0	0	0	0
16 - 18	87	35	9	26	74
19 - 20	0	0	0	0	0
Total	126	47	10	34	72 %

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

Table 102: Financial Performance – Sport and Recreation

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

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

T 3.2.8

Table 103: Capital Expenditure – Sport and Recreation

Capital Expenditure 2014/15: : Sport and Recreation					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Construction of sports complex in Refengkgotso	2 521	0	0	- 2 521	0
Construction of sports complex in Metsimaholo/Oranjeville (MIS:211477)	10 121	0	0	-10 121	0
Total All	12 642	0	0	-12 642	
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

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

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES, etc.

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

3.24 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

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

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

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

Table 104: Executive and Council Policy Objectives taken from IDP/SDBIP

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

Strategic Priority (SP 4): Promote active community participation

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

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

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

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

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

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

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

	committee)					
	18.14 Number of risk management committee meetings held	4	4	Target achieved (4)	Not applicable	Not applicable
	18.15 % of approved fraud prevention and anti-corruption strategy annually reviewed	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	18.16 % of approved fraud prevention and anti-corruption strategy annually implemented	50%	75%	Target achieved (75%)	Not applicable	Not applicable
To ensure that a functional and effective Organisational Performance Management System (PMS) is adopted and implemented (NKPI:	18.17 % of compliant performance agreements for MM and s56 managers compiled and signed on time (NKPI: 2)	100%	100%	Target achieved (100%)	Not applicable	Not applicable

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

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

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

To ensure effective participation by the municipality in all IGR forums and programmes (NKPI: 12)	19.1 % of IGR meetings and forums at District, Provincial and National levels attended according to schedules (DCF, PCF, Provincial and National Forums)	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	19.2 % of relevant IGR reports submitted to senior management (14 days after each meeting)	100%	100%	Target not achieved (0)	The IGR meetings attended were either postponed or there were only for information sharing	Ensure that reports are submitted to Senior Management after each IGR meeting in 2015/16
	19.3 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	Target not achieved	Not applicable	Not applicable
	19.4 % actual capital expenditure (OPEX)	70%	100%	Target not achieved	Not applicable	Not applicable

	as a percentage of the approved/adjusted budget					
	19.5 % of Auditor General queries resolved by end of April	50%	100%	Target not achieved (50%)	Some of the AG queries could not be resolved as they are predetermined objectives and compliance issues	
	19.6 % of report submitted on performance assessment of the service providers	0%	100%	Target achieved		
	19.7 % of Communication strategy developed and approved (reviewed annually)	0%	100%	Target not achieved		The strategy will be reviewed in 2015/16 FY
To ensure that an effective and efficient customer care function is established	20.1 % of customer care policy and implementation plan compiled and approval	0%	50%	Target Not Achieved (0)	The Draft is currently being reviewed by Open Waters	Would be submitted at the end of Sep 2015
	20.2 % of customer care model	0%	50%	Target Not	Awaiting approval of the Implementation	To be finalised by the end

	implemented (as per approved implementation plan)			Achieved (0)	plan	Dec 2015
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Table 105: Employees (Councillors) – Executive and Council

Employees (Councillors): Executive and Council					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	7	7	0	0
4 - 6	3	15	8	7	46
7 - 9	37	8	6	2	25
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	42	30	21	9	30 %

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

Table 106: Financial Performance – Executive and Council

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

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

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The Council approved a schedule of 21 MAYCO meetings of which 10 were ordinary meetings and 11 were special. Out of these scheduled meetings, the Executive was able to have 8 ordinary and 3 special meetings.

The Council approved a schedule of 8 (Council) meetings of which 6 were ordinary meeting and 2 were special. Out of these scheduled meetings, the Council was able to have 3 ordinary and 6 special meetings, as well as 4 informal.

There were interactions with relevant municipal and community stakeholders throughout the year. IGR meetings were attended by relevant officials.

The Integrated Development Plan (IDP) and Service Delivery Budget Implementation Plan (SDBIP) were approved and aligned. IDP Public participation meetings were held to consult the public regarding the community needs.

The Annual Report and Oversight Report were compiled and adopted as required by the law.

The Audit Charter was reviewed by the Audit Committee.

Risk Management Strategy and policy were approved.

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

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

The strategic objectives of the department are the following

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

Table 107: Debt Recovery

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

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

Table 108: Financial Service Policy Objectives taken from IDP/SDBIP

Programme 21: Revenue and cash flow management

Lead Department: Finance (CFO)

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

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

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

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

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

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

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

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

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

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

	22.6 Insurance premium paid on time	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	22.7 Insurance claims received from depts. Submitted to insurer within 7 days	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	22.8 Annual review of insurance premiums	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	22.9 Awarding quotations between R30000 and R200000 within 21 days of receipt of the request	21 days	21 days	Target achieved (100%)	Not applicable	Not applicable
	22.10 Adjudication of	90 days	90 days	Target not	One tender was not	A report was

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

	22.13 Quarterly reporting to Council on tenders awarded	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	22.14 Quarterly reporting to Council on deviations	0	100 %	Target achieved (100%)	Not applicable	Not applicable
	22.15 Quarterly reporting to Council on procurement from 30k – 200k	0	100 %	Target achieved (100%)	Not applicable	Not applicable
	22.16 Reporting to Council on stock counts done bi-annually	0	100%	Target achieved (100%)	Not applicable	Not applicable

	22.17 Stock losses not to exceed 10% of physical stock	0	10%	Target not achieved	Lack of full time personnel in Stores. Break ins and theft as well	Appointment of full time personnel at stores
	22.18 % compliance maintained with approved SCM policy and procedures <i>(includes elimination of internal and external audit queries)</i>	100%	100%	Target achieved	Not applicable	Not applicable

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

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

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

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	23.1 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget for finance	90%	100%	Target not achieved (0)	Finance has no capital budget	
	23.2 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget for finance	90%	100%	Target achieved (100%)	Not applicable	Not applicable
To ensure that the municipal budget and financial reporting process are compliant	23.3 % of MSIG allocation spent	100%	100%	Target achieved (100%)	Not applicable	Not applicable

with applicable legislation						
	23.4 Draft Budget compiled and tabled by no later than 31 March	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.5 Adjustment Budget tabled by no later than end February	100%	100%	Target achieved (100%)	Not applicable	Not applicable
To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	23.6 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	65%	100%	Target not achieved (23.1%)	PMU responsible for spending of Grants. Capital from own funding –low spending due to cash flow. Loan from DBSA of R7m not taken up	Better planning to be done
	23.7 % actual operating expenditure (OPEX) as a percentage of the	90%	100%	Target not achieved (23.72%)	Lack of funds	Generate revenue

	approved/adjusted budget					
	23.8 % actual expenditure on repairs and maintenance as a percentage of the approved/adjusted budget	6%	7%	Target not achieved (0.99%)	Cash flow	Financial system not closed for 2014/15 expenditure
	23.9 % of MIG allocation spent	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.10 Annual Budget (MTREF) compiled and approved by end of May each year	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.11 Monthly budget statements (s71 of MFMA) are compiled and submitted to the Mayor by no later than 10 working days after the end of each month	100%	100%	Target achieved (100%)	Not applicable	Not applicable

	23.12 Monthly National Treasury returns submitted on time	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.13 Quarterly National Treasury returns submitted on time	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.14 DoRA returns submitted on time (FMG & DWA) monthly	100%	100%	Target achieved (100%)	Not applicable	Not applicable
	23.15 Mid-year budget assessment and budget adjustments report submitted to Mayor by 25 January each year (s72 of MFMA)	100%	100%	Target achieved (100%)	Not applicable	Not applicable

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

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

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

Objectives	Performance indicators	Baseline: 2013/14	Annual target: 2014/15	Actual performance: 30 June 2015	Reasons for non- or underperformance	Corrective measures taken or to be taken
To ensure that the municipality received a Clean Audit Report	24.1 Annual Financial Statements submitted to the Auditor-General by the end of August	100%	100%	Target not achieved (0)	AFS submitted in September 2014 Due to labour unrest and disruptions experienced	Ensure that in the next FY it is submitted timeously
	24.2 Actual improvement in annual audit outcomes received from the Auditor-General	Un-qualified	Unqualified	Achieved (100%)	Not applicable	Not applicable
	24.3 PROPAC resolutions implemented annually affecting finance	100%	100%	Target not achieved (0)	No action plan on PROPAC resolutions	Develop an action plan for 2015/16 FY

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

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

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

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

Table 109: Employees – Financial Services

Employees: Financial Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	6	4	2	33
4 - 6	3	10	7	3	10
7 - 9	19	51	29	22	43
10 - 12	18	33	18	15	62
13 - 15	28	29	28	1	3
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	73	129	72	57	44

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

Table 110: Financial Performance – Financial Services

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

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

Table 111: Capital Expenditure – Financial Services

Capital Expenditure 2014/15: : Financial Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
SCM software	0	0	0	0	0
Calculators/Adding machines	0	0	0	0	0
Office Equipment	0	0	0	0	0
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

- The budget preparation, implementation and monitoring was successfully done. The in-year reporting was timeously submitted to Treasury. All budget deadlines were met.
- Credit control and Debt Collection is still a challenge for the municipality. The Council approved "Operation Patala" as part of its revenue enhancement strategy.
- The municipality has 8 627 registered indigents on its data base at year end. The department is being further capacitated to cope with the growth in indigent households and indigent verifications.
- Supply Chain Management has been a challenge during the year. The department has been further capacitated and a Supply Chain Manager appointed at the beginning of the 2016 financial year. (Appointed in July 2015). The key focus areas will be to identify and reduce the incidence of irregular expenditure. Improve on document management and review the SCM policy.
- Expenditure management remained a challenge in accommodating unforeseen expenditure in the budget, which arose as a result of the strike by SAMWU employees. This resulted in the municipality increasing costs in relation to security and hiring outside service providers to render waste removal services and meter readings.
- Revenue management remains a focus area and the payment levels were negatively impacted upon as a result of the strike action which lasted for approximately eight months.

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

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

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

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

Table 112: Human Resource Services Policy Objectives taken from IDP/SDBIP

Programme (P27) – Human Capital

Lead Department: Corporate Services (DCS)

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

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

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

Objectives	Key Performance Indicators	Baseline: 2013/14	Annual Target 2014/15	Actual performance: 30 June 2015	Reasons for non- or under-performance	Corrective measures taken or to be taken
	27.3 % of Organisational structure reviewed as when the need	100%	100%	Target not achieved (0)	Delays in bid processes	Chairperson of evaluation committee to finalise evaluation report
To provide sufficient and skilled human capital to enable all departments to function optimally in order to enhance institutional capacity and effective service delivery	27.4.% of job grading and evaluation completed (reviewed annually if required)	0%	100%	Target not achieved (0)	SALGA competency	SALGA to speed up the process
	27.5 % of workplace skills plan (WSP) and annual training report (ATR) compiled and submitted annually to the LGSETA	100%	100%	Target achieved (100%)	Not applicable	Not applicable

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

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

Programme 28: Institutional Excellence

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 113: Employees – Human Resource Services

Employees: Human Resource Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0
4 - 6	5	12	5	7	58
7 - 9	2	3	2	1	33
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	8	18	9	9	50 %

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

Table 114: Financial Performance – Human Resource Services

Financial Performance 2014/15: : Human Resource Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	137	235	301	849	72.32%
Expenditure:					
Employees	(4 134)	(4 469)	(4 469)	(4 312)	3.51%
Repairs and Maintenance	0	0	0	0	0
Other	(2 901)	(258)	(390)	(1 298)	80.12%
Total Operational Expenditure	(1 233)	(4 211)	(4 079)	(3 014)	39.72%
Net Operational Expenditure	(1 096)	(3 976)	(3 778)	(2 165)	83.65%

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

Table 115: Capital Expenditure – Human Resource Services

Capital Expenditure 2014/15: : Human Resource Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A: Installation of Emergency Siren	R 150		R 22, 62	R127, 37	
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

During the financial year 2014/15 the municipality recruited 116 employees. Through the municipal workplace skills plan, various learning interventions were implemented for 132 employees using various methods of learning such as skills programmes, short course, learnerships and apprenticeship.

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

Table 116: ICT Services Policy Objectives taken from IDP/SDBIP

Programme (P26) - Facilities Management

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

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

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

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

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

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

Table 117: Employees – ICT Services

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

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

Table 118: Financial Performance – ICT Services

Financial Performance 2014/15: : : ICT Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	(3 155)	(3 502)	(3 502)	(3 712)	5.66%
Repairs and Maintenance	(442)	(1 250)	(1 030)	(1 180)	5.93%
Other	(7 287)	(1 453)	(1 666)	3 471	58.14%
Total Operational Expenditure	(3 690)	(6 205)	(6198)	(1421)	77.10%
Net Operational Expenditure	(3 690)	(6 205)	(6 198)	(1 421)	77.10%

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

Table119: Capital Expenditure – ICT Services

Capital Expenditure 2014/15: : ICT Services					
R' 000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Computer equipment	700	500	737	37	737
Total All					
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

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

3.28 PROPERTY AND LEGAL SERVICES

This component includes: property and legal services.

INTRODUCTION TO PROPERTY AND LEGAL SERVICES

The property and legal services scope is to focus on property management allocation of RDP houses, development of informal settlement and issues relating to rental stock.

Table 120: Property and Legal Services Policy Objectives taken from IDP/SDBIP

Please note: Key Performance Indicators of Property reflect under Housing division as this is a combined department (Housing and Properties). Legal Services policy objectives reflect under Governance as this section falls under Corporate Services.

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

Table 121: Employees – Property and Legal Services

Employees: Property and Legal Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	1	10	5	5	50
7 - 9	0	4	0	4	100
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	3	16	7	10	62.5 %

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

Table 122: Financial Performance – Property and Legal Services

Financial Performance 2014/15: : Property and Legal Services					
					R'000
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0				
Expenditure:					
Employees					
Repairs and Maintenance					
Other	(1 862)	(3 053)	(2 055)	(2 055)	48.56%
Total Operational Expenditure	(1 862)	(3 053)	(2 055)	(2 055)	48.56%
Net Operational Expenditure	(1 862)	(3 053)	(2 055)	(2 055)	48.56%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

COMMENT ON THE PERFORMANCE OF PROPERTY AND LEGAL SERVICES OVERALL:

The overall performance has been good and promising. The number of sites available for township establishment will alleviate low income housing shortage. The Legal division is making progress in matters of unlawful occupation of municipal lands and properties. The set targets are met.

COMPONENT J: MISCELLANEOUS

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

The Municipality does not perform any of the above functions.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

The Municipality does not have organisational performance scorecards yet.

3.29 Performance Evaluation of Service Providers (MM taken out)

Performance criteria

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

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

Relevant Department	Name of Consultant/ Contractor	Type of services provided	Contract period	Contract value	Performance assessment	Comment
Corporate Services	Dr Motau Occupational Health and Wellness	Medical Examinations and Employee Wellness	3 years	R500.000.00	10 points	Service is above average
	Marena Printers (Pty) Ltd	Printing Services	3 years	Charges per page	7 points	Service is acceptable
	Dicksy Cleaning (Pty) Ltd	Cleaning of Municipal Offices	(3 Years expired) Month to month	R159 971-98 Including VAT	4 Points	Service provider is Unsatisfactory and is not recommended for further work

	Mtn (Pty) Ltd	Data Cards/bundles Service provider	24 (Months)	±R40 00.00 (Monthly)	7 points	Service is acceptable and is recommended for further work
Social Services	Stones Plant Hire CC	Supply and operate Front-End Loader and Trucks.	23 June 2014 to 31 January 2015	0	10 points	Service is above average and is recommended for further work
	SMEC South Africa (Pty) Ltd. 71 Oranje Street Kroonstad	- Design and develop a plan for the establishment of a New Landfill Site for Metsimaholo Municipality and for the closure of the Sasolburg Landfill Site.	On-going	R1 416 193-50 Including VAT	7 points	Service is acceptable and is recommended for further work
	Copper Moon Trading 317 (Pty) Ltd	Law enforcement administration support system and lease of camera enforcement	3 years	0	10 points	Service is above average and is recommended for further work
Technical Services	Kolomaka Investment Survey &	Cleaning, vacuuming & unblocking pump stations, pipelines, supply and delivery potable	As and when required	0	7 points	Service is acceptable and is recommended for

		water				further work
	Batho Lets Do It	Collection of sewer buckets	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Drain surgeon(Siyavula Plumbing CC)	Plumbing, unblocking pipelines, drain cleaning, leak detection, CCTV camera inspection, septic tank/high pressure drain cleaning	As and when required	0	7 points	Service is acceptable and is recommended for further work
	AJ Mining & Industrial	Plumbing, unblocking pipelines, cleaning pump stations and water and wastewater treatment works, CCTV camera inspection, high pressure drain cleaning	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Elster Kent	Supply of water and wastewater meters	As and when required	0	7 points	Service is acceptable and is recommended for

						further work
	Impro Chem	Water and wastewater treatment chemicals	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Every seal valves and caskets	Maintenance of water and wastewater network	As and when required	0	7 points	Service is acceptable and is recommended for further work
	M & J Motors	Petrol, Diesel and Oil supplier	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Sabricon	Plumbing tools	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Millenium Pumps	Supply, delivery and repairs of pump stations	3 years	0	7 points	Service is acceptable and is recommended for

						further work
	R&S Bande	Repairs & replacement of tyres	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Caltex Deneysville	Petrol & Diesel for vehicles	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Marvin Marketing	Water and wastewater treatment chemicals	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Seibod Gas	Safety and cleaning materials	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Water pompe en besproeing bk(Water plan)	Water and wastewater maintenance materials	As and when required	0	7 points	Service is acceptable and is recommended for further work

	Flock it furnisher the big time	Water and wastewater maintenance	As and when required	0	7 points	Service is acceptable and is recommen ded for further work
	J.G Loots	Supply building material	As and when required	0	7 points	Service is acceptable and is recommen ded for further work
	Naledi Industrial Hardware	Supply building material	As and when required	0	7 points	Service is acceptable and is recommen ded for further work
	Selebalo Spray Painters	General building and painting work	As and when required	0	7 points	Service is acceptable and is recommen ded for further work
	Mofokeng Trading	General maintenance	As and when required	0	7 points	Service is acceptable and is recommen ded for further work

	Sizwe Paints	Supply paints/painting products	As and when required	0	10 points	Service is above average and is recommended for further work
	Flying Eagle	General building work	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Makhadzo Trading	General building work	As and when required	0	7 points	Service is acceptable and is recommended for further work
	Mica Hardware	Supply building material	As and when required	0	10 points	Service is above average and is recommended for further work

	Mafatseng trading & projects CC	Supply & delivery of cold mix asphalt(bags)	3 years	0	10 points	Service is above average and is recommended for further work
	Tzoneva Asphalt(Pty) Ltd	Repair and resealing of roads	3 years	0	10 points	Service is above average and is recommended for further work
	Inkikheli Business enterprise	Plant hire	3 years	0	10 points	Service is above average and is recommended for further work
	N.T Supplier & projects	Supply of safety clothing	As and when required	0	10 points	Service is above average and is recommended for further work
	Sido Consulting Engineers (Turnkey)	Amelia Sewer reticulation	3 years	R40 615 226	7 points	Service is acceptable and is recommended for further

						work
	Sido Consulting Engineers (Turnkey)	Gortin Sanitation Phase 4	3 years	R3 861 180	7 points	Service is acceptable and is recommended for further work
	Tecrover Projects(Pty) Ltd	Upgrading Refengkgotso WWTW	12 months	R6000 000	7 points	Service is acceptable and is recommended for further work
	Phenomenal Architect CC	Design and project management sports facility	3 years	R16 904 014	7 points	Service is acceptable and is recommended for further work
	Quantity build(Pty) Ltd	Gortin Sanitation Phase 4	3 years	R89 520 024.18	7 points	Service is acceptable and is recommended for further work
	Risimati Engineering(Pty) Ltd	Gortin Sanitation Phase 4	3 years	R4 404 960	7 points	Service is acceptable and is recommended for further

						work
	Mapitsi Civil Works(Pty) Ltd	Sewer network and house connection Metsimaholo Ext.6	3 years	R5 070 385.98	0 points	Service is unsatisfactory
	Proper Consulting Engineering CC	Construction 368 Stands for sewer network Metsimaholo Ext.6	3 years	R364 800	7 points	Service is acceptable and is recommended for further work
	Mlokotwa Construction	7.4km roads and stormwater in Gorton	3 years	R39 171 557.99	7 points	Service is acceptable and is recommended for further work
	Lesaka Consulting Engineering	7.4km roads and stormwater in Gorton	3 years	R2 692 500.01	7 points	Service is acceptable and is recommended for further work
	Selenane Construction(Pty) Ltd	Construction of bulkwater supply and reservoir	3 years	R33 375 609	7 points	Service is acceptable and is recommended for further work
	Vikna Consulting Engineering(Pty) Ltd	Construction of bulkwater supply and	3 years	R4 202 098.86	7 points	Service is acceptable

		reservoir				and is recommended for further work
	Nobleman Switch Gears	Repairing Switch Gears	N/A	N/A	7 points	Service is acceptable and is recommended for further work
	Centralec (Pty)Ltd	Supplying material	N/A	N/A	10 points	Service is above average and is recommended for further work
	ABC Electrical Suppliers	Supplying material	N/A	N/A	7 points	Service is acceptable and is recommended for further work
	J.D Electrical Engineering	Locating cable faults	N/A	N/A	7 points	Service is acceptable and is recommended for further work

	Century Electrical	Supplying material	N/A	N/A	7 points	Service is acceptable and is recommended for further work
Financial Services	Altimax (Pty) Ltd	Appointment of a professional services provider to assist with the financial year end processes in preparation for the year-end audit	3 years	0	10 points	Service is above average and is recommended for further work
	Arch Actuarial Consulting	Actuarial valuation of Employee benefits	Yearly	0	10 points	Service is above average and is recommended for further work
	Price Water House Coopers Combined Systems (Pty)Ltd	Compilation of the MLM asset register information to comply with Grap 17	Yearly	0	10 points	Service is above average and is recommended for further work
	Utilities World	Prepaid Electricity Vending	3 years	4.8% of Commission on a monthly basis on third party	10 points	Service is above average and is recommended for further

						work
	DDP Valuers (Pty)Ltd	Valuation Roll	3 years	R4 026 000	4 points	Service provider is Unsatisfactory and is not recommended for further work
	Lateral Unison Insurance Brokers(Pty)Ltd	Short term insurance broker	3 years	R1 253 273	5 points	Service is below average
	Payday	Salary system	Annual licence	0	10 points	Service is above average and is recommended for further work
	Business Connections	Financial System	Sole service provider	0	10 points	Service is above average and is recommended for further work
	Intenda(Pty)Ltd	Supply Chain Management System	November 2014 – January 2015	R849 984 + SLA Billable services	7 points	Service is acceptable and is recommended for

						further work
	Electro Cuts(Pty)Ltd	Delivery of warning notices, disconnection and re-connection of electricity	Month-to-month	0	10 points	Service Provider is recommended for further work
	Molenaar and Griffiths	Debt collections	No contract period	As and when cases are handed over	10 points	Service Provider is recommended for further work
LED	Jaco Terblanche	Valuation Instructions for disposal of assets and / or annual tariff (budget) recommendations	Instruction stipulates submission of valuations within 90 days	Pending on Instruction <i>(Estimated to R3'000 / instruction)</i>	7 points Excellent with interim inquiries	In working progress. Still evaluating Service Provider to be recommended for further work
	Messrs DDP Valuers	Valuation Instructions for disposal of assets and / or	Instruction stipulates submission of	Pending on Instruction <i>(Estimated to</i>	10 poin	Service Provider is NOT considered for further

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

	Mashalaba and Associates Consultants	Change of land use/rezoning of erven in the Refengkgotso and Metsimaholo Townships	-	-	10 points	Service is above average and is recommended for further work
	LMV Consultants	Review of the Spatial Development Framework	Contract period was not specified by FDDM but appointment was for the 2014/2015 financial year.	R350,000.00 (50:50) with FDDM Total project cost was (R604,200.00)	10 points	<p>*The service provider is on track with performance.</p> <p>*FDDM has finalised payment of their 50% contribution and Metsimaholo will start payment with the next invoice submitted.</p> <p>*Further assessment will be conducted week 8th – 12th June 2015</p>

	Ponoane Attorneys	Registration of layouts with deeds office	Contract was not signed by with the Service Provider at the time of appointment	R148,580.00	5 points	<p>Unforeseen technicalities (land ownership etc.) have delayed finalisation of the project.</p> <p>* Further assessment will be conducted week 8th – 12th June 2015</p>
	Claude Reid	Opening of	Messrs. Claude Reid Attorneys got instructions for opening of a township register January 2010. On submission of the Township Register to the Deeds Office they			<p>Unforeseen delays (from municipalities side)</p> <p>In working progress.</p> <p>Still evaluating</p> <p>Service Provider to</p>

	Attorneys	Township Registers	were instructed by Council to STOP the process and to continue again later.	R13 574.00	10 points	be recommended for further work
	Molenaar and Griffiths	Instructions for acquisition or transfer of land Legal Opinions	As per instruction <i>(18 months-pending on time frame allowed to the purchaser to settle transfer fees)</i>	Pending on instruction and value of land to be transferred <i>(Approximately R5000 / instruction)</i>	10 points	Service Provider is recommended for further work

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

INTRODUCTION

The municipality had 1136 approved posts on its organisational structure with 797 employee and a vacancy rate of 29% as at the end of the financial year 2014/15. The employee turnover rate was at 0,9 %.

Compliance with Municipal Regulations on minimum competency for Senior Managers, Financial Officials and Supply Chain Management Officials was achieved and even extended to managers not in the financial service and supply chain management. The municipal Workplace Skills Plan was the guiding document of the overall capacity building of the municipal workforce.

Thirty four (34) workforce management related policies were approved by council and this has created certainty and promoted organisational performance and productivity. The municipality through its employee wellness programme strives to keep the workforce at work and during the period under review the service of Dr. Motau continued to ensure speedy recovery for all our injured employees, with only one employee suffering permanent disability of 51% and no fatalities on duty.

Change management is ongoing and discipline and consequence management yielded good results and created stability in the municipality.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 123: Employee Totals

Employees					
Description	2013/2014	2014/15			
	Employees No.	Approved posts No.	Employee No.	Vacancies No.	Vacancies %
Water	40	124	60	64	51
Waste water (Sanitation)	36	124	60	64	51
Electricity	36	61	36	25	37
Waste Management	109	185	149	36	20
Housing	10	11	8	3	27
Storm Water Drainage	64	65	36	29	44
Roads	39	65	36	29	44
Transport	-	-	-	-	-
Planning	6	12	7	5	25
Local Economic Development	1	6	1	5	83
Community & Social Services	32	42	16	26	36
Environmental Protection	-	-	-	-	-
Health	-	-	-	-	-
Security and Safety	43	117	44	73	62
Sport and Recreation	124	46	11	35	76
Corporate Policy Offices and other(Finance)	108	195	107	88	45
TOTALS	648	1 053	571	482	45%

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

TABLE 124: MFMA: MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY

DECLARATION: The Municipal Manager/ Chief Executive Officer certifies this to be a true and accurate record of the implementation of the MFMA Municipal regulations on Competency Levels for officials in the municipality and/ or municipal entity for the six month period.						
Municipal Manager name:	Mr. S M Molala		Email:	steve.molala@metsimaholo.gov.za		
Telephone:	016 - 973 8313		Date(ccyy/mm/dd):	2014-06-29		
Mun Code:	FS204		Municipality Name:	Metsimaholo		
Financial Year:	2014/15		Six Month Period:	2 Jan – June 2015		
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated : Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidate d: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidate d: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))

Financial Officials	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated : Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated : Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<i>Accounting officer</i>	1	0	1	1	1	1
<i>Chief financial officer</i>	1	0	1	0	1	0
<i>Senior managers</i>	8	0	8	8	4	8
<i>Any other financial officials</i>	8	0	8	5	0	5
Supply Chain Management Officials	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated : Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated : Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))

<i>Head of supply chain management units</i>	1	0	1	0	0	0
<i>Supply chain management senior managers</i>	2	0	2	0	0	0
TOTAL	21	0	21	14	6	6

COMMENT ON MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS

Capacity building is an ongoing process that requires continuous engagements with stakeholders, improved planning and regular planning and evaluation of progress made. The relevant beneficiaries for the minimum competencies have achieved the desired end results, however the CFO completed the programme in June 2015 and the outcome of the assessments were not received from the learning institution. Minimum Competency programmes is also continuous as per the new appointments are made.

Table 125: Vacancy Rate

Vacancy Rate: 2014/15			
Designations	Total approved post No.	Vacancies (Total time that vacancies exist using fulltime equivalents) No.	Vacancies (as proportion of total posts in each category) %
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (Excluding Finance posts)	4	0	0
Other S57 Managers (Finance Posts)	0	0	0
Police officers	0	0	0
Fire fighters	43	20	23
Senior Management : level 13-15 (excluding Finance Posts)	6	4	66
Senior Management : level 13-15 (finance posts)	1	1	0
Highly skilled supervision : levels 9-12 (excluding Finance Posts)	67	29	43
Highly skilled supervision levels 9-12 (finance posts)	40	9	22
TOTAL	163	63	38%
<p>Note: for Posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made).</p> <p>Full time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p style="text-align: right;">T4.1.2</p>			

Table 126: Turnover Rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2012/13	30	29	4%
2013/14	12	18	1.5%
2014/15	733	355	44%

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

COMMENT ON VACANCIES AND TURNOVER:

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

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**

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

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

4.2 POLICIES

Table 127: HR Policies and Plans

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100	100	
2	Attraction and Retention	100	100	Council adopted them in 06/02/2013 and they are still under review
3	*Code of Conduct for employees	100	100	SALGBC/MCA
4	Delegations, Authorisation & Responsibility			In progress
5	*Disciplinary Code and Procedures	100	100	SALGBC
6	*Essential Services	100	100	SALGBC
7	Employee Assistance / Wellness	100	100	Council adopted them in 06/02/2013 and they are still under review
8	Employment Equity			In progress
9	Exit Management	100	100	Council adopted them in 06/02/2013 and they are still under review
10	*Grievance Procedures	100	100	SALGBC
11	HIV/Aids	100		Council adopted them in 06/02/2013 and they are still under review
12	Human Resource and Development	100	95	Policy reviewed and waiting for Council approval
13	Information Technology			
14	#Job Evaluation			SALGA project
15	Leave	100	95	Policy reviewed and waiting for Council approval
16	Occupational Health and Safety	100	100	Council adopted them in 06/02/2013 and they are still under review
17	Official Housing	100	100	Internal Procedures and Plans
18	Travel and expenditure	100	95	Policy reviewed and waiting for Council approval
19	Bereavement	100	95	Council adopted them in 06/02/2013 and they are still under review
20	*Official Working Hours and Overtime	100	100	SALGBC
21	*Organisational Rights	100	100	SALGBC
22	Payroll Deductions	100	100	BCEA and internal procedures

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
23	Performance Management and Development	100	95	Policy reviewed and waiting for Council approval
24	Recruitment, Selection and Appointments	100	95	Council adopted them in 06/02/2013 and they are still under review
25	*Remuneration Scales and Allowances	100	100	SALGBC
26	Relocation Expenditure Policy	100	95	Policy reviewed and waiting for Council approval
27	Sexual Harassment	100	100	Council adopted them in 06/02/2013 and they are still under review
28	Training and Development	100		Same as Human Resources Development
29	Smoking	100	95	Policy reviewed and waiting for Council approval
30	Special Skills	100		Same as Retention and Attraction Policy
31	Work Organisation			n/a
32	Uniforms and Protective Clothing	100	100	Internal Procedures
	Other:			
33	Dress code	100	95	Council adopted the policy on the 06/02/2013 and it still under review
34	Bursary	100	95	Council adopted the policy on the 06/02/2013 and it still under review
35	Career path	100	95	Council adopted the policy on the 06/02/2013 and it still under review
36	Career succession	100	95	Council adopted the policy on the 06/02/2013 and it still under review
37	Conflict of interest	100	95	Council adopted the policy on the 06/02/2013 and it still under review
38	Gifts	100	95	Council adopted the policy on the 06/02/2013 and it still under review
39	HR Strategy	100	95	Council adopted the policy on the 06/02/2013 and it still under review
40	Medical examination	100	95	Council adopted the policy on the 06/02/2013 and it still under review
41	Membership to professional societies	100	95	Council adopted the policy on

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
				the 06/02/2013 and it still under review
42	Moonlight	100	95	Council adopted the policy on the 06/02/2013 and it still under review
43	Protected disclosure	100	95	Council adopted the policy on the 06/02/2013 and it still under review
44	Promotion	100	95	Council adopted the policy on the 06/02/2013 and it still under review
45	Racism	100	95	Council adopted the policy on the 06/02/2013 and it still under review
46	Transport/Car allowance	100	95	Council adopted the policy on the 06/02/2013 and it still under review
47	Induction & orientation	100	95	Policy reviewed and waiting for Council approval
48	Employees transfer	100	95	Policy reviewed and waiting for Council approval
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

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

#SALGA is busy with process of Job Evaluation

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 128: Number and Cost of Injuries on Duty

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	547	29	5.30	18.86	R357, 52
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total					R357, 52

Table 129: Number of Days and Cost of Sick Leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	1 067	9.78	156	447	2.38	R 337 180.02
Skilled (Levels 3-5)	1 954	14.15	180	223	8.76	R 1 625 012.67
Highly skilled production (levels 6-8)	52	10.4	8	20	2.6	R52 733.61
Highly skilled supervision (levels 9-12)	190	14.61	12	20	9.5	R 178 888.97
Senior management (Levels 13-15)	246	24.6	18	30	8.2	R 390 111.08
MM and S56	33	0	5	6	3.3	R141 272.29
Total	3 542	73.54	379	746	34.74	R2 725 198.64

* - Number of employees in post at the beginning of the year
 *Average is calculated by taking sick leave in column 2 divided by total employees in column 5

COMMENT ON INJURY AND SICK LEAVE:

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

Table 130: Number and Period of Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
3 x General Workers (SS)	Inciting and participating in unprotected strike	09.07.2014	Disciplinary hearing was held and they were dismissed	22.09.2014
Fire Officer (SS)	Same as above	09.07.2014	Same as above	22.09.2014
Chief Clerk Cash Collection (SS)	Inciting and participating in unprotected strike, assault, intimidation, rude and disrespectful behaviour	09.07.2014	Same as above	22.09.2014
2 x Supervisor DNVL (SS)	Inciting and participating in unprotected strike	09.07.2014	Disciplinary hearing was held and employee was given Final Written Warning	15.09.2014
Care Taker (SS)	Inciting and participating in unprotected strike, assault, intimidation, gross insubordination	09.07.2014	Disciplinary hearing was held and employee was dismissed	22.09.2014
Admin Officer (SS)	Same as above	09.07.2014	Same as above	22.09.2014
General Worker (SS)	Same as above	09.07.2014	Same as above	22.09.2014
General Worker (SS)	Inciting and participating in unprotected strike, gross insubordination	09.07.2014	Same as above	22.09.2014
General Worker (SS)	Inciting and participating in unprotected strike, assault, and intimidation	09.07.2014	Same as above	22.09.2014
Housing Officer	Inciting and participating in unprotected strike, disclosure of confidential information	15.08.2014	Same as above	22.09.2014
Fire Officer	Inciting and participating in unprotected strike, essential services employee	09.07.2014	Same as above	22.09.2014
Supervisor	Participating in unprotected strike and disrespectful behaviour	02.07.2014	Same as above	22.09.2014
General Worker	Participating in unprotected strike and disrespectful behaviour, gross negligent	02.07.2014	Same as above	21.10.2014
Meter Reader	Participating in unprotected strike	02.07.2014	Same as above	21.10.2014

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

Table 131: Disciplinary Action Taken

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
.289 employees	Participating in unprotected strike	dismissed	26.08.2014
17 x Traffic Officers	Participating in unprotected strike	Disciplinary Hearing (Final Written Warning)	27.08.2014
Meter Reader	Insolence, damaging of municipal vehicle, gross dishonesty, gross insubordination, being under the influence of alcohol, participating in unprotected strike	Disciplinary hearing (dismissed)	14.08.2014
Youth Development Officer	Falsification of records	Disciplinary hearing (Final Written Warning)	30.09.2014
Assistant Personnel Officer	Negligence	Disciplinary hearing (Final Written Warning)	18.09.2014
Records Clerk	Insubordination	Disciplinary hearing (written warning)	30.09.2014
Messenger	Desertion	Disciplinary hearing (dismissed)	22.09.2014
Traffic Officer	Insubordination	Disciplinary hearing (charges were withdrawn)	29.09.2014
Housing Officer	Desertion	Disciplinary hearing (Final Written Warning)	13.10.2014
2 x Housing Officer	Desertion	Disciplinary hearing (dismissed)	13.10.2014
Manager	Insubordination	Disciplinary hearing (charges withdrawn)	20.11.2014
Language Practitioner	Disrespect, insolence	Disciplinary hearing (verbal warning)	20.01.2015
Housing Officer	Dishonesty	Disciplinary hearing (written warning)	03.03.2015

Meter Reader	Dishonesty	Disciplinary hearing (written warning)	03.03.2015
ICT Officer	Dishonesty	Disciplinary hearing (written warning)	03.03.2015
Admin Clerk	Absenteeism	Matter was dismissed	02.03.2015
Accountant	Negligence	Disciplinary hearing (written warning)	25.05.2015
Debtors Clerk (Finance)	Negligence	Disciplinary hearing (written warning)	25.05.2015
Meter Reader	Insolent, disrespect and disclosure of confidential information	Disciplinary hearing (Final Written Warning and 10 days salary suspension)	25.05.2015
General Worker	Desertion	Disciplinary hearing (dismissed)	11.05.2015
Personnel Officer	Poor performance	Disciplinary Hearing (demoted)	29.06.2015
Traffic Officer	Intimidation and disrespect	Disciplinary Hearing (Final Written Warning)	29.06.2015
Chief Fire Officer	Poor performance	Disciplinary hearing (transferred)	04.06.2015
Admin Clerk	Dishonesty	Disciplinary hearing (charges were withdrawn due to lack of evidence)	25.06.2015
Heavy Duty Driver	Fighting during working hours and disrespect	Disciplinary hearing (Final Written Warning and 6days salary suspension)	17.06.2015
Accountant	Fraud and theft	Suspension and disciplinary hearing still continues. Was delayed due to investigations	Pending
Assistant Manager Electrical	Corruption and theft	Same as above	Pending
Superintendent Mechanical	Dishonest	Disciplinary hearing still pending.	Pending
Senior Engineering Assistant	Corruption and theft	Same as above	Pending
Manager Electrical and Mechanical	Fraud, corruption and theft	Same as above	Pending
2 x Driver (Social Services)	Malicious damage to municipal vehicle	Same as above	Pending
ICT Officer	Fraud	Investigations still being conducted	Pending
Manager Income	Negligence and insubordination	Disciplinary hearing still being conducted.	Pending
			T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

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

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

4.4 PERFORMANCE REWARDS

Assessments have not yet been completed for the 2014/15 financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

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

Metsimaholo Local Municipality is conscious of a lack of both infrastructure and skilled workforce to meet the needs of delivery services to our communities.

In managing workforce capacity development the municipality has developed a strategy with the following goals:-

- The right people with the right skills will be in the right place at the right time
- Analysis of the existing workplace to determine expected and internal supply
- Analysis of the gap between existing and future needs.
- Predict workforce needs for the future
- Develop strategies to address the gaps

- Continuously evaluate the process

In order to fully achieve the goals listed above, the municipality is investing in training of our personnel to become highly skilled.

The alignment of education to the labour market remains essential to skills development. The office of Free State Premier, Department of Higher Education and Training together with Local Government Sector Education and Training has pledged its commitment to support the process of assisting the graduates from the Technical and Vocational Educational and Training by providing the discretionary grants funding to the amount of R 1 500.00 per learner per month as agreed by Department of Higher Education and Training as a standard grant allowance for workplace integrated learning. The municipality has placed 25 graduates for the following fields: Marketing, Human Resources Management, Administration Management and Electrical Engineering Services.

4.5 SKILLS DEVELOPMENT AND TRAINING

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

Table 132: Financial Competency Development

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	1	1	1
<i>Chief financial officer</i>	1	0	1	1	1	1
<i>Senior managers</i>	8	0	8	8	4	8
<i>Any other financial officials</i>	12	0	12	8	0	8
Supply Chain Management Officials						
<i>Heads of SCM unit</i>	1	0	1	0	0	0
<i>SCM senior managers</i>	0	0	0	0	0	0
TOTAL	23	0	23	18	06	18

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

Table 133: Skills Development Expenditure

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2014/15							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	2	0	0	30		0	0	30	0
	Male	4	0	0	80	71, 72	0	0	80	71, 72
Legislators, senior officials and managers	Female	24	0	0	140	0	0	0	140, 00	0
	Male	58	0	0	100	33, 48	0	0	100, 00	33, 48
Professionals	Female	22	0	0	80	73, 10	0	0	80	73, 10
	Male	18	0	0	211, 60	233, 63	0	0	211, 60	233, 63
Technicians and associate professionals	Female	9	32	0	50	23, 08	0	0	50	23, 08
	Male	59	48	0	100	92, 24	46, 50	18, 75	146, 50	110, 99
Clerks	Female	60	160	0	90	85, 03	0	0	90	85, 03
	Male	40	80	0	40	13, 60	0	0	40	13, 60
Service and sales workers	Female	26	0	0	40	9, 4	0	0	40	9, 4
	Male	33	0	0	80	11, 12	0	0	80	11, 12
Plant and machine operators and assemblers	Female	4	64	0	20	0	0	0	20	0
	Male	79	160	0	50	0	0	0	50	0
Elementary occupations	Female	77	0	0	70	44, 75	300, 00	97, 82	370, 00	142, 58
	Male	315	0	0	100	94, 53	1, 200, 00	469, 05	1, 300, 00	563, 58
Sub total	Female	224	0	0	520	226, 91	300, 00	97, 82	820, 00	342, 73
	Male	606		0	761, 60	550, 34	1, 246, 50	487, 80	2, 008 10	1, 03, 8 13
Total		830			1, 281, 60	7,77 25	1, 546, 50	5,85 62	2, 828, 10	1, 362, 87
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									0,63%*	1, 281, 60

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

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

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

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

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

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Employee cost management is key to ensuring financial sustainability of the municipality and it is therefore a priority. The percentage of workforce expenditure is informed by the recruitment needs of the municipality and is essential in the budgeting process as it reflects on current and future efficiency. It indicates the percentage of the municipal budget that was spent on salaries and allowance and the municipality is well within the national norm in the current period under review.

In managing workforce expenditure the municipality has plans to redesign and reengineer the organizational structure in order to curb the tendency to bloat structures by appointing unnecessary personnel and thereby improve efficiency and productivity. There seems to be a negative correlation between Productivity, Revenue and Personnel Costs. The municipality's objective is to reduce the Remuneration Ratio, by the completion of the organizational redesign process, if not reduce curb its increase.

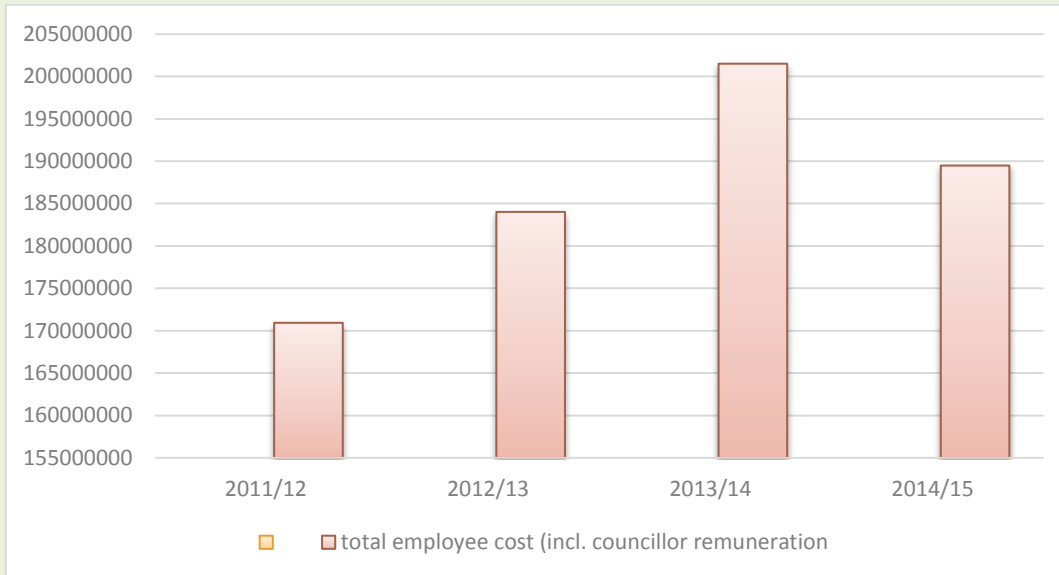
The filling of turnover vacancies, is based on an assessment of the continued need for the post and the operational requirements of the department, in line with the recruitment policy and HR recruitment strategy.

The table below reflects total employee cost for 2014/15, as compared over the past four years.

4.6 EMPLOYEE EXPENDITURE

Total employee cost for 2014/15 compared over the past four years

	2011/12	2012/13	2013/14	2014/15
	Financial Year	Financial Year	Financial Year	Financial Year
	R 000	R 000	R 000	R 000
Total employee cost (Incl. councilor remuneration)	170 942 059	184 026 088	201 507 871	189 489 203



COMMENT ON WORKFORCE EXPENDITURE:

The workforce expenditure trends for the past two financial years indicate a good curb on expenditure from 27.7% 2012/13 to 23.3% 2014/15. However, this must be considered against the critical vacancies rate and the overall vacancy rate of the municipality, and in the financial year 2015/16 there might be an increase due to the filling of those critical vacancies. In the period under review the municipality experienced the highest turnover rate in its history and thus the highest recruitment rate, and this will definitely be reflected in workforce expenditure.

Table 134: Number of Employees whose Salaries were increased

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	1
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0

Senior management (Levels13-16)	Female	0
	Male	0
MM and S 56	Female	0
	Male	0
Total		1
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>		

Table 135: Employees whose Salary Levels Exceed Grading

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

Table 136: Employees Appointed to Posts not Approved

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

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

N/A

DISCLOSURES OF FINANCIAL INTERESTS

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

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

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

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Table 137: Statement of Financial Performance

Description	2014/15											2013/14			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustment budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance%	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	102 114	8 900	111 014	(7 800)		103 214	111 299		8	108	109				
Service charges	558 951	(3 000)	555 951	(23 957)		531 994	486 640		(9)	91	87				
Investment revenue	2 400	(1 100)	1 300			1 300	2 167		67	167	90				
Transfers recognised - operational	118 259	(311)	117 948			117 948	112 034		(5)	95	95				
Other own revenue	47 262	(2 514)	44 748			44 748	64 335		44	144	136				
Total Revenue (excluding capital transfers and contributions)	828 986	1 975	830 961	(31 757)		799 204	776 475		(3)	97	94				
Employee costs	(207 771)	17 904	(8 986)			(196 010)	(75 080)		(11)	89	84				
Remuneration of councillors	(14 685)		(14 685)			(14 685)	(14 410)		(2)	98	98				
Debt impairment	(64 300)		(64 300)			(64 300)	(114 846)		79	179	179				
Depreciation & asset impairment	(62 640)	12 419	(50 211)			(50 221)	(38 692)		(23)	77	62				
Finance charges	(3 034)	2 260	(774)			(3 861)	(4 602)		19	119	152				

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

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

Unauthorised expenditure is disclosed per vote (department).

Irregular expenditure is disclosed per classification and nature

Table 138: Financial Performance of Operational Services

Financial Performance of Operational Services							R '000
Description	2013/14	2014/15			2014/15 Variance		
	Actual	Original Budget	Adjustment s Budget	Actual	Original Budget %	Adjustment s Budget %	
Operating Cost							
Water	33 770	122 406	105 024	73 829	(66)	(42)	
Waste Water (Sanitation)	(11 932)	6 702	16 776	(15 043)	145	212	
Electricity	32 381	26 185	(22 199)	(4 386)	697	(406)	
Waste Management	(1 313)	127	4 230	6 861	98	38	
Housing	(5 356)	(2 097)	(2 209)	124 057	102	102	
Component A: sub-total	(59 838)	153 323	101 622	185 318	17	45	
Storm water Drainage	0	0	0	0	0	0	
Roads	6 164	(51 870)	(29 949)	1 620	3 302	1 949	
Transport							
Component B: sub-total	6 164	(51 870)	(29 949)	1 620	3 302	1 949	
Planning	(2 829)	(4 343)	(4 385)	(3 363)	(29)	(30)	
Local Economic Development	(1 253)	(3 595)	(3 571)	(2 089)	(72)	(71)	
Component B: sub-total	(4 082)	(7 938)	(7 956)	(5 452)	(46)	(46)	
Planning (Strategic & Regulatory)	0	0	0	0	0	0	

Local Economic Development	0	0	0	0	0	0
Component C: sub-total	0	0	0	0	0	0
Community & Social Services	17 667	(24 086)	(22 846)	(21 254)	(13)	(7)
Environmental Protection	0	0	0	0	0	0
Health	0	0	0	0	0	0
Security and Safety	(5 728)	(20 665)	(18 102)	2 803	837	746
Sport and Recreation	(26 732)	3 378	(7 530)	(5 398)	163	(39)
Corporate Policy Offices and Other		(30 932)	(12 346)	(5 315)	(482)	(132)
Component D: sub-total	97 288	(72 305)	(60 824)	(29 164)	(148)	(109)
Total Expenditure	39 532	21 210	2 893	152 322	86	98

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

COMMENT ON FINANCIAL PERFORMANCE:

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

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

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

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

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

5.2 GRANTS

Table 139: Grant Performance

Grant Performance							R' 000
Description	2013/14	2014/15		Actual	2014/15 Variance		
	Actual	Budget	Adjustments Budget		Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	105 997	113 293	113 292	112 770	0	0	
Equitable share	101 698	107 542	107 542	107 542	0	0	
Municipal Systems Improvement	890	934	934	934	0	0	
Department of Water Affairs							
Finance Management grant	1 550	1 600	1 600	1 600	0	0	
MIG	1 493	2 108	2 107	1 585	(33)	(33)	
EPWP	366	1 109	1 109	1 109			
Provincial Government:	667	1 666	1 109	1 666	(33)	(33)	
Health subsidy							
Housing							
Ambulance subsidy							
Sports and Recreation							
Library	667	1 666	1 666	1 666	0	0	
District Municipality:	n/a	n/a	n/a	n/a	n/a	n/a	
<i>[insert description]</i>	0	0	0	0	0	0	
Other grant providers:	0						
					0	0	
Total Operating Transfers and Grants	106 664	114 959	114 401	114 436	(33)	(33)	

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

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Note: **For Municipal Infrastructure Grant (MIG) see T5.8.3.**
For other conditional transfers see Appendix L.

Table 140: Grants Received from Other Sources

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2013/14	Actual Grant 2014/15	2014/15 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Library Department of Sport and Culture	667	1 666	1 666	0	0	Subsidy for libraries
A - "Housing Development Agency		133 738	133 738	0	0	Purchase of land for development
Foreign Governments/Development Aid Agencies						
None						
Private Sector / Organisations						
A - "Project 1" Rejuvenation	88 858	6 033	6 033			Building of a traffic circle and donation of a compactor for the landfill site
<i>Provide a comprehensive response to this schedule</i>						

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality has always met the conditions of the conditional grants and continues to do so. No conditional grants were taken back because of non-compliance with grant conditions.

The grant from the |Hosing Development Agency was in the form of land purchased by the HAD and transferred to the municipality for future housing developments.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

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

Table 141: Treatment of three largest asset

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2014/15				
Asset 1				
Name :	Augmentation of Bulk water supply			
Description:	Water network			
Asset Type:	Infrastructure water			
Key Staff Involved:	PMU Staff			
Staff Responsibilities:	Monitoring of project			
	2011/12	2012/13	2013/14	2014/15
Asset Value: R46 695 476	13 510 531	20 712 469	5 272 727	0
Capital Implications:	MIG Funding			
Future Purpose of Asset:	Water supply			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name:	Amelia Sanitation Phase 3			
Description:	Sewer network and pump stations			
Asset Type:	Infrastructure sewer			
Key Staff Involved:	PMU Staff			
Staff Responsibilities:	Monitoring of project			
	2011/12	2012/13	2013/14	2014/15
Asset Value: R40 661 832.48	8 252 006	24 266 105	6 504 618	0
Capital Implications:	MIG Funding			
Future Purpose of Asset:	outfall sewer			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				

Name:	Construction of new interlocking paved road and storm water for 7.4km			
Description:	Roads and storm water channel			
Asset Type:	Infrastructure Roads			
Key Staff Involved:	PMU Staff			
Staff Responsibilities;	Monitoring of project			
	2011/12	2012/13	2013/14	2014/15
Asset Value: R41 864 058	9 823 390	10 042 419.	3 029 124	0
Capital Implications:	MIG			
Future Purpose of Asset:	Roads			
Describe Key Issues				
Policies in Place to Manage Asset				

COMMENT ON ASSET MANAGEMENT:

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

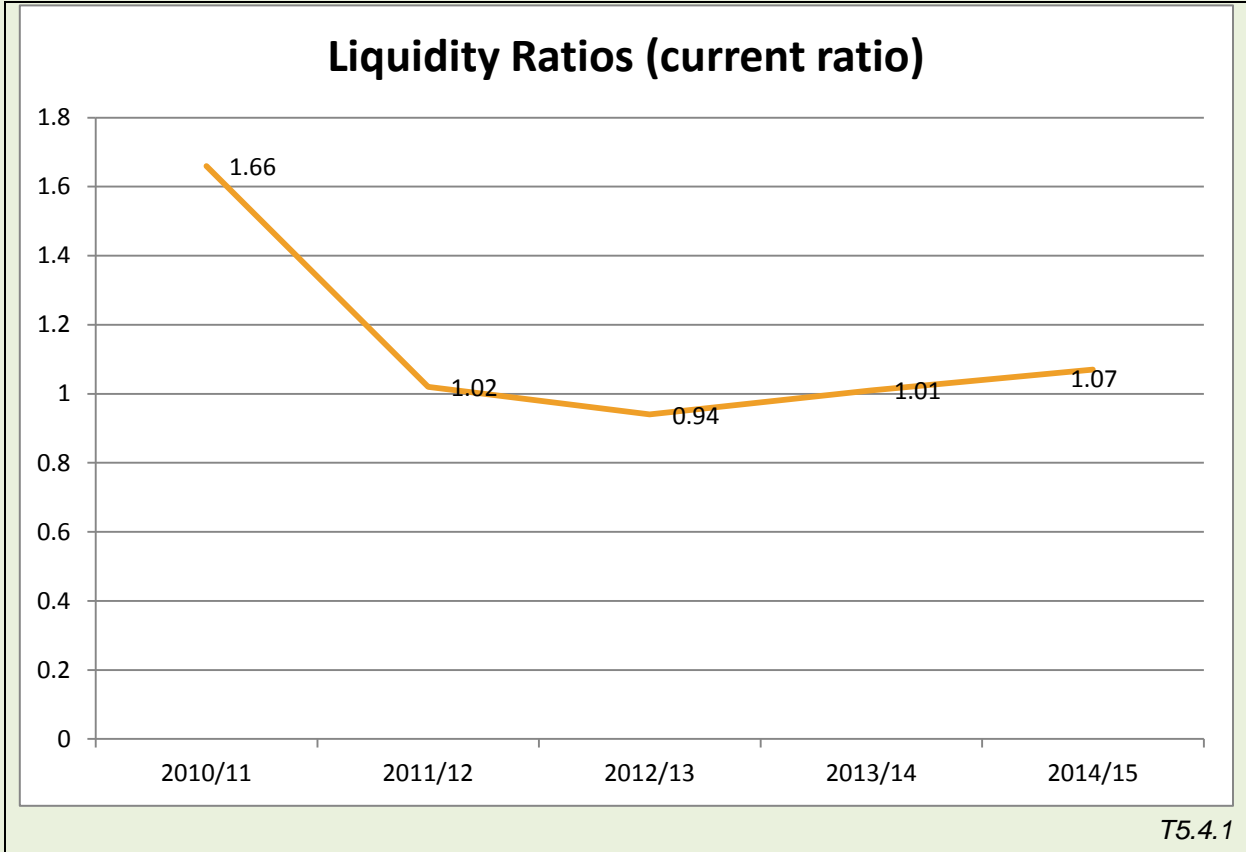
Table 142: Repairs and Maintenance Expenditure

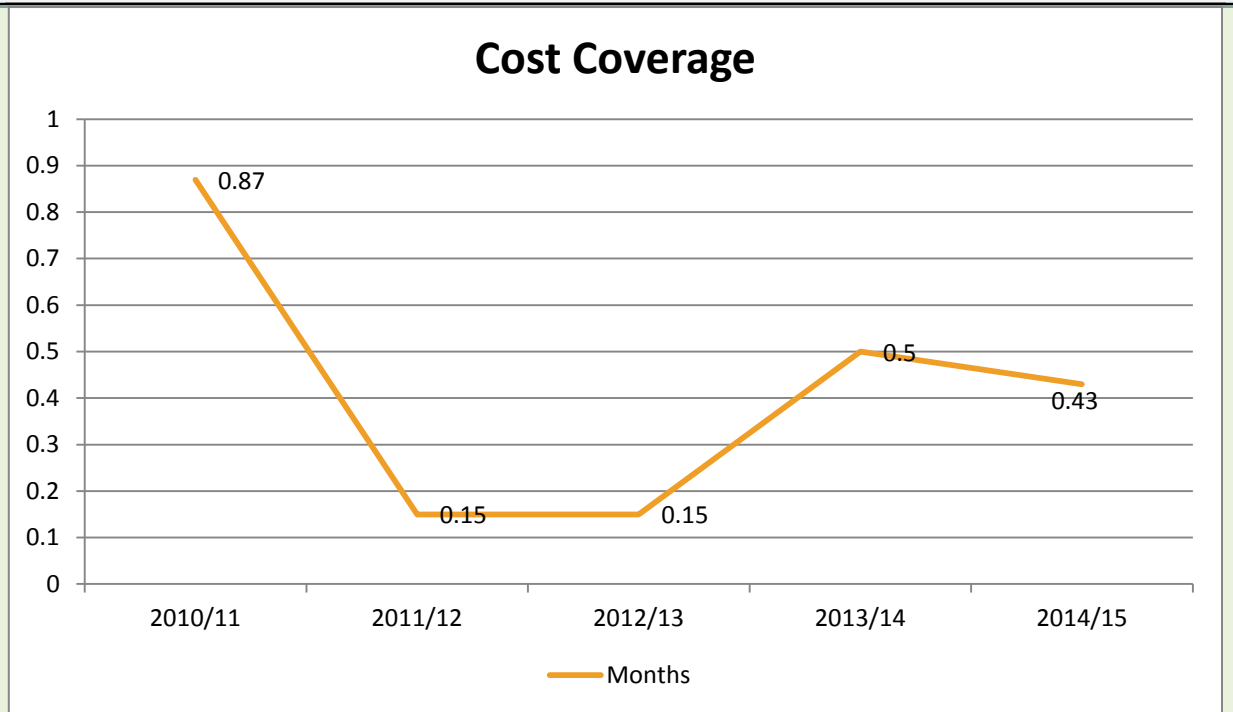
Repair and Maintenance Expenditure: 2014/15				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	79 733	72 369	59 124	(20 609)
Include Labour				

COMMENT ON REPAIRS AND MAINTENANCE

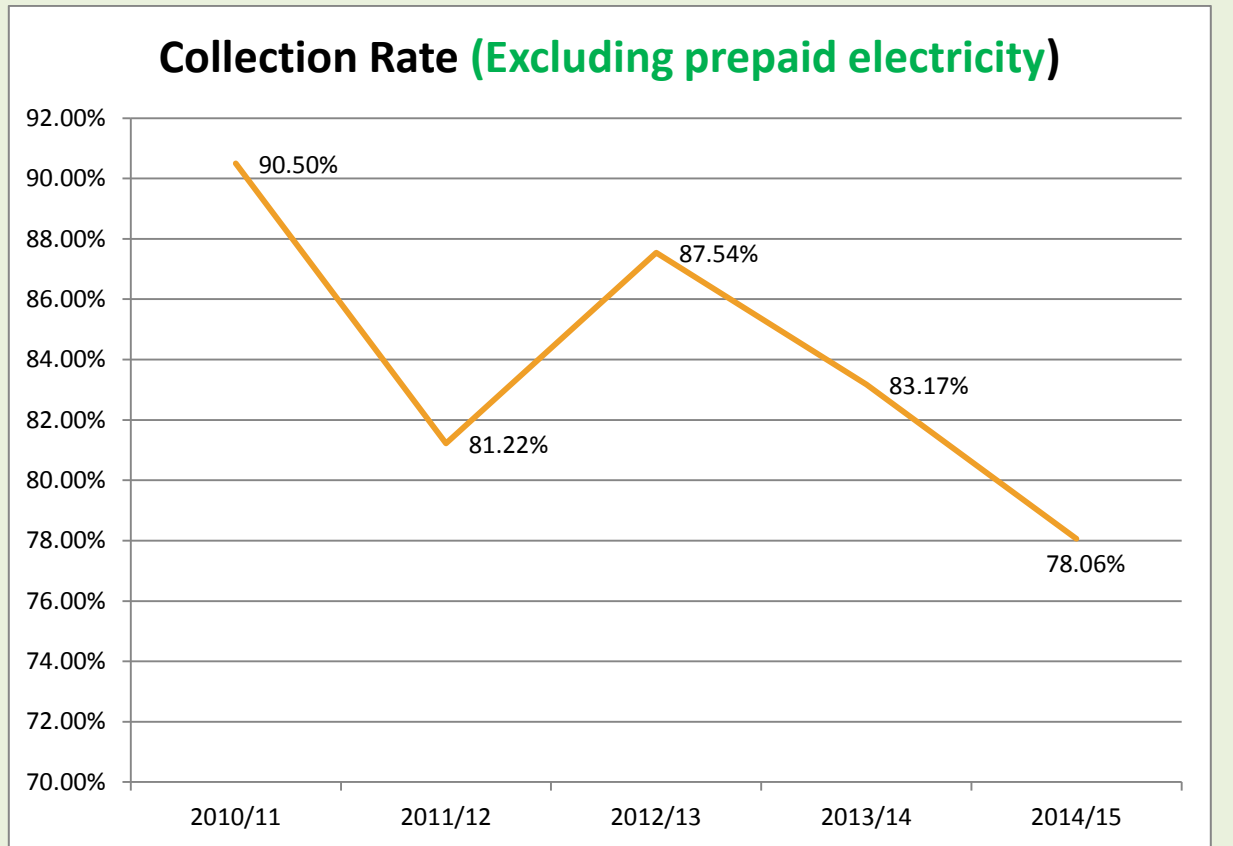
Council allocates a percentage of the budgeted expenditure for repairs and maintenance (excluding the labour component which is reported under personnel cost). This is not sufficient due to the huge maintenance backlogs. It is also not possible to increase the allocation due to cash flow constraints.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

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

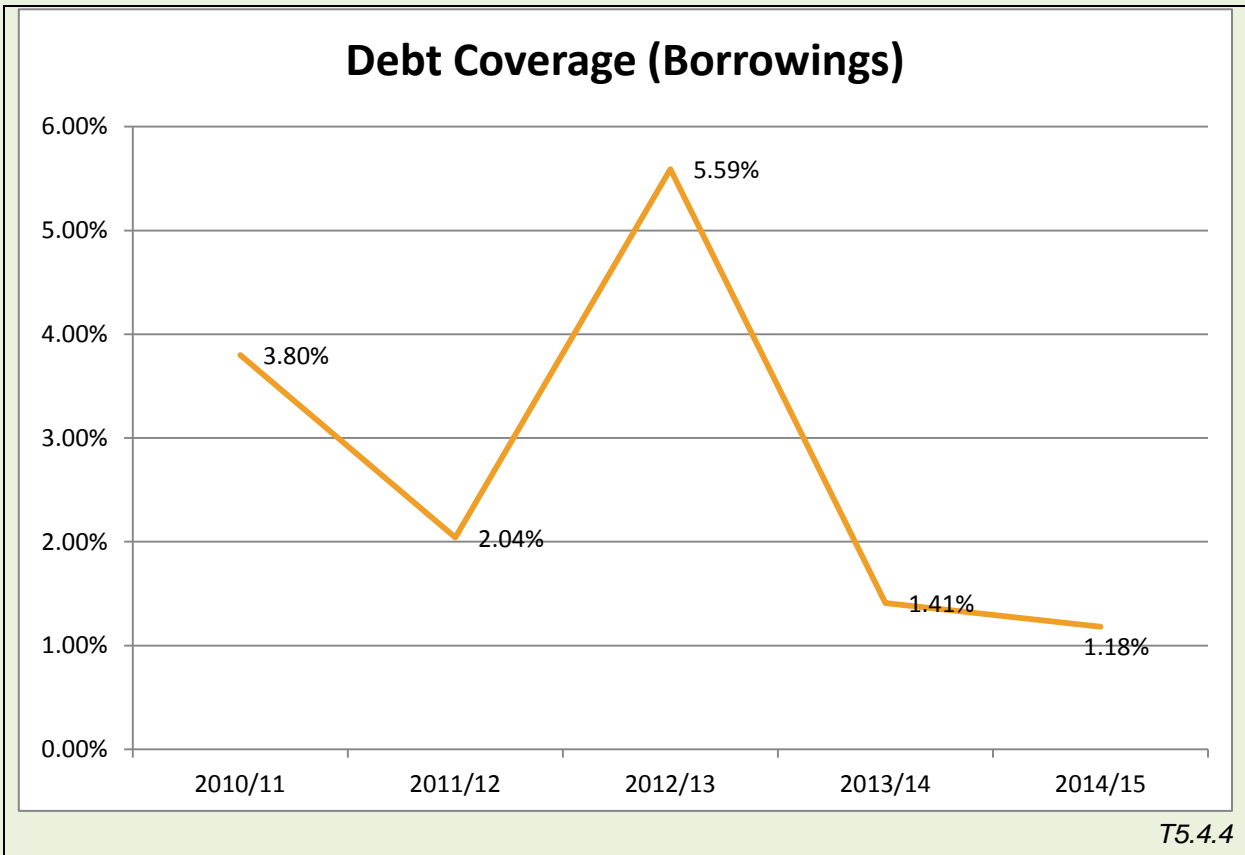


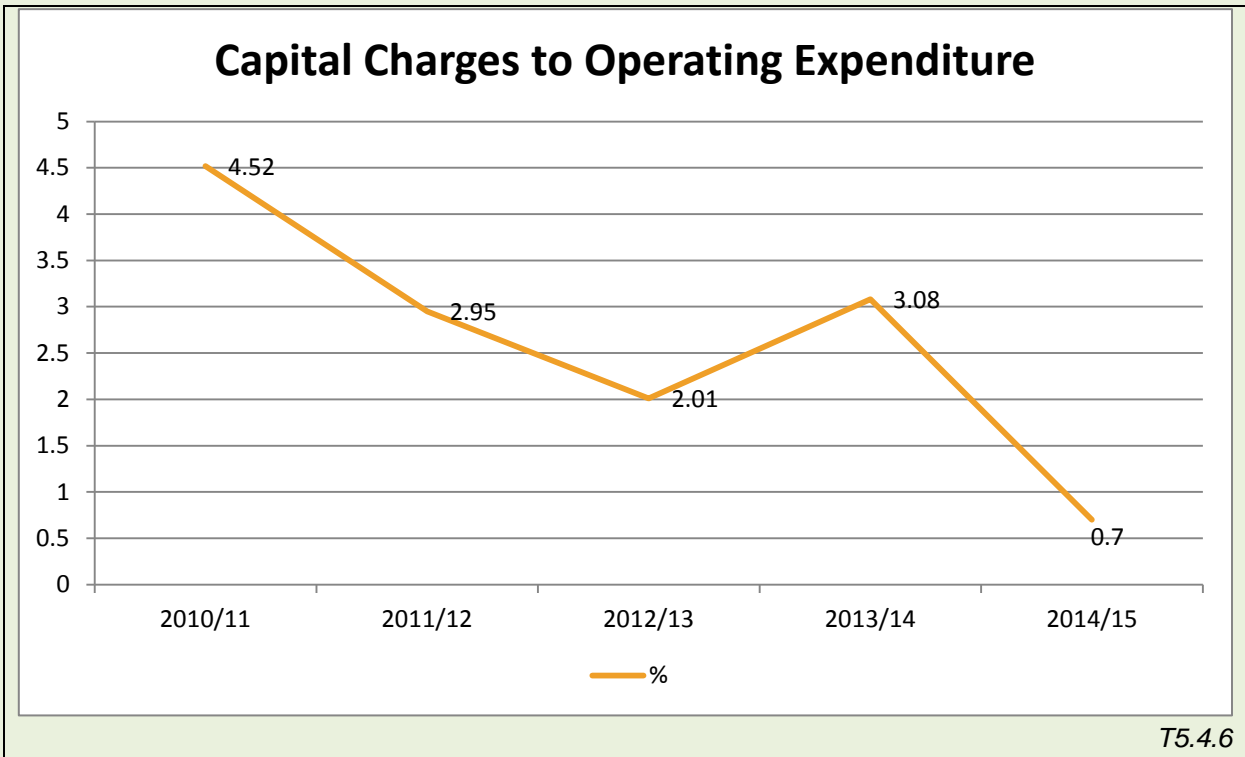
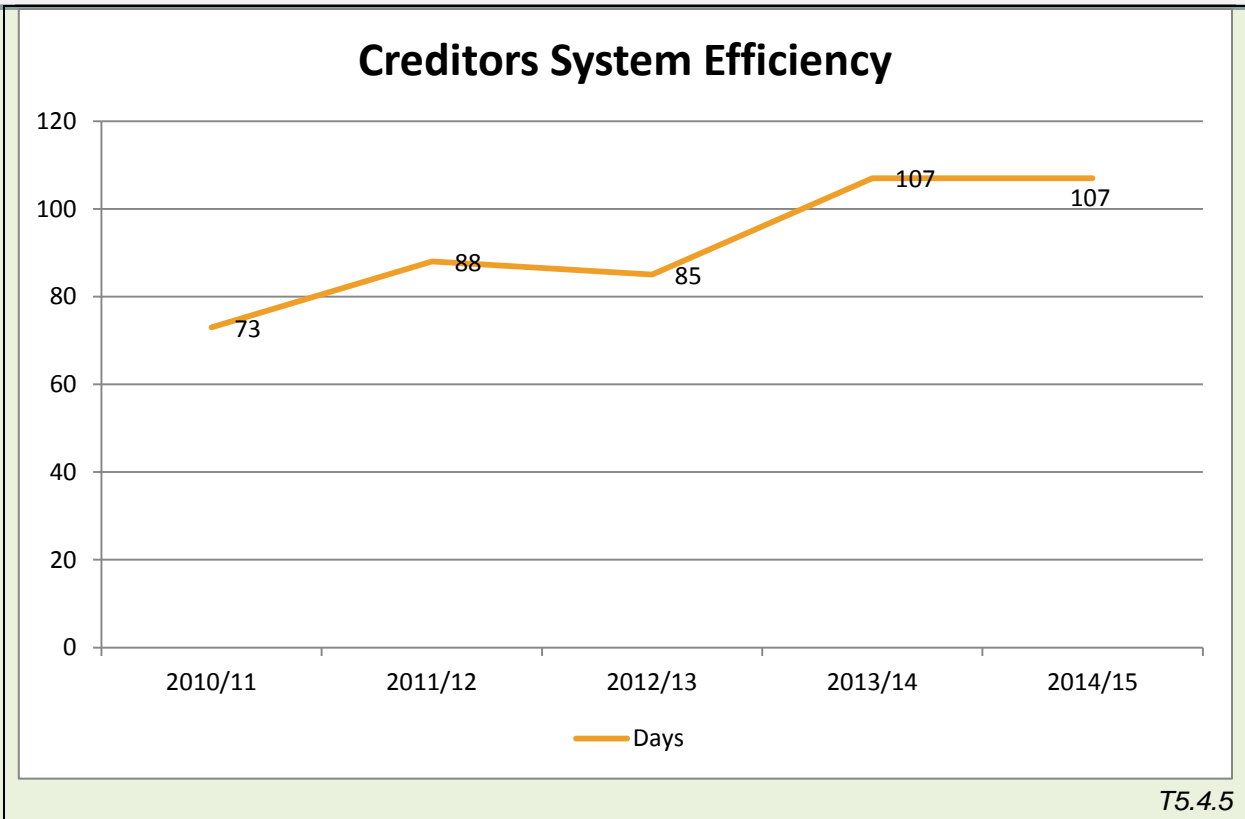


T5.4.2

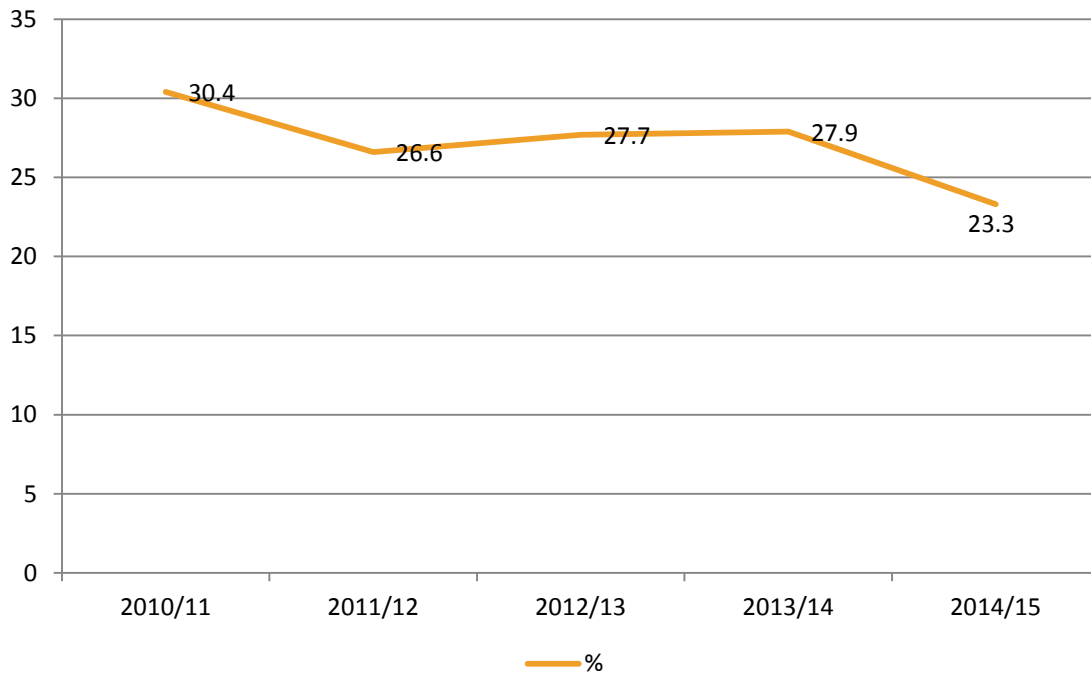


T5.4.3



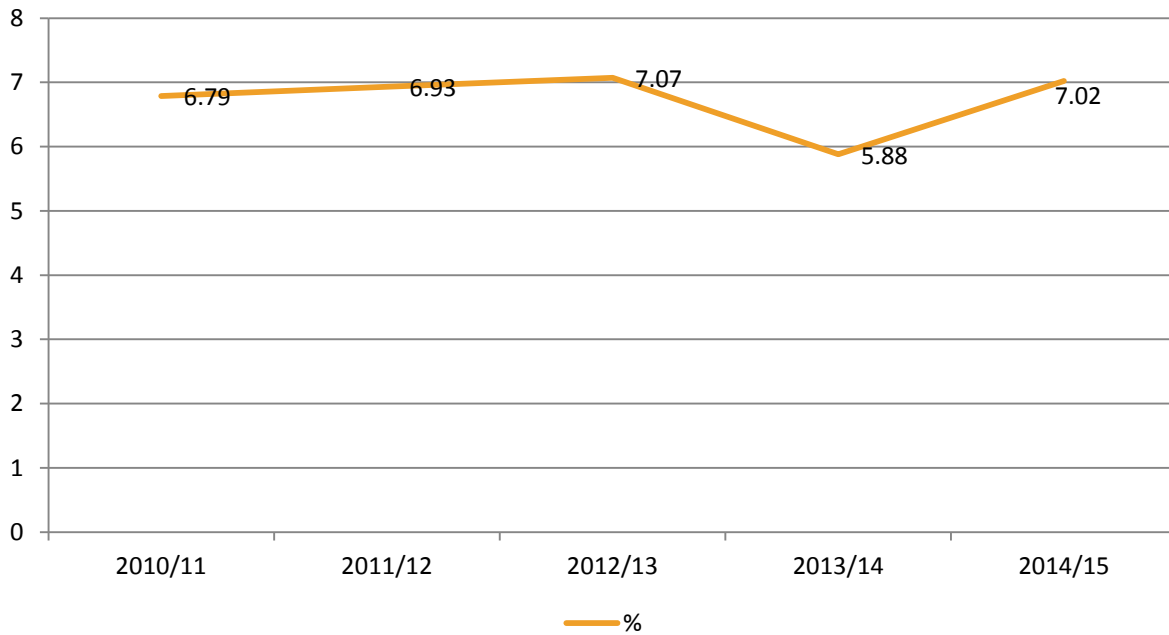


Employee Cost (Remuneration)



T5.4.7

Repair and Maintenance



T5.4.8

COMMENT ON FINANCIAL RATIOS:

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

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

The collection rate decreased from 83.17% in 2013/14 to 78.06% in 2014/15. Normal operations were disrupted by the strike action of SAMWU employees which lasted almost 8 months.

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

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

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

Remuneration (employees and councillors) as a percentage of total operating expenditure should be between 25% and 40%. The remuneration cost is at 23.3% of total operating expenditure for 2014/15 and is below the norm. Critical vacancies will continue to be prioritised and monitored

Repair and maintenance (including salaries) as a percentage of property, plant and equipment and investment property, at carrying value, is calculated to ensure that repairs and maintenance is at adequate levels to prevent breakdowns and interruptions to service delivery.

Repairs and maintenance (including salaries) is 7.02% of property, plant and equipment and investment property, at carrying value. The norm is 8.0%. This is an improvement from the previous year.

T5.4.9

NB: The following ratios have been calculation in accordance by Circular 72 issued by National Treasury and the circular is available on National Treasury's website.

A. Asset Management/Utilisation

			2014/2015	2013/2014
1	Capital Expenditure to Total Expenditure	10% - 20%	19%	11%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%	0%	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%	2%	1%

B. Debtors Management

1	Collection Rate (Excluding prepaid electricity)	95%	78%	83%
2	Bad Debts Written-off as % of Provision for Bad Debt	100%	3%	14%
3	Net Debtors Days	30 days	99 days	91 days

C. Liquidity Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	0.48 Month	0.50 Month
2	Current Ratio	1.5 -	1.07	1.01

		2:1		
--	--	-----	--	--

D. Liability Management

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	6% - 8%	0.70%	3.24%
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2	Debt (Total Borrowings) / Revenue	45%	1%	1%
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E. Sustainability

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	100%	-613%	-789%
---	--	------	--------------	-------

2. FINANCIAL PERFORMANCE

A. Efficiency

1	Net Operating Surplus Margin	= or > 0%	16%	6%
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2	Net Surplus /Deficit Electricity	0% - 15%	-2%	13%
---	----------------------------------	----------	------------	-----

3	Net Surplus /Deficit Water	= or > 0%	25%	15%
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4	Net Surplus /Deficit Refuse	= or > 0%	17%	-3%
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5	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%	-48%	-33%
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B. Distribution Losses

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

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

C. Revenue Management

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

2	Revenue Growth (%)	= CPI	29%	14%
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3	Revenue Growth (%) - Excluding capital grants	= CPI	18%	13%
---	---	-------	-----	-----

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	30 days	108 days	108 days
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2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%	16%	13%
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3	Remuneration as % of Total Operating Expenditure	25% - 40%	23%	29%
---	--	-----------	------------	-----

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

E. Grant Dependency

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

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

3. BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	95% - 100%	104%	64%
2	Operating Expenditure Budget Implementation Indicator	95% - 100%	93%	94%
3	Operating Revenue Budget Implementation Indicator	95% - 100%	110%	93%
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%	101%	93%

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The Municipality's main grants are MIG and INEP (DoE). The Municipality has a proven record of 100% expenditure and so has also happened in 2014/15 with the main projects being Gortin sanitation Phase 4 and the Leitrim sub-station.

5.5 CAPITAL EXPENDITURE

The capital expenditure for the MIG and INEP (DoE) was 100% spent by the end of 2014/15

5.6 SOURCES OF FINANCE

Table 143: Capital Expenditure – Funding Sources

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

COMMENT ON SOURCES OF FUNDING:

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

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS**Table 144: Capital Expenditure on 5 Largest Projects**

Capital Expenditure of 5 largest projects*					
Name of Project	Current: 2014/15			Variance: 2014/15	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
	R' 000				
Augmentation of Bulk water supply	0	0	0	0	0
Amelia Sanitation Phase 3	0	0	0	0	0
Gortin : Construction of 7,4km new interlocking paved roads and storm water drainages	0	0	0	0	0
Gortin Sanitation Phase 4	27,389	12,643	36,183	0	36,183
Electrical Bulk Supply Substation	7,000	1,000	7,999	0	7,999
* Projects with the highest capital expenditure in Year 14/15					
A- Augmentation of Bulk water supply					
Objective of Project	Providing bulk water for Refengkgotso and Deneysville community				
Delays	None project completed 2013/2014				
Future Challenges	None				
Anticipated citizen benefits	6 462				
B- Amelia Sanitation Phase 3					
Objective of Project	Providing 3257 stands in Amelia with full waterborne sewer system				
Delays	Funding for sewer house connections and Electricity for sewer pump station				
Future Challenges	Project completed but not commissioned				
Anticipated citizen benefits	3 333 stands				
C- Gortin : Construction of 7,4km new interlocking paved roads and storm water drainages					
Objective of Project	Providing access road to the community of Gortin				
Delays	Poor workmanship and funding				
Future Challenges	Project Completed 2013/2014				
Anticipated citizen benefits	9 340 households				
D- Gortin Sanitation Phase 4					
Objective of Project	Construction of sewer network and pump stations for 3780				
Delays	Project under construction				
Future Challenges	House connections				

Anticipated citizen benefits	9 340 households
E- Electrical Bulk Supply Substation	
Objective of Project	Providing 3257 stands in Amelia with Electricity network and bulk supply
Delays	Funding
Future Challenges	Funding as per financial year
Anticipated citizen benefits	3 333 stands

COMMENT ON CAPITAL PROJECTS:

The municipality rolled out one MIG project, viz Gortin sanitation Phase 2. The DoE funded project was the completion of the Leitrim sub-station.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS– OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Municipality is still experiencing water, sanitation, electricity and paved roads backlogs in a number of areas. These are being attended to by means of submitting business plans to different funding agents and awaiting responses. The MIG is assisting in certain projects but the limited funding leads to slow rollout.

Table 145: Service Backlogs

Service Backlogs as at 30 June 2015				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	39,840	89	6,365	9
Sanitation	29,723	61	18,851	39
Electricity	34,730	71	13,844	29
Waste management	0	0	0	0
Housing	0	0	0	0

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

Table 146: MIG Expenditure

Municipal Infrastructure Grant (MIG)* Expenditure 2014/15 on Service backlogs							R' 000
Details	Budget	Adjustments Budget	Actual Expenditure	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
Infrastructure - Road transport							
<i>Roads, Pavements & Bridges</i>	0	0	0	0	0	0	
<i>Storm water</i>	0	0	0	0	0	0	
Infrastructure – Electricity			0	0	0	0	
<i>Generation</i>	0	0	0	0	0	0	
<i>Transmission & Reticulation</i>	0	0	0	0	0	0	
<i>Street Lighting</i>	0	0	0	0	0	0	
Infrastructure – Water			0	0	0	0	
<i>Dams & Reservoirs</i>	0	0	0	0	0	0	
<i>Water purification</i>	0	0	0	0	0	0	
<i>Reticulation</i>	0	0	0	0	0	0	
Infrastructure – Sanitation							
<i>Reticulation</i>	0	0	0	0	0	0	
<i>Sewerage purification</i>	27 389	12,643	36,183	0	0	0	
Infrastructure – Other				0	0	0	
<i>Waste Management</i>	0	0	0	0	0	0	
<i>Transportation</i>	0	0	0	0	0	0	
<i>Gas</i>	0	0	0	0	0	0	
Other Specify:			0	0	0	0	
<i>Sports</i>	0	0	0	0	0	0	
				0	0	0	
Total	27,389	12,643	36,183	0	0	0	

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

COMMENT ON BACKLOGS:

The sanitation backlog attended to in 2014/15 financial year was the Gortin Phase 4 sanitation project, and it still being rolled over to 2015/16. This is funded through MIG.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS**

Sound cash flow management is critical to the operations of the municipality. The municipality experienced strike action which lasted almost 8 months. This did disrupt cash collections and the rates halls remained closed to the public, who had to find alternative means of paying their accounts. The strike action also resulted in unforeseen expenditure, which impacted negatively on the cash flow, and this will continue into the 2016/2017 financial year, before the cash flow can be normalized and stabilized. Investments are mainly ring-fenced to cover conditional grants, the most significant of these being the Municipal Infrastructure grant (MIG).

5.9 CASH FLOW

Table 147: Cash Flow Outcomes

Cash Flow Outcomes				
R'000				
Description	2013/14	2014/15		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	453 109	813 508	799 363	482 103
Government - operating	105 275	19 140	15 070	112 034
Government - capital	83 124			64 745
Interest	10 210			13 056
Payments				
Suppliers and employees	(513 179)	(664 687)	(700 279)	(622 581)
Finance charges	(2 648)	(3 034)	(773)	(4 602)
Transfers and Grants	(32 193)	(40 389)	(31 757)	0
NET CASH FROM/(USED) OPERATING ACTIVITIES	103 698	124 538	81 624	44 755
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE		5 000	5 000	475
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	(2 344)			8 394
Payments				
Capital assets	(70 910)	(136 861)	(78 265)	(52 488)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(73 254)	(141 861)	(73 624)	(43 619)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans		400		
Borrowing long term/refinancing		45 000	7 000	
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(13 499)	(6 019)	(2 319)	(1 070)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(13 499)	39 381	4 681	(1 070)

NET INCREASE/ (DECREASE) IN CASH HELD	16 945	32 058	13 040	66
Cash/cash equivalents at the year begin:	9 184	30 141	26 129	26 129
Cash/cash equivalents at the year-end:	26 129	1 917	39 169	26 195

Source: MBRR A7

The layout in this template requires amounts to be grouped/ classified differently to the groupings/classifications in the annual financial statements. The totals for the different cash inflows and outflows agree to the annual financial statements.

T 5.9.1

COMMENT ON CASH FLOW OUTCOMES:

The cash and cash equivalents at year end remained at R26 million, despite the difficult challenges faced during the year as a result of the strike action that the municipality faced.

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Borrowings as at the end of the financial year stood at R6.9 million.

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

Investments at year end totalled R17.2 million

Table 148: Actual Borrowings

Actual Borrowings: 2012/13 to 2014/15			
	R' 000		
Instrument	2012/13	2013/14	2014/15
Municipality			
Long-Term Loans (annuity/reducing balance)	9 000	8 017	6 947
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment Credit	0	0	0
Financial Leases	12 517	0	0
PPP liabilities	0	0	0
Finance Granted By Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptances	0	0	0
Financial derivatives	0	0	0
Other Securities	0	0	0
Municipality Total	21 517	8 017	6 947

Table 149: Municipal Investments

Municipal Investments			
R' 000			
Investment* type	2012/13	2013/14	2014/15
	Actual	Actual	Actual
Municipality			
Securities - National Government	0	0	0
Listed Corporate Bonds	0	0	0
Deposits – Bank	433	9 302	12 908
Deposits - Public Investment Commissioners	0	0	0
Deposits - Corporation for Public Deposits	0	0	0
Bankers Acceptance Certificates	0	0	0
Negotiable Certificates of Deposit - Banks	0	0	0
Guaranteed Endowment Policies (sinking)	0	0	0
Repurchase Agreements - Banks	0	0	0
Municipal Bonds			
Other (Financial Institutions)	10 120	20 205	4 310
Municipality Total	10 553	29 507	17 218

COMMENT ON BORROWING AND INVESTMENTS:

No new borrowings were taken up during the year.
The amount invested includes unspent grants totaling R1.5m

5.11 PUBLIC PRIVATE PARTNERSHIPS**PUBLIC PRIVATE PARTNERSHIPS**

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

COMPONENT D: OTHER FINANCIAL MATTERS**5.12 SUPPLY CHAIN MANAGEMENT****SUPPLY CHAIN MANAGEMENT**

The SCM policy was last updated in 2012 and is in the process of being reviewed and updated. SCM procedures have also been introduced and/or redesigned. Business Process Reengineering is to be undertaken as soon as the department is adequately capacitated.

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

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

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

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

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

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

5.13 GRAP COMPLIANCE**GRAP COMPLIANCE**

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

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

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

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

6.1 AUDITOR GENERAL REPORTS 2013/14

TABLE 150: AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE

Table 151: Auditor-General Report on Service Delivery Performance

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

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

COMPONENT B: AUDITOR-GENERAL OPINION 2013/14

6.2 AUDITOR GENERAL REPORT 2013/14 (ACTION PLAN)

Table 152: Auditor-General Report on Financial Performance

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

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

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

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

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

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

<p>monitoring by management.</p> <p>The Municipality did not have a proper system of record management to maintain information that supports the reported performance due to a lack of capacity in the performance information unit.</p>	<p>A proper recording system will be implemented</p>
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Auditor-General Report on Service Delivery Performance

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

6.2 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2014/15

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

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

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

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR-GENERAL'S RESPONSIBILITY

- 3 My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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

EMPHASIS OF MATTERS

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

Restatement of corresponding figures

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

Irregular expenditure

- 9 As disclosed in note 48 to the financial statements, the municipality incurred irregular expenditure of R48 211 291 (2014: R65 034 263) during the year under review mainly due to non-compliance with supply chain management requirements.

Material impairments

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

Going concern

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

ADDITIONAL MATTERS

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

Unaudited disclosure notes

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

Unaudited supplementary information

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

PREDETERMINED OBJECTIVES

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

- KPA 1: Service Delivery and Infrastructural Development on pages 67 to 99

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

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

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

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

KPA 1 SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT

USEFULNESS OF REPORTED PERFORMANCE INFORMATION

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

RELIABILITY OF REPORTED PERFORMANCE INFORMATION

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

ADDITIONAL MATTER

23 I draw attention to the following matter:

ACHIEVEMENT OF PLANNED TARGETS

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

COMPLIANCE WITH LEGISLATION

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

Annual financial statements

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

Expenditure management

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

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

Budgets

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

Procurement and contract management

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

INTERNAL CONTROL

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

LEADERSHIP

- 34 The occurrence of material irregular expenditure during the year under review indicates that integrity and ethical values were not adequate to prevent irregular expenditure and to set the standard for sound corporate governance, as they were not prevented by management.
- 35 Internal policies and procedures for performance information management were not developed, approved and implemented due to a slow response by management on the recommendations in the previous audit report.

FINANCIAL AND PERFORMANCE MANAGEMENT

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

Other reports

INVESTIGATIONS

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

Auditor - General

Bloemfontein

30 November 2015



AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2014/15

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

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

Auditor- General Report on Financial Performance 2014/15

Status of Audit report: Unqualified	
Non-Compliance Issues	Remedial Action Taken
<p>Irregular expenditure</p> <p>As disclosed in note 48 to the financial statements, the municipality incurred irregular expenditure of R48 211 291 (2014: R65 034 263) during the year under review mainly due to non-compliance with supply chain management requirements</p>	<p>Control measures have been put in place to identify and prevent irregular expenditure.</p> <p>Going forward there will be a significant reduction in irregular expenditure. This has been made a high priority with the assistance of the Supply Chain department.</p>
<p>Going concern</p> <p>Note 43 to the financial statements indicate that the municipality has unfavorable indicators in respect of trade payables and receivables. These conditions indicate the existence of an uncertainty that may cast doubt on the municipality's ability to operate as a going concern.</p>	<p>Managing the liquidity of the municipality has been prioritised for 2014/15 financial year and continuing for 2015/16. The situation should improve once the expenditure emanating from the strike action is settled in the first quarter of the 2016/17 year.</p>
<p>Material impairments</p> <p>As disclosed in note 5 to the financial statements, a provision for the impairment of debtors amounting to R121 760 402 (2014: R105 858 827) had been made with regard to irrecoverable receivables from non-</p>	<p>The cumulative provision for impairment is significant. The provision will continue to be augmented for as long as payment levels are below 100%.</p> <p>The payment levels were negatively impacted</p>

<p>exchange transactions. In addition, as disclosed in note 6 to the financial statements, a provision for impairment of debtors amounting to R430 760 556 (2014: R347 118 850) has been made with regard to irrecoverable receivables from exchange transactions.</p>	<p>upon by the strike action, and the collection rate has since been improving.</p> <p>Indigent registration will also be accelerated so as to subsidize those who qualify as indigent but have not come forward to register as such.</p>
<p>Annual financial statements</p> <p>The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act.</p> <p>Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.</p>	<p>All documentation will be checked for completeness before any payments are made. Year-end procedures will be improved so as to minimize the adjustments to the draft financial statements that are submitted for audit.</p>
<p>Expenditure management</p> <p>Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.</p> <p>Reasonable steps were not taken to prevent</p>	<p>Controls will be put in place to ensure all invoices reach the expenditure section in time to process and pay them within 30 days.</p> <p>Cash flow constraints do pose a challenge in terms of paying all creditors within 30 days.</p> <p>Cash flow forecasts will be done and cash flow management improved.</p> <p>All directors to monitor their budgets and spending patterns.</p> <p>Controls will be put in place to prevent and detect</p>

<p>unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.</p>	<p>unauthorized, irregular and fruitless and wasteful expenditure at source.</p>
<p>Budget</p> <p>The total unforeseen and unavoidable expenditure incurred exceeded R15 million, in contravention of Municipal Budget and Reporting Regulation 72.</p>	<p>A report will be tabled at council in this regard.</p> <p>The unforeseen expenditure arose as a result of the long and protracted strike action that was experienced, and the quantum could not be contained to below R15 million due to the circumstances that the municipality was faced with during this period.</p>
<p>Procurement and contract management</p> <p>Quotations were accepted from prospective providers who are not registered on the list of accredited prospective providers and do not meet the listing requirements prescribed by the SCM policy in contravention of SCM regulation 16(b) and 17(b).</p> <p>Contracts were extended or modified without the approval of a properly delegated official, as required by SCM Regulation 5.</p> <p>Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.</p>	<p>The supplier database will be reviewed to ensure that all suppliers who do business with the municipality meet the requirements prescribed by the SCM policy. The SCM department will also need further capacitation.</p> <p>This will be stopped going forward.</p> <p>Controls will be put in place to ensure that all suppliers doing business with the municipality submit their tax clearances.</p>
<p>Internal Control – Leadership</p>	

<p>The occurrence of material irregular expenditure during the year under review indicates that integrity and ethical values were not adequate to prevent irregular expenditure and to set the standard for sound corporate governance, as they were not prevented by management.</p> <p>Internal policies and procedures for performance information management were not developed, approved and implemented due to a slow response by management on the recommendations in the previous audit report.</p>	<p>The prevention of irregular expenditure has been given high priority going forward. Although it is alluded that the irregular expenditure may have occurred due to inadequate integrity and ethical values, the irregular expenditure did not arise as a result as result of such inadequacies.</p> <p>All procurement for which tenders need to be in place is to be reviewed and the situation will be rectified.</p> <p>All alternative possibilities were considered by the Accounting Officer however nothing further could be done in the circumstances.</p> <p>Internal policy and procedures for performance information management and reporting will be developed and prioritised.</p>
<p>Financial and performance management</p> <p>The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the municipality's design and implementation of internal controls for financial management and financial reporting, and weaknesses in the information systems.</p> <p>The municipality did not have a proper system of record management to maintain information that supports the reported performance due to a lack of capacity in the performance information unit.</p>	<p>Staff training will be done. Policies and procedures will be reviewed and implemented to enhance the internal control framework.</p> <p>A proper recording system will be implemented.</p> <p>The lack of capacity in the performance information unit is being addressed by the Accounting Officer.</p>
<p>Other reports – Investigations</p> <p>An independent consulting firm performed an investigation at the request of the municipality,</p>	<p>The proceedings are currently in progress regarding disciplinary procedures being instituted</p>

<p>which covered the period 1 July 2012 to 30 June 2014. The investigation was initiated based on an allegation of alleged irregular journal adjustments and write-offs, illegal water connections, possible theft of electrical equipment and other irregularities, alleged irregular processing of transactions on the salary system. The investigations concluded on 2 September 2015 and resulted in disciplinary procedures being instituted against seven employees. These proceedings are currently in progress.</p>	<p>against employees.</p>
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Auditor- General Report on Service Delivery Performance 2014/15

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

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

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

Signed (Chief Financial Officer).....CFO to sign..... Dated

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.

GLOSSARY

National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided</i>

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	<p><i>for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>
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APPENDICES

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APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated Portfolio	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Ms Matsedisio Alina Tamane	PT	Technical Services LED, Tourism & Agriculture	1	100	-
Mr Malebo Daniel Nthebe	PT	Public Safety & Security Sports, Arts & Culture	2	95	100
Mr Mosiuoa Solomon Poho	PT	Finance Communications, ICT &IDP Memorandum Committee	3	95	100
Ms Gabaikitsi Beauty Nnune	PT	Technical Services Finance	4	100	0
Ms Selina Moreki	PT	Finance LED, Tourism & Agriculture	5	80	100
Ms Masontaga Nomsa Sejaki	PT	Technical Services Communications, ICT &IDP Memorandum Committee	6	95	100
Mr Thabo Emmanuel Mosia	PT	MPAC	7	85	100
Mr Lebohang Samuel Semonyo	FT	Corporate Services Local Labour Forum	8	60	95
Ms Seipati Susan Mofokeng	PT	Corporate Services Streets and Building naming and renaming	9	100	0
Ms Mirriam Nokuthula Mtshali	PT	Social Services Sports, Arts & Culture Streets and Building naming and renaming	10	95	0
Mr Thabo Kenneth Mabasa	FT	Communications, ICT &IDP	11	65	100
Ms Sophia Bulelwa Khunou	PT	Corporate Services Communications, ICT &IDP	12	100	0
Ms Julia Masetlhare Phepheng-Lelahla	PT	MPAC Streets and Building naming and renaming	13	95	0
Mr Jan Daniel Viljoen	PT	Finance	14	75	100
Mr Jacobus Johannes Grobbelaar	PT	Sports, Arts & Culture	15	100	0
Mr Hans Jurie Moolman	PT	Public Safety & Security Streets and Building naming and renaming	16	70	100
Ms Maria Cecilia Van der Walt	PT	Social Services	17	90	100

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Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated Portfolio	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Mr David Mac Millan Oswald	PT	Technical Services	18	100	0
Mr Alexis Khomolileng Mare	PT	Public Safety & Security Social Services	19	100	0
Ms Nombulawa Lucy Mdola	PT	MPAC Memorandum Committee	20	95	100
Mr Lefu Richard Chebase	PT	Social Services LED, Tourism & Agriculture	21	60	5
Mr Brutus Tshepo Mahlaku (Executive Mayor)	FT	Mayoral Committee	ANC	95	100
Ms Thandiwe Linah Soetsang (Council Whip)	FT	Council	ANC	95	100
Mr Sello Zacharia Matena (Speaker)	FT	Memorandum Committee Streets and Building naming and renaming	ANC	100	0
Ms Nomsa Josephina Kubheka	FT	Technical Services	ANC	90	100
Ms Anna Ndutula Radebe	FT	Sports, Arts & Culture	ANC	90	100
Ms Dikeledi Ellen Mokoena	PT	Public Safety & Security Streets and Building naming and renaming	ANC	90	100
Mr Mnyamezeli Welcome Khonto	FT	Public Safety & Security	ANC	90	100
Ms Sylvia Lindiwe Tshongwe	FT	Finance Local Labour Forum	ANC	100	0
Mr Frans Christiaan Coetzer	PT	LED, Tourism & Agriculture Memorandum Committee	DA	100	0
Mr Jacobus Johannes Geysler	PT	Technical Services Finance	DA	95	100
Mr Tsietsi Johannes Mofokeng	PT	Communications, ICT & IDP Memorandum Committee	DA	85	100
Ms Suraya Holt (resigned on 13 March 2015)	PT	MPAC	DA	95	0
Ms Alinah Mamokete Ramphala (from March 2015)	PT	MPAC	DA	100	0
Mr Makone Fithalls Machaea	PT	LED, Tourism & Agriculture	DA	100	0
Mr Velly Johannes Maseko	PT	Sports, Arts & Culture	DA	95	0
Mr Mabaka George Ntoane	PT	Corporate Services	DA	100	0
Mr Pretty Jacob Mahlangu	PT	Social Services Local Labour Forum	DA	60	75
Mr Johannes du Plessis	PT	Corporate Services	DA	90	100

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Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated Portfolio	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Ms Mmabatho Martie Mosia	PT	Communications, ICT &IDP Public Safety	DA	90	100
Theo du Toit	PT	Communications, ICT &IDP Streets and Building naming and renaming Social Services	FF	50	55
Mr Retshedisitswe Johannes Mabefu	FT	LED, Tourism & Agriculture	ANC	100	0
Ms Khabonina Jane Makhoba	FT	Social Services	ANC	95	100
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A

Table 153: Councillors, Committees and Attendance. If there is evidence, information can be changed

Councillors serving on Section 80 Committees are from political parties represented in the Council. Each Section 80 Committee is chaired by a Member of the Mayoral Committee (MMC) and is responsible for ensuring effective political oversight of departmental activities through the consideration of reports from the Municipal Manager and Directors. Based on the said reports these committees make recommendations for consideration by the Mayoral Committee.

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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Table 154: Committees

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Portfolio Committee: Corporate Services (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Finance and Audit (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Technical Services (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Public Safety (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Cleansing, Parks and Cemeteries (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Urban Planning and Human Settlements (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: LED, Tourism and Agriculture (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Sports, Arts and Culture (s80)	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Audit and Performance Audit Committee (s79)	Roles and responsibilities as outlined by section 166 of the MFMA and the approved charter
Oversight Committee (s79)	Roles and responsibilities as outlined by section 129 of the MFMA and the National Treasury guidelines issued in MFMA Circular 32 (18 March 2006)

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Table 155: Third Tier Structure

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Technical Services	Director S Mokgatle Manager: Electrical and Mechanical Services H van Wyk Manager: Civil Engineering Services MC Botha Manager: PMU M D Ndaba
Financial Services	Chief Financial Officer A Lambat Manager: Revenue C Scheepers Manager: Budget and Financial Planning Ms A Vorster
LED and Planning	Director: S Monyaki Manager: Urban Planning L Thaanyane Manager: Housing and Property Management Services G Steenkamp Manager: LED R Ralepedi Manager Marketing and Tourism M Mkhafa
Corporate Services	Director: M Maseola Manager: Records & Auxilliary- MB Oanyane Manager: Admin. K A Moholi Manager: Legal - N Kobedi Manager: Human Resources M E Sediane
Social Services	Director: S.L Lempe Manager: Health and Cleansing L P Thile Manager: Public Safety M A Ramotso Manager: Sports, Arts and Recreation M Mosholi
Municipal Manager's Office	Municipal Manager: SM Molala Manager: MM's Office – M Kobue Manager: IDP/PMS – SJ Mokoena Manager: Internal Audit – K George Manager: ICT – G Nhlapo Manager: Security – O Maduna Manager: Communication & IGR – G Alberts Manager: Unit Manager (Deneysville & Oranjeville)BJ Malindi
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	

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APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Table 156: Municipal Functions

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

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MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes
* If municipality: indicate (yes or No); * If entity: Provide name of entity	

APPENDICES

APPENDIX E – WARD REPORTING
TABLE 157: FUNCTIONALITY OF WARD COMMITTEES

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	Cllr M.A Tamane and 9 WC members	YES	2	2	0
Ward 2	Cllr M.D Nthebe and 10 WC members	YES	3	4	1
Ward 3	Cllr M. S Poho and 8 WC members	YES	2	7	5
Ward 4	Cllr G B Nunne 10 WC members	YES	10	12	2
Ward 5	Cllr S. Moreki and 9 WC members	YES	0	0	0
Ward 6	Cllr N. Sejake and 9WC members	YES	1	3	2
Ward 7	Cllr T. Mosia and 10 WC members	YES	4	5	1
Ward 8	Cllr L.S Semonyo and 10 WC members	NO	0	1	1
Ward 9	Cllr S.S Mofokeng and 10 WC members	YES	5	8	3
Ward 10	Cllr M N Mtshali and 10 WC members	YES	6	15	9
Ward 11	Cllr T.Mabasa and 10 WC members	YES	2	4	2
Ward 12	Cllr B.S Khunou and 6 WC members	YES	4	8	4
Ward 13	Cllr JM. Lelahla-Phepheng and 7 WC members	YES	3	4	1
Ward 14	Cllr J.D Viljoen and 10 WC members	YES	0	0	0
Ward 15	Cllr J.J. Grobbelaar and 10 WC members	YES	3	3	0
Ward 16	Cllr J Moolman and 9 WC members	YES	1	1	0
Ward 17	Cllr M.R Van der Walt and 8 WC members	YES	4	4	0
Ward 18	Cllr D.M Oswald and 7 WC members	NO	1	1	0
Ward 19	Cllr K.A Mare and 11 WC members	YES	5	10	5
Ward 20	Cllr N.L Mdola and 8 WC members	YES	1	6	5
Ward 21	Cllr R.L. Chebase and 0 WC members	NO	0	0	0

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APPENDIX F – WARD INFORMATION

Information on seven largest capital projects, basic service provision and top four Ward Service Delivery

- Gortin Sanitation Phase 4 (MIG) Ward 1
- Leitrim substation (DOE) Ward 6
- Refenggotso waste water treatment works (DWS) Ward 3

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APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2014/15

Table 158: Municipal Audit Committee Recommendations

Name of members

(Until March 2015)

Mr. Seth Radebe (Chairperson)

Ms. Selina Lebeko

Mr. Zola Fihlani

(As from April 2015)

Mr. Zola Fihlani (Chairperson)

Mr. Siyakhula Simelane

Ms Sijabulile Makhathini

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2014/15	Recommendations adopted (enter Yes) If not adopted (provide explanation)
23 September 2014	<ul style="list-style-type: none"> Management must develop and implement adequate internal control mechanism in order to comply with rules and regulations 	Yes
17 February 2015		
01 June 2015	<ul style="list-style-type: none"> Draft LED Strategy must be approved by the council 	Yes
29 June 2015	<ul style="list-style-type: none"> MPAC Committee must sit and finalise the irregular fruitless and wasteful expenses As a matter of urgency Management should consider the emphasis of matters in the Auditors Generals report Management should develop an action plan to address internal audit findings and to track progress on the implementation of action plan, the plan be submitted to audit committee. Develop and implement revenue enhancement strategy to improve cash flow of the municipality and to pay creditors on time. (Arrangements to be made with officials and councilors, incentive system to promote bulk payment etc.) 	In progress
		Yes
		Yes
		Yes

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Table 159: Long Term Contracts

Long Term Contracts (20 Largest Contracts Entered into during 2014/15)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
None	N/A	N/A	N/A	N/A	N/A

Table 160: PPPs entered into

Public Private Partnerships Entered into during 2014/15					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2008/09
None	N/A	N/A	N/A	N/A	N/A

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The Municipality does not have any operational entities.

Please see Appendix III

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APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DECLARATION OF FINANCIAL INTEREST

SURNAME	NAMES	RESIDENTIAL ADDRESS	NAME OF BUSINESS & REGISTRATION NUMBER	ADDRESS OF BUSINESS	POSITION IN THE BUSINESS
MOLALA	STEPHEN MZILOZI	89 Stompdoring street, Moretela Park, Tshwane, 0044	Sentech SOC Ltd 1990/001791/06	Private Bag x06 Honey Dew 2040	Director
			Afriscope CC 2003/042056/23	P.O.BOX 431 Wingate park 0153	Member
MOKGATLE	ISAAC SONNYBOY	06 Tambourine Dove Place, Glen Marais Ext 14 Kempton Park 1619	NONE	-	-
MASEOLA	MOTSEI JOHANNA MARGARET	31 Platinum street Steel park Vereeniging 1939	Khumase CC	31 Platinum street Steel park Vereeniging 1939	Share holder
LAMBAT	AHMED	31 Firdoze street Dadaville Vereeniging	Roshgold Investments Holdings Limited 1984/00333/06	37 Kruger Ave Vereeniging	Director

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		1939	Roshgold Technologies Ltd 1984/00389/87	37 Kruger Ave Vereeniging	Director
			Roshgold Ventures Limited 1991/000479/06	37 Kruger Ave Vereeniging	Director
			Roshmeadow Properties Limited	37 Kruger Ave Vereeniging	Director
			Top share equities pty limited 1997/008991/06	37 Kruger Ave Vereeniging	Director
			Lambat & Pochee Chattered Accountants	Park drive Marfair Johannesburg	Partner
			New Redruth Motors CC 1995/002102/23	Voortrekker street Alberton	Member
			Albaraka Bank Limited	Durban	Director
			Lambcell CC 2002/018873/23	The Close corporation is Dormant	
			Lambfuel CC	The close corporation is	

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				dormant	
LEMPE	SYDNEY LETALA	03 Graskop street Vaalpark Sasolburg	NONE	-	-
MONYAKI	SEITHATI JOYCE	224 Sentrahof flats MC Cabe street Ficksburg 9730	Ralewa Trading	224 Sentrahof MC CABE Street Ficksburg	100%
			BOLD MOVES 198	CNR LANG & MC CABE STREET Ficksburg	Share holder
			BOARD MEMBER	Free state Gambling & Liquor board	
MAHLAKU	BRUTUS TSHEPO	22 MULLER STREET Sasolburg 1947	MTN SASOL NZALO		148 Shares 100 shares
MATENA	SELLO ZACHARIA	21 ROUX STREET Sasolburg 1947	none	-	-
MAKHOPA	KHABUNINA JANE	25 Refenggotso Deneysville 1932	Sasol Nzalo	-	10 shares

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TSHONGWE	SYLVIA LINDIWE	4 Candle wood street Sasolburg 1947	MTN - ASONGE	-	R5000.00
KUBHEKA	NOMSA JOSEPHINA	18 Fourie street Sasolburg 1947	Whiphold Sasol inzalo	-	-
MOKOENA	DIKELEDI ELLEN	103 SLOJA PARK ZAMDELA 1949	MTN	-	28 Shares
KHUNOU	SOPHIA BULELWA	2094 LIHOJA STREET ZAMDELA 1949	FEZI NGUBENTOMBI HOSPITAL	-	BOARD MEMBER
SOETSANG	THANDIWE LINAH	198 REFENGGOTSO ORANGEVILLE 1995	NYAKAZA MFAZI	-	-
RAMPHALA	MAMOKETE ALINAH	4923 THEMBA KUBHEKA DENEYSVILLE 1932	NONE	-	-
MACHAEA	MAKONE	660 MOROKA	NONE	-	-

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	FITHALLS	STREET ZAMDELA 1949			
GEYSER	JACOBUS	28 HIGH STREET DENEYSVILLE 1932	YETU TRUST	-	DORMANT
			METAL STEEL & ART WORK	-	100% On request
COETZER	FRANS CHRISTIAAN	C45 MARALDI ESTATES VAAL PARK	NONE	-	-
RADEBE	ANNA NDUTULA	52 ORANGEVILLE 1995	WIPHOLD MAITSHOKOLLA	-	
MTSHALI	NOKUTHULA MIRRIAM	4206 TAYLOR PARK ZAMDELA 1949	SASOL INZALO	-	35 Shares
PHEPHENG	LELAHLA JIM	12211 HARRY GWALA ZAMDELA 1949	GRET CONSTRUCTION	-	-
GROBBELAR	JACOBUS JOHANNES	02 LIMBURG STREET SASOLBURG 1947	In his foot prints NPO Charity organisation	-	-
MARE	ALEXIS	20331 AMELIA	NONE	-	-

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	KHOMOLILENG	ZAMDELA 1949			
MOSIA	MMATHOTO MARIA	1203 METSIMAHOLO ORANGEVILLE 1995	NONE	-	-
DU PLESSIS	JOHANNES	71 LOST EDEN CONSTANTIA AVENUE VAAL PARK 1948	NONE	-	-
NTOANE	MABOKA GEORGE	24 CHARL CILLIERS STR SASOLBURG 1947	NONE	-	-
Van Der Walt	MARIA CECILIA	14 MENEL STR SASOLBURG 1947	NONE	-	-
TAMANE	MATSHIDISO ALINA	17400 WALTER SISULU ZAMDELA 1949	NONE	-	-
NNUNE	GABAIKITSE	377 REFENG	NONE	-	-

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	BEAUTY	KGOTSO DENEYSVILLE 1932			
SEJAKI	MASONTAGA NOMSA	11144 HARRY GWALA ZAMDELA 1949	NONE	-	-
MOFOKENG	TSIETSI JOHANNES	1319 REFENGGOTSO DENEYSVILLE 1932	ASAZI Funeral Parlour ASAZI Inn – Tavern	- -	- -
KHONTO	MNYAMEZELI WELCOME	239 ANGOLA VILLAGE ZAMDELA 1949	NONE	-	-
CHEBASE	LEFU RICHARD	10370 HARRY GWALA ZAMDELA 1949	NONE	-	-
MABEFU	RETSILISITSOE JOHANNES	19 LEBOMBO STR VAAL PARK 1948	SKG HO. SAND MINING	-	DIRECTOR
MABASA	KENNETH THABO	1039 MOSEME STR ZAMDELA	NONE	-	-

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		1949			
SEMONYO	LEBOHANG SAMUEL	8207 CHRISHANI ZAMDELA 1949	NONE	-	-
MOOLMAN	HANS JURIE	03 A D KEET STR SASOLBURG 1947	NONE	-	-
OSWALD	DAVID MC MILLAN	14 DORINGBURG STR VAALPARK 1948	NONE	-	-
MDOLA	NOMBULAWA LUCY	3065 MBEKI SECTION REFENGGOTSO 1995	NONE	-	-
NTHEBE	MALEBO DANIEL	8391 SOMMERSPORTS ZAMDELA 1949	ALASKA ONE ENTERPRISES PTY (LTD)	-	DIRECTOR
POHO	MOSIUWA SOLOMON	155 REFENGGOTSO DENEYSVILLE 1932	NONE	-	-
MOREKI	SELINA	138 KGOPOLNG	NONE	-	-

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		STR ORANGEVILLE 1995			
MOSIA	THABO EMMANUEL	8689 SNAKE PARK ZAMDELA 1949	SOXI ELECTRONICS & IT CENTRE	-	PARTNERSHIP
MOFOKENG	SEIPATI SUZAN	160 VIVA PARK ZAMDELA 1949	NONE	-	-
VILJOEN	J.D	01 SWARTBERG STREET VAALPARK 1948	NONE	-	-
DU TOIT	THEO	06 GEARGE STREET VANDERBIJLPARK 1900	NONE	-	-
MAHLANGU	PRETTY JACOB	SASOLBURG 1947	KGUTLO THARO FUNERAL	-	100%
MASEKO	VICTOR JOHANNES	SASOLBURG,1947	NONE	-	-

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APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Table 161: Revenue Collection by Vote

Revenue Collection Performance by Vote						
R' 000						
Vote Description	2013/14	2014/15		2014/15 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustments Budget %
Council Speaker Council	0	0	0	0	0	0
Municipal Manager	7 408	2 108	2207	2 672	78.9	82.6
Organisational development and Corporate Services	362	585	651	970	60.31	67.11
Social services	65 867	81 933	64 267	74 408	110.11	86.37
Technical and Infrastructure Services	559 945	650 191	650 127	611 266	106.37	106.35
Financial Services	160 363	170 073	182 124	194 164	87.59	93.8
Local development and Urban Planning	4 731	9 246	9 246	100 776	9.17	9.17
Total Revenue by Vote	798 676	914 136	908 622	984 256	531.33	445.42

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

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APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Table 162: Revenue Collection by Source

Revenue Collection Performance by Source							R '000
Description	2013/14	2014/15			2014/15 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget %	Adjustments Budget %	
Property rates	105 296	102 114	111 014	115 499	11.59	3.88	
Property rates - penalties & collection charges							
Service Charges - electricity revenue	179 303	219 951	219 951	197 424	(11.41)	(11.41)	
Service Charges - water revenue	179 907	276 185	273 185	254 273	(8.62)	(7.44)	
Service Charges - sanitation revenue	21 737	22 837	22 837	22 163	(3.04)	(3.04)	
Service Charges - refuse revenue	29 606	39 978	39 978	32 083	(24.61)	(24.61)	
Service Charges – other	8 508	9 136	8 556	7 144	(27.88)	(19.76)	
Rentals of facilities and equipment	4 858	5 002	5 002	4 600	(8.74)	(8.74)	
Interest earned - external investments	2 378	2 400	1 300	1 887	(27.19)	31.11	
Interest earned - outstanding debtors	18 903	18 600	15 300	14 576	(27.61)	(4.97)	
Dividends received				88	100.00	100.00	
Fines	15 856	5 023	5 023	22 876	78.04	78.04	
Licences and permits	146	172	172	149	(15.44)	(15.44)	
Agency services							
Transfers recognised - operational	104 641	118 259	117 948	114 435	(3.34)	(3.07)	
Other revenue	5 836	4 328	5 695	7 236	40.19	21.30	
Gains on disposal of PPE	5 141	5 000	5 000	1 790	(179.33)	(179.33)	
Total Revenue (excluding capital transfers and contributions)	682 116	828 986	830 961	796 223	(4.11)	(4.3)	

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

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APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Table 163: Conditional Grants: excluding MIG

Conditional Grants: excluding MIG							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget %	Adjustment s Budget %		
Neighbourhood Development Partnership Grant	0	0	0	0	0	0	
Public Transport Infrastructure and Systems Grant	0	0	0	0	0	0	
Other Specify:							
Department of Energy	7 000	1 000	8 000	0	0	0	
Financial Management Grant	1 600	1 600	1 600	0	0	0	
Municipal System Improvement Grant	934	934	934	0	0	0	
Water Services Operating Grants	6 000	6 000	6 000	0	0	0	
Extended Public Works program	1 109	1 109	1 109	0	0	0	
Total	16 643	17 643	17 643	0	0	0	
<p><i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i></p>							

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG

All grant conditions have been met.
No grants were withheld due to non-compliance with conditions

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

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

Table 164: Capital expenditure – New Assets

Capital Expenditure - New Assets Programme*								R '000
Description	2013/14	2014/15			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/16	2016/17	2017/18	
Capital expenditure by Asset Class								
Infrastructure – Total	65 920	104 589	61 653	181 342	134 039	35 431	73 200	
Infrastructure: Road transport - Total	1 309	33 000	7 000	2 461	37 560	9 033	45 320	
<i>Roads, Pavements & Bridges</i>	1 309	33 000	7 000	2 461	37 560	9 033	45 320	
<i>Storm water</i>								
Infrastructure: Electricity – Total	24 029	13 500	10 330	7 037	53 419	23 830	27 390	
<i>Generation</i>								
<i>Transmission & Reticulation</i>	24 029	13 500	10 330	7 037	53 419	23 830	27 390	
<i>Street Lighting</i>								
Infrastructure: Water – Total	6 040	29 700	4 010	5 254	5 825	2 226	145	
<i>Dams & Reservoirs</i>								
<i>Water purification</i>		16 000	4 010	5 254	5 825	2 226	145	
<i>Reticulation</i>	6 040	13 700						
Infrastructure: Sanitation – Total	34 542	27 389	40 263	32 762	35 236	342	345	
<i>Reticulation</i>	34 542	27 389	40 263	32 762	35 236	342	345	
<i>Sewerage purification</i>								
Infrastructure: Other – Total	0	1 000	50	133 827	2 000	0	0	
<i>Waste Management</i>	0	1 000	50	89	2 000	0		
<i>Transportation</i>							0	
<i>Other</i>				133 737				
Community – Total	0	12 642	0	0	18 148	45 190	1 974	
<i>Parks & gardens</i>	0		0	0	2 081	1 273	875	
<i>Sports fields & stadia</i>		12 642			7 704	24 270	7	
<i>Swimming pools</i>					74	5 000		
<i>Community halls</i>					61			
<i>Libraries</i>					61	38	16	
<i>Recreational facilities</i>					3 015	105	751	

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Fire, safety & emergency					750	750	
Security and policing					4 402	13 754	324
Cemeteries							
Social rental housing							
Other							
<i>Table continued next page</i>							

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Table 164: Capital expenditure – New Assets (cont.)

Capital Expenditure - New Assets Programme*							
R '000							
Description	2013/14	2014/15			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/16	2016/17	2017/18
Capital expenditure by Asset Class	0	0	0	0	0	0	0
Heritage assets - Total	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Investment properties - Total	0	0	0	0	0	0	0
Housing development	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Other assets	4 614	8 900	16 612	6 925	31 645	9 306	7 988
General vehicles			527	463	4 255	640	820
Specialised vehicles					9 000	5 500	1 500
Plant & equipment	1 240	500	850	2 870	150		
Computers - hardware/equipment	42			20			
Furniture and other office equipment		1 800	235		1 000	600	300
Abattoirs							
Markets							
Civic Land and Buildings				3 572	830	130	130
Other Buildings	3 332						
Other Land							
Surplus Assets - (Investment or Inventory)							
Other			15 000		16 410	2 436	5 238
Agricultural assets							
<i>List sub-class</i>	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Biological assets	0	0	0	0	0	0	0
<i>List sub-class</i>	0	0	0	0	0	0	0
	0	0	0	0	0	0	0

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Intangibles	375	0	0	0	0	0	0
Computers - software & programming	375	0	0	0	0	0	0
Other (<i>list sub-class</i>)		0	0	0	0	0	0
Total Capital Expenditure on new assets	70 909	126 131	78 265	188 267	183 832	89 927	83 162
Specialised vehicles	0	0	0	0	9 000	5 500	1 500
Refuse	0	0	0	0	4 000	2 500	
Fire	0	0	0	0	5 000	3 000	1 500
Conservancy	0	0	0	0			
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

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APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Table 165: Capital expenditure – Upgrade/Renewal

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	2013/14	2014/15		Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2015/16	2016/17	2017/18
Capital expenditure by Asset Class							
Infrastructure – Total	0	10 430	0	0	5 930	4 430	0
Infrastructure: Road transport -Total	0	5 700	0	0	1 500		0
<i>Roads, Pavements & Bridges</i>	0	5 700	0	0	1 500		0
<i>Storm water</i>	0		0	0			0
Infrastructure: Electricity – Total	0	3 300	0	0	3 000	3 000	0
<i>Generation</i>	0		0	0			0
<i>Transmission & Reticulation</i>	0	3 300	0	0	3 000	3 000	0
<i>Street Lighting</i>	0		0	0			0
Infrastructure: Water – Total	0	1 200	0	0	1 200	1 200	0
<i>Dams & Reservoirs</i>	0		0	0			0
<i>Water purification</i>	0		0	0			0
<i>Reticulation</i>	0	1 200	0	0	1 200	1 200	0
Infrastructure: Sanitation – Total	0	230	0	0	230	230	0
<i>Reticulation</i>	0		0	0			0
<i>Sewerage purification</i>	0	230	0	0	230	230	0
Infrastructure: Other – Total	0	1 800	0	0			0
<i>Waste Management</i>	0	1 800					
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community							
Parks & gardens							
Sports fields& stadia	0	0	0	0	0	0	0
Swimming pools	0	0	0	0	0	0	0
Community halls	0	0	0	0	0	0	0
Libraries	0	0	0	0	0	0	0
Recreational facilities	0	0	0	0	0	0	0

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Fire, safety & emergency	0	0	0	0	0	0	0
Security and policing	0	0	0	0	0	0	0
Buses	0	0	0	0	0	0	0
Clinics	0	0	0	0	0	0	0
Museums & Art Galleries	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0
Social rental housing	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Heritage assets	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0

Table continued next page

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Table 165: Capital expenditure – Upgrade/Renewal (cont.)

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	2013/14	2014/15		Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual	2015/16	2016/17	2017/18
Capital expenditure by Asset Class	0	0	0	0	0	0	0
Investment properties	0	0	0	0	0	0	0
Housing development	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Other assets		300			2 020	2 500	
General vehicles					2 020	2 500	
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings		300					
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets							
List sub-class	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Biological assets	0	0	0	0	0	0	0
List sub-class	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0	0
Computers - software & programming	0	0	0	0	0	0	0
Other (list sub-class)	0	0	0	0	0	0	0

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Total Capital Expenditure on renewal of existing assets		10 730			2 020	2 500	
Specialised vehicles	0	0	0	0	0	0	0
Refuse	0	0	0	0	0	0	0
Fire	0	0	0	0	0	0	0
Conservancy	0	0	0	0	0	0	0
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2014/15

Table 166: Capital Programme by Project

Capital Programme by Project: 2014/15					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual Budget	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
Augmentation of Bulk water supply	0	0	0	0	0
Water treatment works plant(Dansville)	6 000	-	6 000	-	-
"Project C"	0	0	0	0	0
Sanitation/Sewerage					
Amelia Sanitation Phase 3	0	0	0	0	0
Gortin Sanitation Phase 4	27 389	12 642	40 031	68	31
Electricity					
Electrical Bulk Supply Substation	7 000	1 000	8 000	86	13
"Project B"	0	0	0	0	0
	0	0	0	0	0
Housing					
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
	0	0	0	0	0
Refuse removal					
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
	0	0	0	0	0
Stormwater/Roads					

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"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
Economic development	0	0	0	0	0
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
Sports, Arts & Culture	0	0	0	0	0
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
Environment	0	0	0	0	0
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
Health	0	0	0	0	0
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
Safety and Security	0	0	0	0	0
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
ICT and Other	0	0	0	0	0

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"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0

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APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2014/15
TABLE 167: CAPITAL PROGRAMME BY PROJECT BY WARD

Program me	Project name	Fundin g source	Ward s	2014/15	2014/15 adjusted budget	2015/16	2016/17
<i>Electricity</i>	<i>Infrastructural Projects:</i>						
	Bulk supply Amelia, Gortin & Moodraai (CO)	DoE	1	7 000 000	8 000 000	20 000 000	21 000 000
	Connection to new Offices	Interna l	ALL	300 000	0	0	0
	Electricity: Pre paid meters in Hostels	Interna l/ DBSA		4 000 000	1 215 000	0	0
	Upgrading of main Substation for Sasolburg	Interna l	15-17	3 300 000	1 000 000	3 000 000	3 000 000
	Electricity Transformer(Backup)		ALL	500 000	500 000	500 000	500 000
	Replacement of Electricity cables	Interna l	ALL	2 000 000	0	0	0
	TOTAL			17 100 000	10 715 000	23 500 000	24 500 000
<i>Roads and storm water</i>	<i>Infrastructural Projects:</i>						
	Roads and storm water – Scott	DBSA	5	7000 000	7 000 000	0	0

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Program me	Project name	Fundin g source	Ward s	2014/15	2014/15 adjusted budget	2015/16	2016/17
	Street(Oranjeville)(New application subject to confirmation)						
	Paving at Refengkgotso	Intern al/ DBSA	3,4&20	6 000 000	0	0	0
	Resealing of roads	Intern al	ALL	5 700 000	0	1 500 000	0
	Resealing of roads	DBSA	ALL	20 000 000		0	0
	Upgrading of Zamdela gravel roads & Storm water drainage	MIG	7,8,9, 10,11 & 12	0	0	27 316 810	43 222 000
	TOTAL			38 700 000	7 000 000	28 816 810	43 222 000
Sanitatio n	Infrastructural Projects:						
	Sewer pumps replacement	Internal	ALL	230 000	230 000	230 000	230 000
	Gortin – Sanitation Phase 4	MIG	1	27 389 110	40 032 050	0	0
	TOTAL			27 619 110	40 262 050	230 000	230 000
Water	Infrastructural Projects						
	Water Pumps replacement	Intern al	ALL	1 200 000	700 000	1 200 000	1 200 000
	Water connection(Housing Themba Kubheka)	HSS	20	11 000 000	0	0	0

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Program me	Project name	Fundin g source	Ward s	2014/15	2014/15 adjusted budget	2015/16	2016/17
	Water treatment plant(D/V and Refengkgotso)	DWA	3,4&20	2 700 00	3 010 000	0	0
	TOTAL			14 900 00	3 710 000	1 200 000	1 200 000
<i>Buildings</i>							
<i>Mechanical workshop</i>	Equipment and vehicles	DBSA	ALL	6 000 000	0	0	0
Civil Engineering	Water demand and conservation programme, Water Development Plan	DWA	ALL	15 000 000	15 000 000	0	0
	Water demand and conservation programme, Water Development Plan	Internal	ALL	1 000 000	0	0	0
	Director: Technical: Plant and Equipment	Internal		400 000	400 000	420 000	440 000
	TOTAL			16 400 000	15 400 00	420 000	440 000
Waste Management	Rehabilitation of landfill site	Internal	ALL	1 000 000	0	1 000 000	1 000 000
	TOTAL			1 000 000	0	1 000 000	1 000 000
Community Facilities	Construction: Sports complex Refengkgotso	MIG	3,4&20	2 520 800	0	14 063 990	0
	Construction: Sports complex Metsimaholo/Oranjeville	MIG	5	10 120 840	0	0	0

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Program me	Project name	Fundin g source	Ward s	2014/15	2014/15 adjusted budget	2015/16	2016/17
	TOTAL			12 641 640	0	14 063 990	0

Program me	Project name	Fundi ng source	Ward s	2014/15	2014/15 adjust ed budget	2015/15	2016/17
<i>Human settlements</i>	Acquisition of 31 Vaaldam Small Holdings	Land Affairs	1,3,4	Human Settlements	Human Settlements	0	2 000 000
	Acquisition portion of sub 3,4, 6 & 7 Lauterwater	Land Affairs	ALL	0	0	0	0
	Acquisition remainder of of Lauterwater, Voorspoed (Vaalpark)	Interna l	14&18	0	0	0	
	Demolition of outstanding old units - hostel 2 (Zamdela)	CoGT A	9	Human Settlements	Human Settlements	0	0
	Infrastructure for 70 units – hostel 2 (Zamdela)	CoGT A	9	Human Settlements	Human Settlements	0	0
	Building of 70 rental units – hostel 2 (Zamdela)	CoGT A	9	Human Settlements	Human Settlements	Human Settlements	Human Settlements
	Demolition of 112 old hostel units – hostel 4 (Zamdela)	CoGT A	12	Human Settlements	Human Settlements	0	0
	Infrastructure for 420 CRUs – hostel 4 (Zamdela)	CoGT A	12	Human Settlements	Human Settlements	Human Settlements	Human Settlements
	Building of 420 CRUs – hostel 4 (Zamdela)	CoGT A	12	Human Settlements	Human Settlements	Human Settlements	Human Settlements

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	Acquisition of land for agricultural use (Zamdela)	Land Affairs	8	0	0	Land Affairs	0
	Acquisition of land for agricultural use (Refenggotso/Metsimaholo)	Land Affairs	3,4,5 & 20	0	0	Land Affairs	0
	Building of 74 CRUs rental (Sasolburg Extension)	CoGT A	17	0	0	Human Settlements	Human Settlements
	Demolition of 389 old units – hostel 3 (Zamdela)	CoGT A	11 & 12	0	0	0	Human Settlements
	Infrastructure for 800 CRUs – hostel 3 (Zamdela)	CoGT A	11 & 12	0	0	0	Human Settlements
	Building of 800 CRUs – hostel 3 (Zamdela)	CoGT A	11 & 12	0	0	0	Human Settlements
	Acquisition of land for agricultural use (Zamdela)	Land Affairs	11 & 12	0	0	0	Land Affairs
	Building of 48 Social housing units (Sasolburg x18)	CoGT A	16	0	0	0	Human Settlements
				0	0	0	2 000 000
<i>Spatial Development</i>	Acquire. of 31 Vaaldam Small Holdings	CoGTA	5	Human Settlements		0	Human Settlements
	Surveying of 2000 stands (Mooibraai)	CoGTA	1	Human Settlements	0	0	Human Settlements
	Planning and surveying of 1000 erven (Amelia) expansion	CoGTA	1	Human Settlements	0	0	Human Settlements
	Planning and surveying Vaalpark to R59 provincial road	Internal	14 & 18		0	0	0

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Planning and surveying agricultural small scale farming (Amelia)	Internal	1			0	0
Planning for Business Hub Filling Station/Mall in Zamdela (Amelia)		19			0	0
Demolishing outstanding old units (hostel 2) Zamdela		AL L	Human Settlem ents			
Infrastructure for 70 units at Hostel 2.Zam		AL L	Human Settlem ents			
Building of 70 Rental Units @ Hostel 2 Zam		AL L	Human Settlem ents			
Demolishing 112 old hostel units Hostel 4		AL L	Human Settlem ents			
Infrastructure for 420 CRU Hostel 4 Zam			Human Settlem ents			
Building of 420 CRU at Hostel 4,Zamdela			Human Settlem ents			
Acquire. of land for agriculture uses Zam						
Acquire. of land for agriculture uses Ref						
Building of 74 CRU Rental Sasolburg Ext			Human Settlem ents			
Demolishing 389 old hostel units Hostel 3						
Infrastructure for 800 CRU Hostel 3 Zam			Human Settlem ents			
Building of 800 CRU at Hostel 3,Zamdela			Human Settlem			

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			ents				
	Acquire. of land for agriculture uses Zam						
	Building 48 Social/ CRU Rental Sasol Ext 18		Human Settlem ents				
				0	0	0	0

Programme	Project name	Funding source	Wards	2014/15	2015/16	2014/15 adjusted budget	2016/17
<i>Local economic development/ Sustainable livelihoods</i>	Brick and paving manufacturing plant	Public donations	ALL	Sasol	Sasol		Sasol
	Poultry and piggery farming	Public donations	ALL	Sasol	Sasol		Sasol
	Office accommodation	Internal	ALL	0	0		0
	Tourism signs	Internal	ALL	0	0		0
					0	0	0

Programme	Project name	Funding source	Wards	2014/15	2015/16	2014/15 adjusted budget	2016/17
<i>Waste management/ Clean communities</i>	Rehabilitation of dumping sites	Internal	ALL	0	0	0	0
	Recycling plants	Internal	ALL	0	0	0	0
	EIAs-Permits dumping sites	Internal	5,14,18	0	0	0	0
	New dumping site (D/Ville)	Internal	5,20	0	0	0	0

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	Transfer station	Internal	ALL	0	0	0	0
	Capital works-landfill sites	Internal	ALL	0	0	0	0
	Furniture & equipment	Internal	ALL	0	0	0	0
				0	0	0	0
<i>Safe communities</i>	Rescue equipment	Internal	ALL	0	0	0	0
	Fire equipment			0	0	0	0
	Buildings (fencing & equipment)	Internal	ALL	0	0	0	0
	Disaster provision	Internal	ALL	0	0	0	0
	Traffic (equipment, traffic calming measures, testing centre-paving)	Internal	ALL	0	0	0	0
					0	0	0
<i>Community facilities</i>	Buildings, Sports & Recreational Facilities & Equipment(Various)						

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Programme	Project name	Funding source	Wards	2014/15	2014/15 adjusted budget	2015/16	2016/17
	Speaker	Internal		200 000	527 600	0	0
		Finance Lease		400 000		0	0
	TOTAL			600 000	527 600	0	0
<i>Local democratic governance</i>	Municipal Manager: Website	Internal	ALL	0	0	0	0
<i>Facilities management</i>	Municipal Manager: Security services: Access control, CCTV, etc.	Internal	ALL	0	0	0	0
	Municipal Manager: Information technology	Internal	ALL	700 000	30 000	700 000	700 000
		Lease	ALL				
				700 000	30 000	700 000	700 000

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Programme	Project name	Funding source	Wards	2014/15	2014/15 adjusted budget	2015/16	2016/17
<i>Facilities management</i>	Furniture & Equipment (various)	Internal	ALL	1 100 000	10 000	600 000	700 000
	Parking shelter	Internal	ALL	0	0	0	0
<i>Customer care</i>	Call Centre	Internal	ALL	0	0	0	0
				1 100 000	10 000	600 000	700 000

Programme	Project name	Funding source	Wards	2014/15	2014/15 adjusted budget	2015/16	2016/17
<i>Revenue and cash flow management</i>	Equipment (various)	Internal	ALL	0	0	0	0

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APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

The information required in the table below is not available at this stage.

Table 168: Service Backlogs – Schools and Clinics

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Taaibos Primary School			No electricity	
Tabu Primary School	No water (borehole)			
Clinics (NAMES, LOCATIONS)				
<p><i>Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.</i></p>				

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

Table 169: Service Backlogs – Another Sphere of Government Technical Dept.

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
Housing:		
Licensing and Testing Centre:		
Reservoirs	none	none
Schools (Primary and High):		
Sports Fields:	Metsimaholo	Lack sports facility
	Refengkgotso	Lack sports facility
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APPENDICES

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

Table 170: Declaration of Loans and Grants made by the Municipality

There were no loans and grants made by the Municipality

Declaration of Loans and Grants made by the municipality: 2014/15				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2014/15 R' 000	Total Amount committed over previous and future years
NONE				
* Loans/Grants - whether in cash or in kind				TR

APPENDICES

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Table 171: National and Provincial Outcomes for Local Government

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
<p><i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i></p>		

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VOLUME II: ANNUAL FINANCIAL STATEMENTS

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

VOLUME III: METSIMAHOLO MAYORAL TRUST FUND

The Metsimaholo Mayoral Trust Fund was dissolved in 2013/14 Financial Year and the report will be Volume III of the Annual Report

