

2014/2015

ANNUAL REPORT

Volume I



THEMBELIHLE

Incorporating the towns of Strydenburg and Hopetown

**LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
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Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

It is with great humility and gratitude to our Lord that I take this opportunity to greet the community of Thembelihle together with all other role-players that worked with us during the year under review. Reading the report will inform you on the progress made during the period under review and also how the challenges facing the municipality were addressed.

As the vision of Thembelihle Municipality stipulates, "We, as Thembelihle Municipality, commit ourselves to a better life for all through sound economic growth, provision of basic infrastructure, disciplined social welfare, a sound participative institutional management system, as we stand united", we will continue to stand united irrespective of the challenges we face.

As council moves toward the completion of their five-year term in office, rest assured that we will continue to strive to improve on the goals achieved to date and accelerate the provision of the much needed municipal services focusing on the five developmental local government key performance areas:

- Infrastructure and Service Delivery :
- Institutional Transformation and Development;
- Local Economic Development and Planning;
- Financial Viability, and
- Good Governance & Public Participation.

We can report that we have taken the necessary steps to develop and implement an improved organizational structure and will ensure that we fill all critical positions with suitable and competent persons so as to ensure the maximization of service delivery to all the residents of the municipality.

We continue to uphold and support the values of good governance and can proudly announce that, after many years of poor audit opinions, an improved Auditor-General opinion was received for the 2014/2015 financial year. Going forward, we will continue to work relentlessly towards achieving improved and sustainable Audit opinions. We need to in still in all concerned a culture of excellence, care, accountability and good governance. The turning point for a clean administration and, consequently, audit is not entirely lodged solely on the shoulders of administrators but requires of all of us i.e. Council, administration, business and residents to take part and assume our individual and collective responsibility with prestige, impunity and integrity.

Whilst good progress has been made during the 2014/15 financial year, we did experience some challenges and these will have to be addressed during the coming 2015/2016 financial year. Some of these challenges are:

- Stabilising the administration by populating the critical areas on the new and improved organisational structure with competent and skilled people.
- Transforming and rejuvenating the municipal area into more liveable and attractive places.

Chapter 1

- Ensuring that ward committees are functioning effectively to continuously inform the communities on council matters whilst also informing the administration of challenges being faced by the community.
- Ensuring that all Council's Standing Committees function optimally to speed up attempts to address challenges being faced by the community.
- Addressing irregular, fruitless and wasteful expenditure recorded and improving the audit opinion by the Auditor-General.
- Revenue generation remained the other challenge facing the municipality. The culture of non-payment of services and rates by residents remains a serious challenge for the municipality. Council resolved to write off the debt in warranted instances and this will be done very early in the 2015/2016 financial year.
- Our project to register all people who qualify for subsidies under the Council's Indigent Policy did not have the required results and many qualifying households have not been identified as yet. This will require continuous input from Ward Councillors and CDW's and will receive priority attention during the 2015/2016 financial year. Officials tasked with this matter have been informed of the urgency to compile an Indigent Register reflecting the true status quo of the residents thereby ensuring financial relief to all qualifying applicants.

There are no twinning agreements with other towns currently in place however we strongly believe that we need to pursue that angle in the near future.

Going forward, Council and communities must unremittingly strive towards the eradication of key municipal developmental and service delivery challenges. This requires joint planning that prioritizes core challenges into implementable projects and interventions.

In conclusion, I therefore call on Council, the administration and all the residents of the municipality to join me on this demanding, challenging, but conquerable journey.

In summation, let us continue to strive to make Thembelihle Local municipality a better place for all citizens that reside here.

T 1.0.1

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

Political status

Unlike the 2013/2014 financial year, the situation during the 2014/15 financial year was fairly stable politically. We are of the view that the people have in the main accepted the status quo that emerged after the by-elections that were held in 2011. Even though we still had the pressure to perform beyond ourselves, we at least managed to the all within the stipulated time frame.

Thembelihle municipality like all other municipalities its size in South Africa, is continuously challenged to perform within the necessary standards as stipulated by the various legislations applicable to Local Government. The challenges manifest themselves in the form of capacity constraints both in terms of human capital and finance. It is generally accepted that the most qualified and most capable people will not opt to work in the small municipalities because of the lower salaries that they offer as well as the lack of social life after work. It therefore remains a challenge to us that our performance must remain at the required level while we are using the staff that does not have the same competency as the other better resourced municipalities.

It is very encouraging to note that Thembelihle Municipality has continued to perform within the given parameters irrespective of the circumstances. We regard ourselves as being extremely successful in implementing the requirements of National Government, Provincial Government as well as the resolutions of the South African Local Government Bargaining Council which was to fill all senior vacant posts in the municipalities. We have been successful in appointing a CFO since April 2014.

I think that it is also fare to indicate that management spend a lot of time at the South African Local Government Bargaining Council where we had to defend a number of cases against the municipality. The total number of cases presented to the SALGBC against the municipality is six. Four of these were settled through negotiations outside the council while the other two were awarded against the municipality. All the cases against the municipality were lodged by the South African Municipal Workers Union.

Chapter 1

In view of the capacity constraints existent within the municipality coupled with National Treasury requirements for minimum competency levels, the municipality involved itself in programs that intent to capacitate its employees as well as its councilors. The councilor training program is lead by the South African Local Government Association. Training for the employees was instituted by different organisations as well as own funding. The skills development plan for the training of municipal staff was completed at the end of the year. Its completion can only contribute to an acceleration of capacitating municipal staff especially those at the lower ranks.

As a municipality we still remain thankful to the Provincial Treasury as well as National Treasury for continuing to give support to Thembelihle Municipality by providing us not only with the technical support but by also providing warm bodies to perform certain functions.

Through the continued flow of grants to our municipal account, we have succeeded in training four finance interns. These will possibly be absorbed into the municipal structure should they find it proper to apply for certain positions. Once these are absorbed or find jobs somewhere else, we will be ready to take five more of the young people as finance interns.

The payment culture existent in our municipality is not something we are proud about but we continued to provide services to the people under very trying conditions for the year. As an attempt to increase our cash flow and find ways of making it easier for the community to pay for their services, we implemented an incentive scheme that gave the people a number of options where the municipality would write off part of their arrears. We also cut down on expenses especially expenditure on council meetings.

As a result of our financial status, we have not being able to implement own projects in the municipality. All the projects that are running and those that were running were all funded from National Treasury allocations to the municipality.

We also received funding from the Expanded Public Works Programme (EPWP). It is these funds that assisted us to stop most of the portholes on our roads especially the main road in Hopetown. This programme allowed us to also empower a number of our community people in that we trained them in the art of stopping holes in the streets.

Some of the projects, especially those that were being funded by Provincial Departments, did not see the light of day. We know that the communities out there waited in vain for the implementation of these projects but unfortunately the funding was withdrawn.

We look forward to the following year with the enthusiasm that it deserves.

T 1.1.1

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The latest data from Census 2011 were used in compiling this report

T 1.2.1

Population Details				
Age	Population			
	Year 0	Year 1		
	Total	Male	Female	Total
Age: 0 - 4	1285	874	783	1657
Age: 5 - 9		848	721	1569
Age: 10 - 19	5796	1548	1510	3058
Age: 20 - 29		1340	1295	2635
Age: 30 - 39		1060	966	2026
Age: 40 - 49	2114	919	930	1849
Age: 50 - 59		701	717	1418
Age: 60 - 69	1207	399	414	813
Age: 70+		283	388	671
	10402	7972	7724	15696

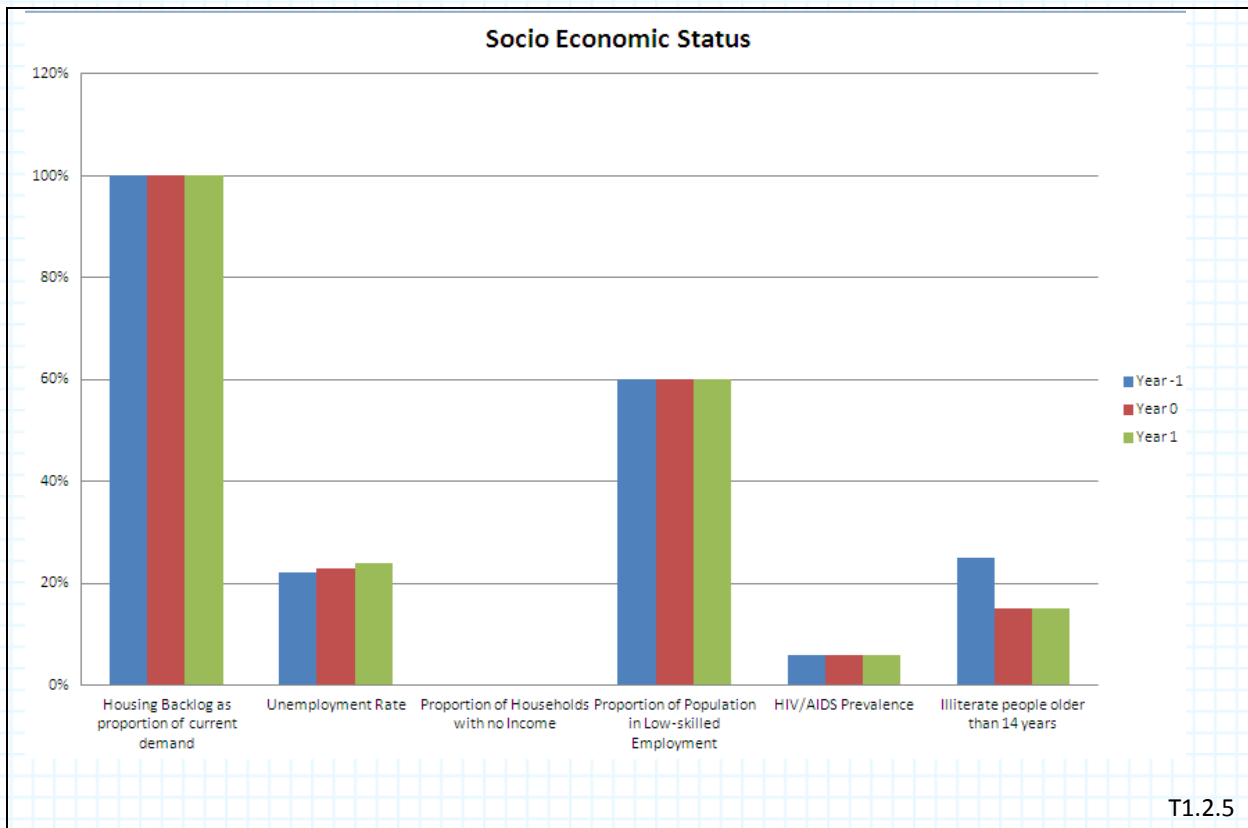
Source: Statistics SA

T1.2.3

Chapter 1

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -1	100%	22%	5%	60%	4%	25%
Year 0	100%	23%	5%	60%	4%	15%
Year 1	100%	24%	5%	60%	4%	15%

T1.2.4



Chapter 1

Overview of Neighbourhoods within 'Thembelihle Municipality'	
Settlement Type	Households
Towns	
	900
Sub-Total	900
Townships	
	1931
Sub-Total	1931
Rural settlements	
Sub-Total	0
Informal settlements	
	1501
Sub-Total	1501
Total	4332
	T1.2.6

Natural Resources	
Major Natural Resource	Relevance to Community
Orange River	irrigation, basic need
farm land	farming activity, employment opportunities
	T1.2.7

COMMENT ON BACKGROUND DATA:

Many agriculturally based B-BEE projects can potentially be rolled out.

Opportunities exist for skills training and development of B-BEE owned enterprises in formalising the large number of shack dwellings.

T1.2.8

Chapter 1

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The key focus in Thembelihle Local Municipality has been to ensure that bulk services are in place to meet the demands of all residents and commercial endeavors. We can report the following achievements:

Electricity

The 5MVA intake sub-station at Hopetown was completed in the year and this will ensure sufficient supply for the next 10 years. Electrification to erven in Sewendelaan is also being planned with Eskom. The high mast lighting projects in Steynville and Mandela Square were completed.

Water

The high risks associated with the Orange River raw water pump station has necessitated the emergency refurbishment of this pump station. However, the risks are still too high and application was submitted to Water Affairs and COGHSTA for the refurbishment of this pump station. This second phase will be expedited in 2015/2016 financial year.

The new 5,6 Mℓ/day Hopetown Water Treatment Works is nearing completion and scheduled for commissioning in March 2016.

The bulk supply scheme to Steynville will be completed in Dec 2015 and this will ensure bulk supply of water to Steynville. The project included the construction of a new 2,175 Mℓ low level reservoir and a 0,86 Mℓ high level reservoir as well as a new 250 mm di87858/88ameter ring main around Steynville. The bulk scheme will

Chapter 1

improve water pressures and water delivery to the existing network. A new rising main from the new WTW to Steynville command reservoirs was also completed.

The feasibility study to augment the underground water supply system used in Strydenburg was also completed and the next phase will be implemented in the 2015/2016 financial year. This phase will include the final design and equipping of new boreholes in Witpoort and Fairfield as well as a new bulk supply line from these reservoirs to the existing Witpoort transfer pump station.

Sanitation

No sanitation projects were expedited in this financial year. However, housing schemes were planned and the tender for services for the Strydenburg 63 (63 erven in Deetlefsville) was advertised but not awarded because the tender approved by council was higher than the budget and not accepted by COGHSTA. We understand that the provincial housing will now implement this project. Sewendelaan in Steynville was also planned but to date no funding has been allocated.

The municipality is currently refurbishing the Hopetown main sewer pump station, the Vergenoeg Sewage Pump Station and effecting repairs to the Strydenburg Wastewater Treatment Works pond lining as part of the ACIP funded initiative.

Problems with the lining to the Hopetown WWTW are being resolved with the lining contractor.

Roads and storm-water drainage

Upgrading of roads and storm-water was done in Steynville and Deetlefsville

Solid waste removal

The new solid waste land fill site has still not been commissioned but this will be planned in the 2015/2016 financial year.

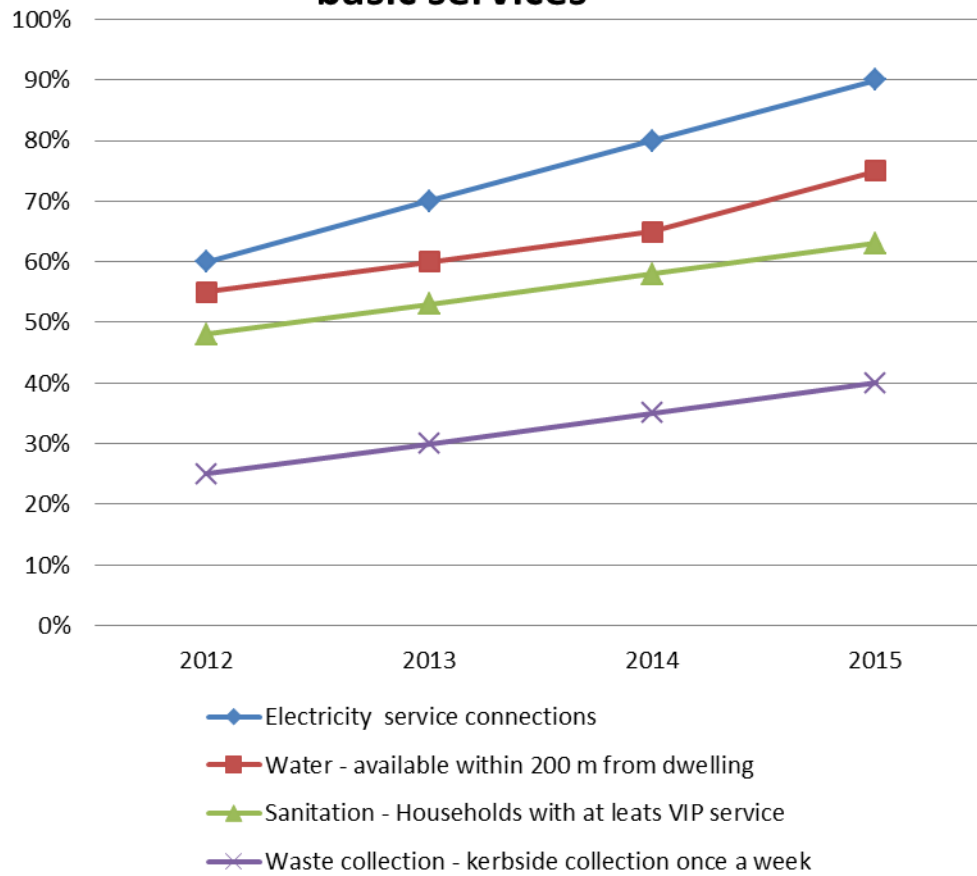
We have endeavoured to remove all waste heaps in Steynville but have been hampered by the poor condition of our earthmoving equipment.

Generally services to indigents have remained static. Our backlogs are with sanitation.

T 1.3.1

Chapter 1

Proportion of households with access to basic services



T1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

Electricity

There has been difficulty in obtaining a current indigent register on which planning can be based. The 2011 data indicated 1476 indigent households. However we have been unable to provide alternative energy resources like paraffin and candles to those indigent families who do not receive FBS electricity because the updated register is unavailable.

Water

Water is available to all residents either by way of metered yard connection or in the informal areas by street taps within 200m of any household.

Chapter 1

Sanitation

There is a resistance to accepting VIP sanitation systems in Steynville (Hopetown) and Deetlefsville (Strydenburg) when neighbouring suburbs are connected to water-borne sanitation. As a result no sanitation was expedited to provide sanitation services to those in need. Also services to areas like Sewendelaan in Steynville and Deetlefsville in Strydenburg are planned through the housing department.

Waste collection

We provide waste collection services once a week to all households in Hopetown and Strydenburg. However, we are aware that not many households make use of this service and prefer to dump rubbish illegally at block corners. This has placed major stress on the municipality to clear these heaps as our aging earth moving equipment has failed us time and time again. Payment for this service is very poor (27%).

Roads and storm water

We were able to employ 40 workers on our EPWP incentive grant which addressed the repair of potholes mainly in Wiid and Church Streets but also other streets in both Hopetown and Steynville.

T1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality experienced severe cash flow constraints. This resulted the non-payment of some of the top 10 creditors coupled with additional interest to be paid.

The revenue increased with 7% from the previous year whilst the expenditure increased with 27%.

T1.4.

Chapter 1

Budgeted Financial Performance (revenue and expenditure)"

Description	2014/15			2013/14	
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Restated Audited Outcome
R thousand	1	2	3	4	12
Revenue By Source					
Property rates	3 401	659	4 060	2 599	2 289
Property rates - penalties & collection charges			-		
Service charges - electricity revenue	9 925	77	10 003	10 795	8 729
Service charges - water revenue	3 438	1 231	4 669	2 070	3 007
Service charges - sanitation revenue	2 492	(22)	2 470	2 250	2 245
Service charges - refuse revenue	1 368	(19)	1 349	1 115	1 193
Service charges - other			-		
Rental of facilities and equipment	488	26	515	433	304
Interest earned - external investments	347	(45)	301	391	663
Interest earned - outstanding debtors	3 178	(2 274)	904	808	785
Dividends received			-		
Fines	4 021	491	4 512	3 879	924
Licences and permits	280	(96)	184	213	253
Agency services			-		
Transfers recognised - operational	21 532		21 532	22 424	24 215
Other revenue	819	(333)	486	1 527	674
Gains on disposal of PPE			-		
Total Revenue (excluding capital transfers and contributions)	51 290	(305)	50 985	48 504	45 282
Expenditure By Type					
Employee related costs	21 325	(1 091)	20 234	22 188	18 712
Remuneration of councillors	2 380	239	2 619	2 498	1 949
Debt impairment	8 749	-	8 749	6 690	4 483
Depreciation & asset impairment	3 291	6 816	10 107	8 936	8 221
Finance charges	393	252	645	3 476	1 086
Bulk purchases	6 898	2 480	9 378	10 372	9 572
Other materials	1 288	(492)	796	1 191	1 089
Contracted services	161	-	161	93	64
Transfers and grants	1 313	(139)	1 174		
Other expenditure	9 339	1 805	11 144	13 191	8 613
Loss on disposal of PPE			-		
Total Expenditure	55 137	9 871	65 008	68 634	53 790
Surplus/(Deficit)	(3 847)	(10 176)	(14 023)	(20 130)	(8 508)
Transfers recognised - capital			-	23 168	9 628
Contributions recognised - capital			-		
Contributed assets			-		
Surplus/(Deficit) after capital transfers & contributions	(3 847)	(10 176)	(14 023)	3 039	1 120
Taxation			-		
Surplus/(Deficit) after taxation	(3 847)	(10 176)	(14 023)	3 039	1 120
Attributable to minorities			-		
Surplus/(Deficit) attributable to municipality	(3 847)	(10 176)	(14 023)	3 039	1 120
Share of surplus/ (deficit) of associate			-		
Surplus/(Deficit) for the year	(3 847)	(10 176)	(14 023)	3 039	1 120

Chapter 1

COMMENT ON OPERATING RATIOS:

1. Employee Costs-ratio is 32 %

Increased costs due to the appointment of a CFO; appointment of additional staff in the Electricity Department and payment of accrued leave monies.

2. Repairs and maintenance-ratio is 1.74 %

New infrastructure i.r.o water and electricity resulted in a decrease in repairs and maintenance costs.

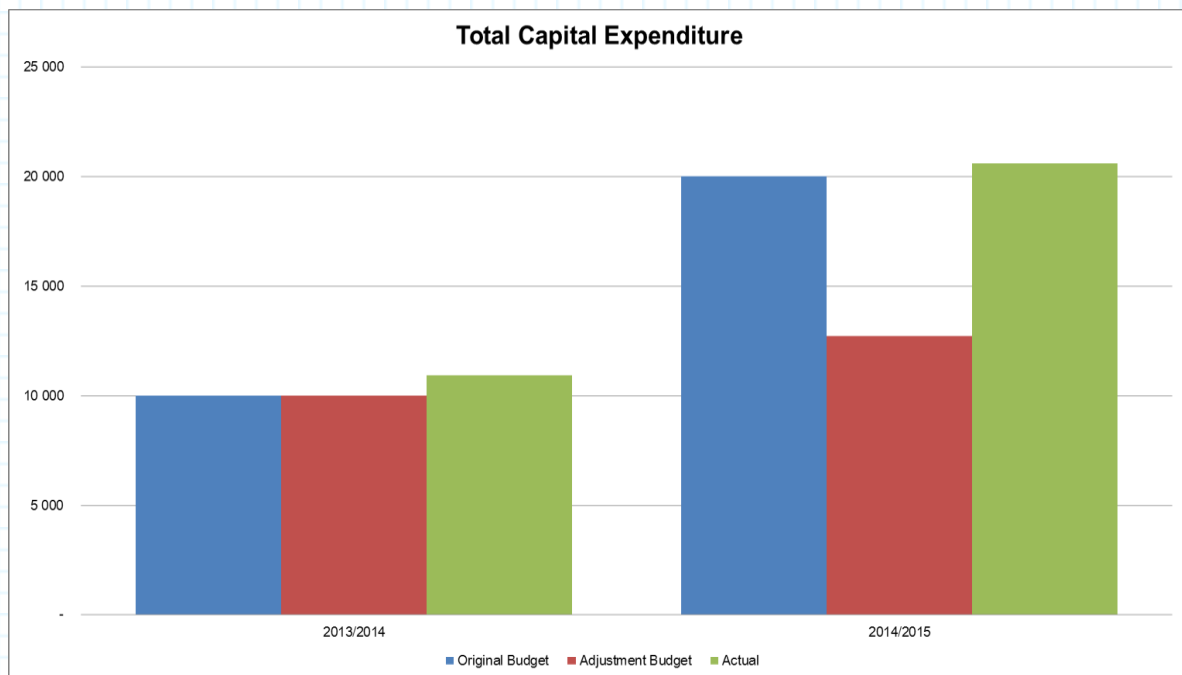
3. Finance charges and impairment-ratio is 15 %

3.1 Increased costs due to cash flow problems resulted in creditors not being paid within the 30 day period which, in turn, added interest to be paid to the original capital amount.

3.2 Escalating non-payment by debtors resulted in an increase of bad debts written off.

T1.4.3

Total Capital Expenditure: 2013/2014 to 2014/2015		
	R'000	
Detail	2013/2014	2014/2015
Original Budget	10 000	20 007
Adjustment Budget	10 000	12 737
Actual	10 948	20 614
		<i>T 1.4.4</i>



T1.4.5

Chapter 1

COMMENT ON CAPITAL EXPENDITURE:

Capital expenditure increased as projects were expedited which were funded from the RBI Grant from DWAF resulting in greater spending on the capital projects. Important water infrastructure projects are funded over multiple years.

Variance in spending:

An additional allocation received i.r.o RBIG funds resulted in an increase of 62 % in spending. (Actual vs. final adjusted budget)

T 1.4.5.1

Chapter 1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality has experienced for very low turnover of personnel. Most of the policies are in the process of being reviewed and the policies not yet in place will be given attention to as matter of priority. The LGSETA has not been supportive of skills development and training BUT we did manage to have some people taking part in some programmes.

The employee expenditure is within the expected norm although it is critical to expand the human resource capacity to strengthen the service delivery.

T1.5.1

1.6. AUDITOR GENERAL REPORT

The Auditor general issued a qualified audit opinion which is an improvement from the Disclaimer for the 2013/2014 financial year. An Audit Action plan was subsequently developed which will be implemented during the 2015/2016 financial year to address the issues raised by the Auditor General.

Below is an extract from the Audit report letter issued by the Auditor General.

The overall audit outcome of the Thembelihle Local Municipality was a Qualified opinion with material findings on the annual performance report and compliance with key legislation. There was an improvement from previous year.

1. The municipality did not address some findings that were reported in the 2013-14 audit report:
2. The audit report includes the following findings that require attention

2.1 Financial statements

The financial statements included errors or omissions in the following areas:

- Receivable from non-exchange transactions
- Revenue from non-exchange transactions
- Operating expenses
- Irregular expenditure

Attention should be given to prepare monthly register of fines must be kept, review of financial statements by management and audit committee as well as quarterly asset counts should be performed to prevent a recurrence in the 2015-16 financial statements.

2.2 Annual performance report

Chapter 1

Unable to report on the usefulness and reliability of the performance information, as the annual performance report of the municipality was not presented for auditing as required by section 46 of the Municipal Systems Act and section 121(3)(c) of the MFMA.

2.3 Compliance with key legislation:

The main areas of non-compliance by Thembelihle local Municipality were as follows:

- Strategic planning and performance management- The annual budget was not based on the development priorities of the municipality integrated development plan (IDP). The municipality did not establish a performance management system, as required by section 38(a) of the Municipal Systems Act.
- Budgets- Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the Municipal Finance Management Act.
- Annual financial statements, performance and annual Report- The internal control system did not detect material errors that were identified by the auditors. Some of these errors in the submitted financial statements were subsequently corrected.
- Expenditure management- Sufficient appropriate audit evidence could not be obtained that money owed by the municipality had always been paid within 30 days.
- Asset management- An effective system of internal control for assets and liabilities including a liability register was not in place.
- Consequence management- Unauthorized, irregular as well as fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure.
- Revenue management- An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(l) of the Municipal Finance Management Act.
- Human resource management- Sufficient audit evidence was not obtained to validate if senior managers and municipal manager were appointed without having met the prescribed minimum competency levels as required by section 54A (2) of the Municipal Systems Act.
- Procurement and contract management- Sufficient appropriate audit evidence could not be obtained that bid specifications were drafted by bid specification committees which were composed of one or more officials of the municipality.
- Audit committee- An audit committee was not in place, as required by section 166(1) of the Municipal Finance Management Act.
- Internal Audit- The internal audit unit did not function as required. Internal audit unit did not report to the audit committee on the implementation of the internal audit plan.

3. Compliance should be enhanced by proper filling system and implemented. The municipality monitors expenditure on a monthly basis to avoid over spending. The municipality must conduct a quarterly

Chapter 1

asset count. The municipal manager should investigate and where necessary, institute disciplinary steps against officials who make or permit irregular, wasteful and fruitless as well as unauthorized expenditure.

Section 11(3)(e) of the MSA the executive and legislative authority of the council to include the implementation of applicable national and provincial legislation and its by-laws. The council strengthen its monitoring and oversight role in this regard, but also set an example to the administration by effectively addressing non-compliance with legislation by the council as such.

4. The audit report includes the significant deficiencies in internal control that are the root causes of the findings on the financial statements, annual performance reports and compliance with key legislation.

Legislation defines the role of the council as it relates to some of these deficiencies, and is highlighted below to assist the council in responding to the audit report:

- Development of a system of delegation that will provide for adequate checks and balances (section 59(1) of the I/ISA)
 - Establishing and implementing performance management systems (section 11(3)(k) of the MSA)
5. The financial statements include disclosures on unauthorized, irregular as well as fruitless and wasteful expenditure incurred by the municipality.
 6. The report further highlights non-compliance with legislation and warning signs of possible financial misconduct and poor performance by the senior management of the municipality. We remind the council of its responsibility to:
 - Investigate unauthorized, irregular as well as fruitless and wasteful expenditure and recover any losses from liable officials in accordance with section 32(1) and (2) of the MFMA.
 - ensure that the municipality adopts appropriate systems and procedures to monitor, measure and evaluate the performance of staff as required by section 67(1)(d) of the MSA.
 - oversee investigations into allegations of financial misconduct by senior managers and any disciplinary proceedings required in terms of the disciplinary regulations for senior managers.

In conclusion, we are encouraged by the progress made by the municipality to improve its financial and performance management under the leadership and oversight of the council. As part of the quarterly key control engagements, we will follow up on the implementation of these recommendations made in the interest of further improvements. Be assured of the Auditor-General of South Africa's continuing support in this regard

Chapter 1

1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	August
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	
8	Mayor tables the unaudited draft 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 - November
12	Municipalities receive and start to address the Auditor General's comments	December
13	Mayor tables audited Financial Statements to Council complete with the Auditor-General's Report	
14	Compile Annual Report	January
15	Mayor tables Annual Report to Council for consideration.	
16	Annual Report is made public and representation is invited	February
17	Oversight Committee assesses Annual Report	

Chapter 1

18	Council adopts Oversight report	March
19	Oversight report is made public	
20	Oversight report is submitted to relevant provincial councils	
21	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	
		T1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

T1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The municipal council is responsible for governance which is exercised via submissions to council meetings and the maintenance of regular meetings of various committees to entrench oversight and consider issues in depth that must appear before council.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Council consists of one permanent councillor who serves as mayor and speaker, with three other councillors serving as chairpersons of committees.

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

We have one permanent councillor serving as Mayor and Speaker. Three other councillors serve as chairpersons of the Corporative Service Committee, Technical Committee, and Finance Committee.

The intention is to establish very early in the new financial year the Oversight Committee and also to advertise positions on the Audit Committee.

The launch of the Municipal Public Accounts Committee is also imminent and it is expected that the Committee will be up and running by the time of publication of this Annual Report.

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

T2.1.1

Chapter 2

POLITICAL STRUCTURE

Photos

Function

MAYOR

Cllr Danny A. Jonas

Full time

DEPUTY MAYOR

None

SPEAKER

Office of Mayor and Speaker combined

CHIEF WHIP

Suzette Madekane

T2.1.1

COUNCILLORS

Seven councillors serve Thembelihle Municipality.

Four of these are ward councillors, three from the African National Congress and one ward councillor who is Independent.

Three of the proportional councillors are from the Congress of the People and one from the Democratic Alliance.

Also refer to **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

Also refer to **Appendix B** which sets out committees and committee purposes.

T2.1.2

POLITICAL DECISION-TAKING

This process happens by way of council resolutions.

T2.1.3

Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The structure consist of the Municipal Manager, the Chief Financial Officer and two other senior managers. The position of a fourth senior manager (Planning and Development) is included on the staff establishment but has not been filled as yet due to budget restraints.

Note: MFMA s60 (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.

T2.2.1

Chapter 2

TOP ADMINISTRATIVE STRUCTURE		
<i>Photo</i>	TIER 1	Function
	MUNICIPAL MANAGER Abraham Mpho Mogale	
	TIERS 2 AND 3	
<i>Photo Executive</i>		
<i>Directors</i>		
<i>Directors</i>	EXECUTIVE DIRECTOR: Chief Financial Officer	
<i>Optional</i>	G Butterworth Manager – Treasury Services Lidia Walters Manager – Financial Services Xoliswa Manzi	
	EXECUTIVE DIRECTOR: Manager – Technical Services Vacant	
	EXECUTIVE DIRECTOR: Manager – Corporate Services Vacant	
	EXECUTIVE DIRECTOR: Manager – Planning and Development VACANT	
	Note: * denotes officials on fixed term performance contracts reporting to the Municipal Manager under the Municipal Systems Act Section 57.	T2.2.2

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Active participants in the District Technical IGR and District IGR.

Full interaction with provincial sector departments.

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

No participation

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

No participation

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

No entities established

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

Active participants. Have service level agreement in place on housing delivery.

T2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Community meetings for each of the four wards were held to discuss the IDP as well as the proposed budget.

MSA S15 (b): requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

IDP Representative forums were held as well as two public meetings to elicit input from the community on the compilation of the IDP.

Notices are posted in public places to convey announcements together with the distribution of flyers. The municipality has also established a website which people can access.

T2.4.1

WARD COMMITTEES

Wards committees for two of the four wards are active and forward recommendations to their ward councilors.

Refer to **Appendix E** which contains further details on ward committee governance and to **Appendix F** that contains performance data on a ward by ward basis.

T2.4.2

Chapter 2

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
INFORMATION NOT SUBMITTED						

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Very positive inputs are received from the community on the issues as appearing on the agenda on and also other matters raised as concerns.

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	YES
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align to the Section 57 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?	NO
* Section 26 Municipal Systems Act 2000	

T2.5.1

Chapter 2

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Handled by the municipal council assisted by the senior managers.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

This is work in progress and it is foreseen that it will be implemented with assistance from with the provincial treasury.

Note: MFMA S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Municipality has no risk management and associated actions policies in place but the matter is being attended to. We do not have a fraud hotline.

A risk assessment was previously done for the municipality.

There is no Audit Committee in place and the function is not being performed. Plans underway to establish an Audit Committee in the 2015/2016 financial year.

Internal audit is also done by shared services from district municipality and functioning very well.

Chapter 2

Notes: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T4.3.6). MSA 2000 S83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

We have a very good supply chain management policy in place. The different committees established are fully functional. A policy on irregular, unauthorized and wasteful expenditure was adopted by Council.

The MFIP I advisor from National Treasury is engaged with intensive intervention with staff members from the SCM unit within the BTO to strengthen the capacity.

Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

T2.8.1

2.9 BY-LAWS

By-laws Introduced during Year 1					
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
none	none	not applicable	not applicable	n / a	n / a

Note: See MSA section 13.

T2.9.1

COMMENT ON BY-LAWS:

None instituted for the year

T2.9.1.1

Chapter 2

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	31-May-14
All current budget-related policies	Yes	31-May-14
The previous annual report (Year -1)	Yes	
The annual report (Year 0) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	No	
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	
<p><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></p>		

T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipal website www.thembelihlemunicipality.gov.za came on line during July 2013. A lot of work still need to be attended to.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

No surveys were conducted.

T2.11.1

Chapter 2

Satisfaction Surveys Undertaken during: Year 0 and Year 1				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
Satisfaction with:				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Information supplied by municipality to the public				
(f) Opportunities for consultation on municipal affairs				
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T2.11.2

	T2.11.2.1
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COMMENT ON SATISFACTION LEVELS:	
No surveys were undertaken	T2.11.2.2

Chapter 3

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

INTRODUCTION

The key focus in Thembelihle Local Municipality has been to ensure that bulk services are in place to meet the demands of all residents and commercial endeavors. We can report the following achievements:

Electricity

The 5MVA intake sub-station at Hopetown was completed previously and this will ensure sufficient supply for the next 10 years. This year the old transformers were connected and are in an idle mode. The transformers are connected as standby units and, from time to time, a switch over is performed to transfer electricity load. Erven in Sewendelaan and Hou jou Bek extensions received electricity as well as the Strydenburg informal area.

Water

The new Water treatment works was completed on 5 September 2015 and is operational with some minor defaults. The new Raw Water Abstraction Pump station was completed on 28 May 2015 and is still within the retention period.

We installed a water reticulation network for the Hou jou Bek area with house connections. This was done with the assistance of MISA.

The Strydenburg Bulk Water Supply was implemented in two phases and is nearing completion. Three boreholes were equipped with switchgear, a pressure tank was erected and a 12 kilometer stretch of line was built. We have signed off on the practical completion but the Mechanical/Electrical part is not yet finalized.

Sanitation

We installed a full water borne sewer system for the Hou jou Bek area, with the assistance of MISA.

The Strydenburg 63 (Deetlefsville) project is under construction and is being supervised by the Pixley Ka Seme District.

Business plans were submitted for the 7de Laan (Steynville) erven services.

The municipality is currently refurbishing the Hopetown main sewer pump station. The Vergenoeg Sewage Pump Station was placed on hold due to financial constraints.

Roads and storm water drainage

The business plan to refurbish and upgrade the Church and Wiid streets in Hopetown was not approved for funding by MIG. We maintained potholes in Church Street and paved the two intersections in Wiid Street. The MIG project for Roads and Storm water commenced in phases. This is a multiyear project for street paving and Storm water channel construction.

Chapter 3

Phase 1 and two was running simultaneously to pave Aandblom and Lilianveld Street including construction of a part of the water channel. Unfortunately the project stopped due to nonpayment by MIG.

Solid waste removal

The new solid waste land fill site license application was submitted to Environmental Affair and we await the approval thereof. The decommissioning of the old site was approved and cleaning up and closure will commence as soon as the new site is licensed and funds are available.

We have endeavoured to remove all waste heaps in Steynville but have been hampered by the poor condition of our earthmoving equipment.

Generally services to indigents have remained static. Our backlogs are with sanitation, housing and electricity.

T3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

The Constitution Act 108 of 1996, Municipal Structures Act 117 of 1998 and Municipal Systems Act 32 of 2000 lead the duties of all municipalities in the delivery of services to residents.

To this end Thembelihle Local Municipality is committed to service delivery, especially to our poor community members. Access to employment, improvement of services like water, sanitation, refuse collection and safe roads and effective storm water drainage systems are all part of improving the lives of all in our municipal area.

T3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Water resources

Water for Hopetown and Steynville is obtained from the Orange River. It is purified at the New Water Treatment Works which is based on conventional water treatment processes. Thembelihle still experience difficulties with the Chlorination system after the retention period, as well as the new Raw Water pump Station, specifically with the 3 main pumps that is overheating. The Steynville system is working perfectly well.

Chapter 3

Asbestos water reticulation systems in Hopetown and Steynville is causing extreme problems as the useful life-span period is exhausted. Leaks and crack are in the order of the day. Great quantities of clean water is lost as a result of this.

Water supply to Strydenburg is obtained from boreholes in the area and these have also reached their supply capacity. Water supply to Strydenburg will be more sustainable once the new boreholes have been fully equipped. The delay on the project is that there was insufficient funding available for electrical supply to the new boreholes. The boreholes function on generators that is extremely costly and creates problems with the supply of water to Deetlefsville and Strydenburg.

Reported water losses are high (2013/14:52%) and increased to 58% for 2014/15. This will be addressed as a high priority in the new financial year. (2015/2016.) New technology installed in Strydenburg will ensure that future water losses are kept to the minimum. Hopetown is still problematic as many of the bulk meters and cut-off valves do not function properly. It is anticipated that, once all faulty end-user meters are replaced, there should be a marked increase in revenue generated. As part of the drive, a comprehensive data cleansing exercise will be initiated to validate and update the correctness of all water and electrical consumers. This meter audit is of the outmost importance and must be conducted as soon as possible.

Blue drop

The Blue Drop System capturing is outsourced as we do not have experienced personnel to fill the positions. This function is carried out by AAS Solutions and Orange Free State Laboratory.

Table 3.3: Physical, Organoleptic SANS 241 : 2006 Compliance - Supply System Summaries

System	Water Quality										Monitoring Compliance			CERTIFIED DATA
	Analysis			Samples			Sites				Monthly	Annual	Total	
	Total	Failures	%	Total	Failures	%	Total	Failures	%	Coverage				
Hopetown (Orange River)	25	0	>99.9%	5	0	>99.9%	5	0	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%	
Strydenburg (Boreholes)	10	0	>99.9%	2	0	>99.9%	2	0	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%	0.0%
Thembelihle Local Municipality	35	0	>99.9%	7	0	>99.9%	7	0	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%	

The failures recorded relate to E-coli counts being found in certain of the end point lines in our distribution system in Hopetown as well as in Strydenburg. There is doubt cast on certain of these E-coli counts as there are free chlorine residual counts recorded from the same samples. This matter is being investigated by testing new samples at our current laboratory and another laboratory. We are also in the process of refurbishing the gas chlorination system at Strydenburg to ensure a more robust disinfection system.

As the Water Service Provider in Thembelihle, we also supply water to the communities at Orange River Station (21 families) and Kraankuil Station (12 families). Consideration to be given to the use of boreholes in these areas as an alternative to transporting water in with tankers. Management will have to consult with nearby

Chapter 3

landowners on this matter to develop borehole opportunities. This is another factor that must be reported on when calculating water losses.

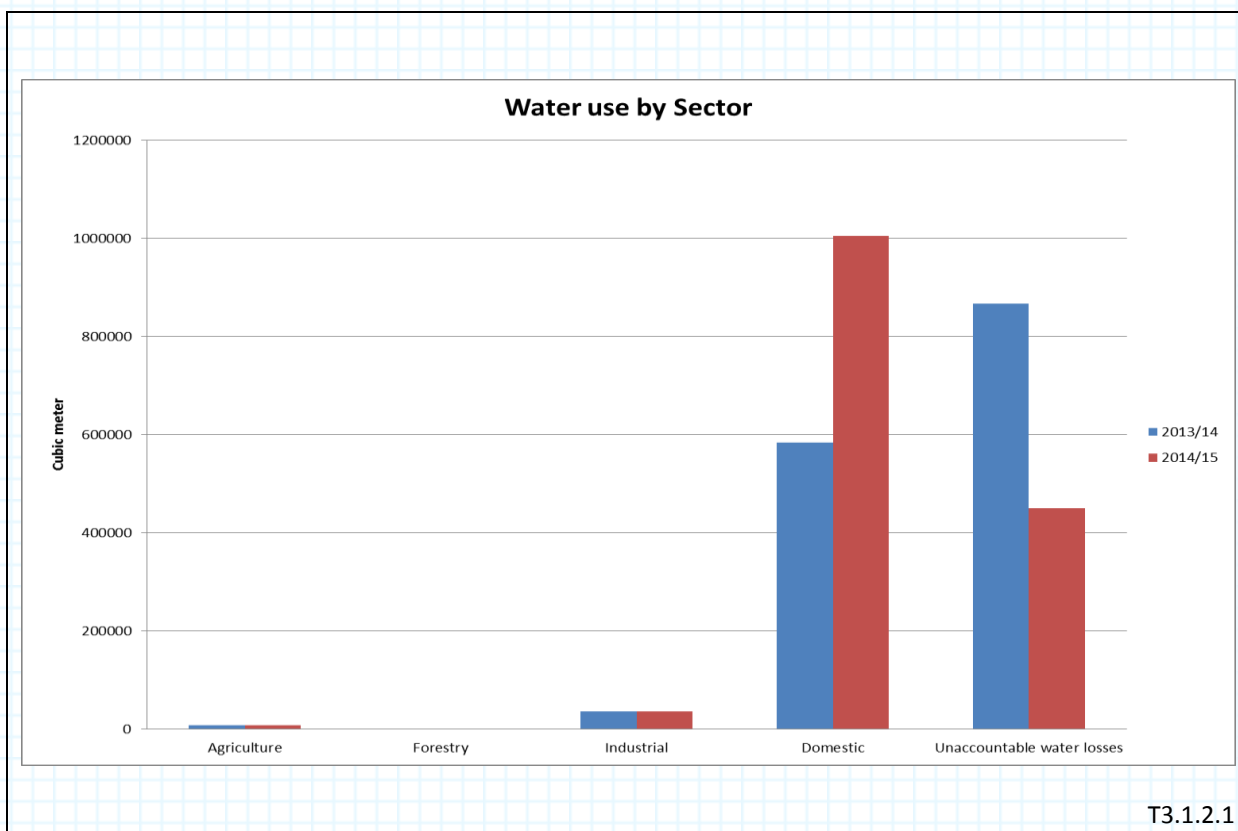
Sanitation and wastewater management

A New Oxidation pond system was implemented in December 2010 in Hopetown and was designed to last for a 20 year period. To our surprise the dams reached capacity within four years. We are currently busy with a business plan to rehabilitate our old dams to help with to load capacity of the sewer system.

T3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2013/14	8216	0	36256	584785	867537
2014/15	8500	0	36000	1005500	450000

T3.1.2



Chapter 3

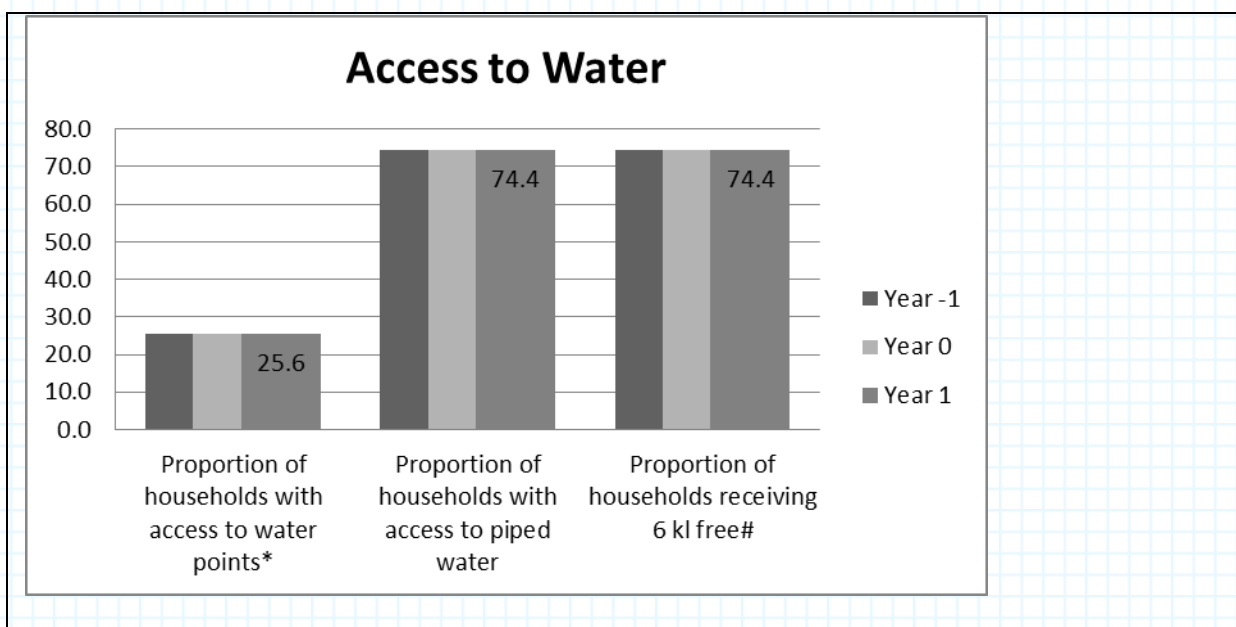
COMMENT ON WATER USE BY SECTOR:

Water consumption data is inadequate. This is due to WCWDM system not being expedited properly. Thembelihle has many bulk waters and domestic meters that do not work properly and the recording of bulk water consumption data as well as end-user consumption is not accurate. This has led to poor data regarding water consumption for billing and unaccounted-for water losses. We are busy replacing broken meters to improve our data system and revenue collection.

From the data that we have, our unaccounted-for water losses have reached 58 % of clean water supplied. This is not an acceptable loss. Consequently an audit will be expedited on all meters in the municipal area in this financial year to identify which meters do not work as well as checking all the necessary end user information and current meter readings.

T3.1.2.2

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets									
Water:									
Piped water inside dwelling	1 946	1 946	1 946	2 560	2 560	2 560	2 560	2 560	2 560
Piped water inside yard (but not in dwelling)	455	455	455						
Using public tap (at least min.service level)	200	200	200	1 501	1 501	1 501	1 501	1 501	1 501
Other water supply (at least min.service level)									
<i>Minimum Service Level and Above sub-total</i>	2 601	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	2 601	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061



Chapter 3

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

T3.1.5

Thembelihle Water Line	
Row Labels	Sum of Length
HOPETOWN	54816.35
STRYDENBURG	30722.48
Grand Total	85538.83



Chapter 3



Chapter 3

Employees: Water Services					
Job Level	Year 0	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	7	7	5	2	29%
7 - 9	8	8	8		0%
10 - 12	0	0	0	0	
13 - 15					
16 - 18					
19 - 20					
Total	15	15	13	2	13%

*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.* T3.1.7

Project Name	Start Date	Est End Date	2013-2014	2014-2015
			Commitment	Commitment
Upgrading of existing raw water abstraction from O	2012/07/25	2016/06/30	-1 177 885.36	-9 373 245.41
Upgrading of Hopetown Water Purification Plant	2011/05/23	2014/11/25	-24 997 864.57	-27 745 333.27
Refurbishment of Hopetown Main Intake - Phase 1/2	2011/08/25	2013/05/02	-4 672 718.77	-4 672 718.77
Upgrading Of Steynville Bulk Water Supply	2011/11/23	2014/03/07	-18 202 144.52	-18 202 144.52

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

Bulk water provision to both Strydenburg and Hopetown is progressing well.

There are risks associated with the raw water abstraction pump station in the Orange River but these will be addressed in 2016 with RBIG/MIG funding proposals. Once the boreholes serving Strydenburg have been equipped, the final blended water quality evaluated for water softening treatment to improve the water hardness of Strydenburg's potable water.

The internal reticulation in both Hopetown and Strydenburg will need to be upgraded from the asbestos cement pipes to HDPE or uPVC piping. The existing asbestos cement system is old and at the end of its useful life. Consequently, pipe bursts occur frequently.

T3.1. 10

Chapter 3

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Sanitation to the informal areas in Thembelihle must be addressed. The VIP latrines in the formal areas also need to be replaced with waterborne sewerage systems.

Our strategy for the introduction of water borne sanitation systems to the residential areas will be based on:

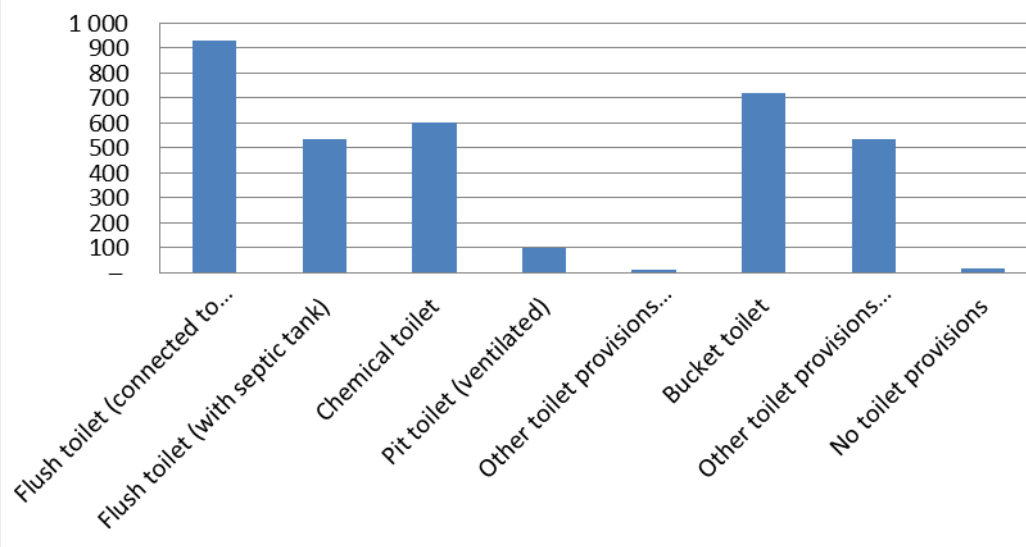
- a) The national housing scheme
- b) MIG funding

We have not provided any new sanitation services during the 2015/2016 year. This has been due to inadequate planning resulting in no business plans being developed to attract MIG or other funding.

As a result, 2015/2016 needs to ensure that sufficient BP's are developed to address the delivery of sanitation services to Thembelihle's residents according to the IDP.

T3.2.1

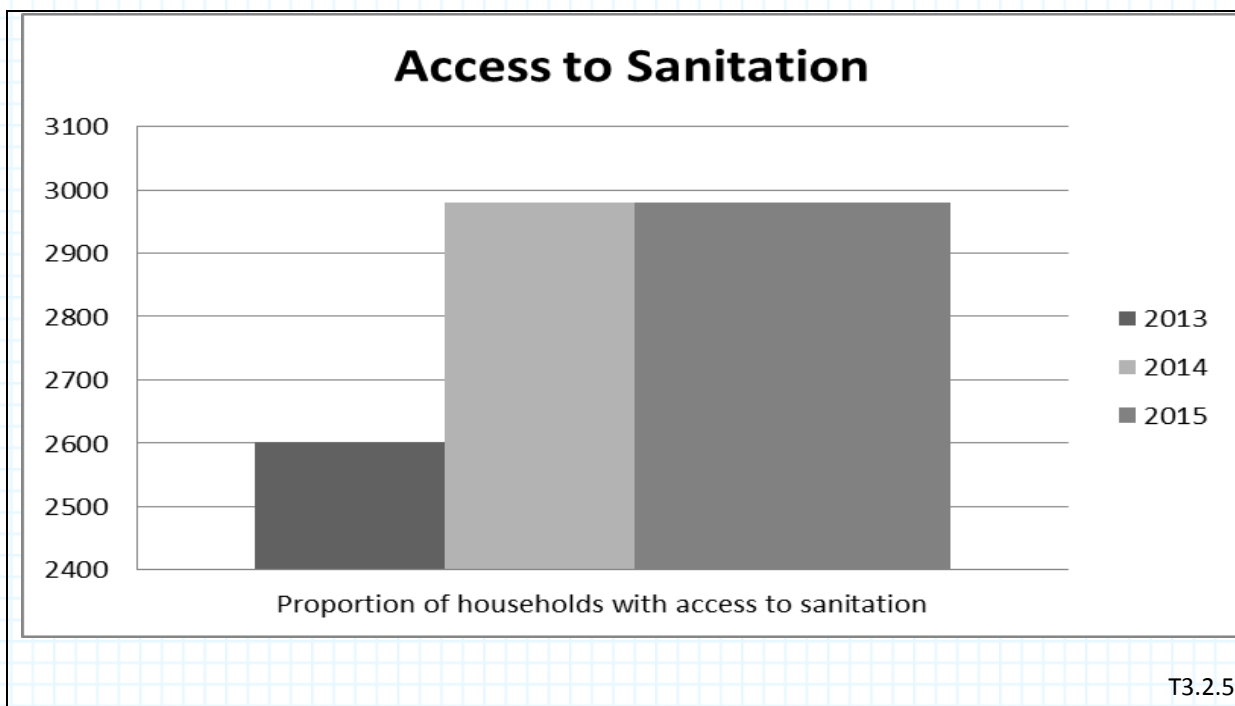
Sanitation/Sewerage: (above minimum level) - Year 1



T3.2.2

Chapter 3

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	1 761	1 761	1 761	2 229	2 229	2 229	2 229	2 229	2 229
Flush toilet (with septic tank)	161	161	161						
Chemical toilet									
Pit toilet (ventilated)	679	679	679	731	731	731	731	731	731
Other toilet provisions (> min.service level)									
<i>Minimum Service Level and Above sub-total</i>	2 601	2 601	2 601	2 960	2 960	2 960	2 960	2 960	2 960
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions				1 101	1 101	1 101	1 101	1 101	1 101
<i>Below Minimum Service Level sub-total</i>	-	-	-	1 101	1 101	1 101	1 101	1 101	1 101
Total number of households	2 601	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061



Thembelihle Sewer Lines	
Row Labels	Sum of Length
HOPETOWN	33211.15
RURAL	203.25
STRYDENBURG	9586.18
Grand Total	43000.58

Chapter 3



Chapter 3

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

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

Capital Expenditure Year 2014/2015: Sanitation Services						R' 000
Capital Projects	Year 2014/2015					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All				#DIV/0!		
No Projects undertaken.						
Project A				#DIV/0!		
Project B				#DIV/0!		
Project C				#DIV/0!		
Project D				#DIV/0!		

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

T 3.2.9

Chapter 3

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The IDP requires that some 750 erven be developed over the next three years – at a rate of 250 erven per year. Planning for this development was intitade and few back with the identification of development arears. The areas have been identified (Hospital Park in Hopetown; Sewendelaan and new area in Steynville; and 63 erven in Deetlefsville, Strydenburg). However, funding for the provision of services needs to be obtained. These issues will be addressd in the 2015/2016 financial year.

T3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Delays have been experienced in the SG approval of erven in Sewendelaan, Steynville. These erven total some 271 erven and Eskom had planned to electrify these erven in the financial year.

The tender for the provision of services to 63 erven in Deetlefsville, Strydenburg should have been awarded in November 2012, however, due to the tender amount of the proposed successful bidder being too high, the award has not been made pending Public Works' approval of the tender amount.

T3.3.1

T3.3.2

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Energy:									
Electricity (at least min. service level)	683	683	683	740	740	740	740	740	740
Electricity - prepaid (min. service level)	43	43	43	1820	1 820	1 820	1820	1820	1820
<i>Minimum Service Level and Above sub-total</i>	726	726	726	2 560	2 560	2 560	2 560	2 560	2 560
Electricity (< min. service level)									
Electricity - prepaid (< min. service level)									
Other energy sources	1 875	1 875	1 875						
<i>Below Minimum Service Level sub-total</i>	1 875	1 875	1 875	-	-	-	-	-	-
Total number of households	2 601	2 601	2 601	2 560	2 560	2 560	2 560	2 560	2 560

Chapter 3

Thembelihle Elec LV Lines

Row Labels	Sum of Length
HOPETOWN	20104.18
STRYDENBURG	12371.59
Grand Total	32475.77



Thembelihle MV Elec Lines

Row Labels	Sum of Length
HOPETOWN	15165.23
RURAL	1124.79
STRYDENBURG	2397.47
Grand Total	18687.49

Chapter 3



Chapter 3

Electricity Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2011/2012		2012/2013			2013/2014	2015/2016	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	2013/2014 (viii)	2014/2015 (ix)	2015/2016 (x)
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	0 additional HHs (871 HHs below minimum)	0 additional HHs (871 HHs below minimum)	0 additional HHs (871 HHs below minimum)	0 additional HHs (871 HHs below minimum)	0 additional HHs (871 HHs below minimum)	301 additional HHs (1501 HHs below minimum)	300 additional HHs (900 HHs below minimum)	300 additional HHs (600 HHs below minimum)
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									T3.3.5

Chapter 3

Employees: Electricity Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	3	4	2	2	50%
7 - 9					
10 - 12		2		2	100%
13 - 15					
16 - 18					
19 - 20					
Total	3	6	2	4	67%

*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.

T3.3.6

No Capital projects for the year.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

T3.3.9

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

INTRODUCTION TO WASTE MANAGEMENT

Currently, Thembelihle provides a weekly refuse collection to all residents in Hopetown and Strydenburg. However, refuse removal in Steynville (part of Hopetown) is still proving to be difficult because the residents do not place their plastic bags out in the street for collection. Refuse is rather thrown onto rubbish heaps on block corners. This results in costly exercises to remove the refuse as garden and building rubble as well as carcasses are also thrown onto these heaps. Earth moving equipment has to be used (front-end loaders and tipper trucks) to remove the rubbish mounds.

Our priorities to the immediate future are to:

Commission the new solid waste disposal site

Chapter 3

Decommission the existing dump site

Earthmoving and compaction equipment would need to be purchased to enable the municipality to effectively run the new waste disposal site.

We plan to meet with the communities to discuss how best to address the issue of waste collection. Issues regarding the purchase of plastic bags, placing these bags in the street for collection and the removal of ash, garden refuse and building rubble must also be addressed.

T3.4.1

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Refuse:									
Removed at least once a week	2 601	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061
<i>Minimum Service Level and Above sub-total</i>	2 601	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061
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>	-	-	-	-	-	-	-	-	-
Total number of households	2 601	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061

Chapter 3

Employees: Solid Waste Magement Services					
Job Level	Year 0		Year 1		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0				
4 - 6	6	4	4		0%
7 - 9	2	8	8		0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	8	12	12	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

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

T3.4.5

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Waste Management within the municipality must receive higher priority in the coming years. This must start with the registration and licensing of our land fill sites in both Hopetown and Strydenburg.

Rubbish removal is the service least supported (payment-wise) by residents (27% payment).

Thembelihle will need to develop a Waste Management Strategy to improve its commitment to operating its land fill sites according to legislation.

T3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

Until now the provision of housing had been dealt with in collaboration with Pixley ka Seme District Municipality as well as Pixley ka Seme regional office of Dept COGHSTA.

The identification of housing need as well as categories of the need is conducted followed by the three step approach of applying for funding for town planning, provision of services and erection of top structures. For 2014/2015 no projects had been applied for.

The position of Manager for Technical Services had been vacant creating an enormous challenge as far as planning and applications for projects had been concerned.

These applications had been forwarded on to the Northern Cape Department of Co-operative Governance, Human Settlements and Traditional Affairs.

The municipality has no entities established do deal with any Housing Services related matters.

T3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2011/2012	3431	2500	72.9%
2012/2013	3583	2648	73.9%
2013/2014	3583	2648	73.9%
2014/2015	3583	2648	73.9%
			T 3.5.2

Chapter 3

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

No projects were applied for in the financial year

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Thembelihle is committed to provide the following free basic services:

6 kl of potable water per month per household

50 kWh of electricity for registered indigents

Free refuse removal for registered indigents

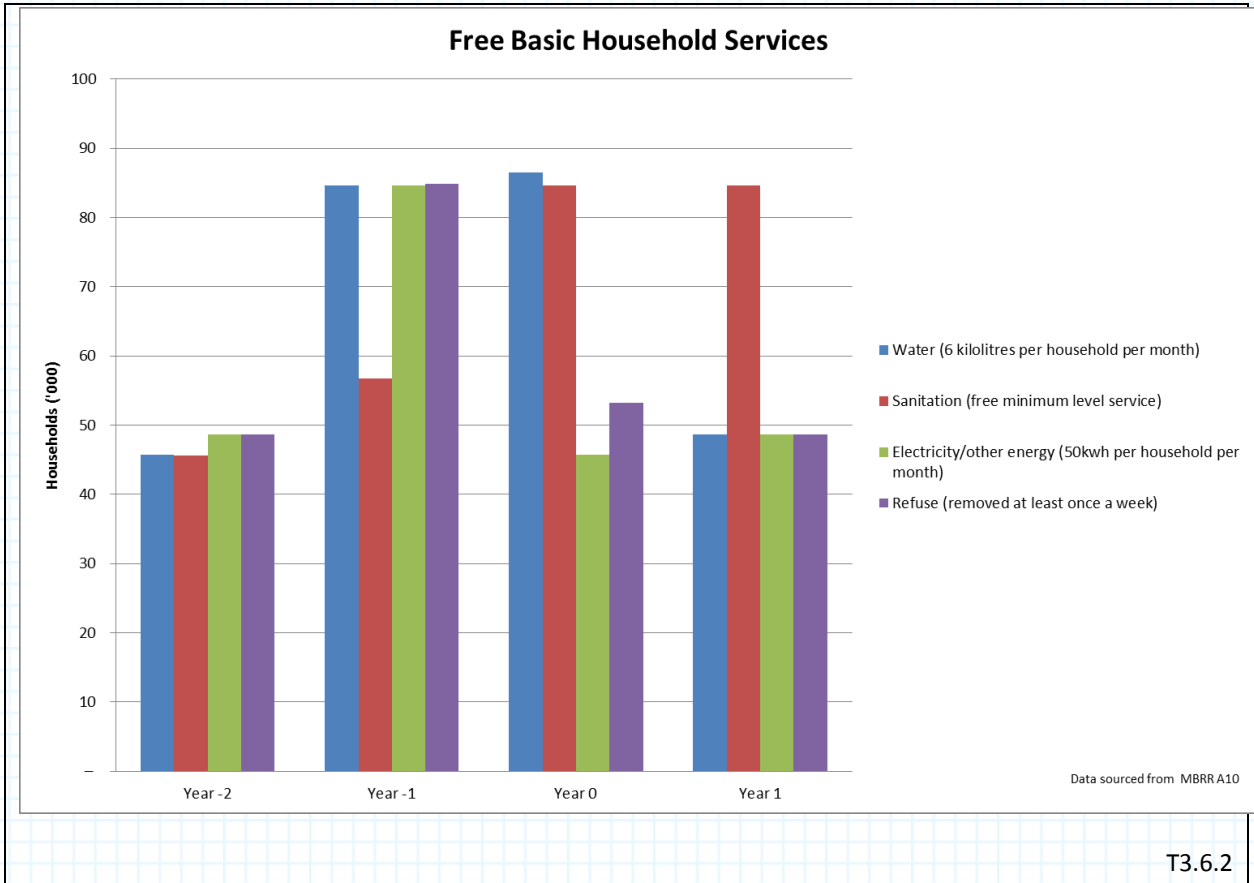
Free sanitation for registered indigents

The latest indigent register indicates 1 476 indigents. We successfully provide water as per the prescribed RDP standard (200m stand pipes in street). Power is also supplied to all registered indigents Sewende laan (suburb of Steynville). Sanitation is still a challenge.

We successfully provide electricity through ESCOM to 976 stands who also receive 50 kWh free electricity per month. There remain 500 stands that do not have access to free basic electricity. These cases will be addressed when we develop the 329 erven required in Thembelihle.

T3.6.1

Chapter 3



Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Free basic services are provided in the following services:

6 kℓ/month per household

50 kWh/month per indigent

Free sanitation and refuse per indigent

Thembelihle Local Municipality needs to update its indigent register as a priority for planning purposes and funding resourcing.

T3.6.6

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

No projects

T3.7.0

3.7 ROADS

INTRODUCTION TO ROADS

The overall condition of streets are poor in the whole municipal area. Potholes are maintained in Church Street and Wiid Street which carry heavy traffic. With assistance of the pave road contractor, we successfully paved two intersections in these streets.

A Business Plan for the resealing of the main road in Strydenburg was submitted to Department of Public Roads. This project was approved in 2014. The department appointed a contractor and it was completed in the financial year.

Due to the high percentage of accidents on the N12 passing by Hopetown, an application was submitted to SANRAL for the erection of lightning on the N12 main crossing to Hopetown as well as walk ways for pedestrians. This project was successfully completed.

Chapter 3

A Business Plan was submitted for the storm water drainage and paving of 7 kilometres of street. MIG approved this multi-year project of R77 million. This project is in its first and second phase and currently under construction.

T3.7.1

Thembelihle Road Lines

Row Labels	Sum of Length
not defined	4295.61
Thembelihle	49808.72
Grand Total	54104.33



Chapter 3



T3.7.5

Chapter 3

Employees: Road Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	7	14	14		0%
7 - 9	1	2	2		0%
13 - 15					
16 - 18					
19 - 20					
Total	8	16	16	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.7.7

Capital Expenditure 2014/2015: Road Services					
Capital Projects	2014/2015				R' 000
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	Total All	0	0	2397	100%
TLM 06/2014 Upgrading of Roads and Stormwater Infrastructure in Steynville, Hopetown.			2397		77000
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.7.9

Chapter 3

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The municipality has a mayor challenge in maintaining the current infrastructure of roads in the Thembelihle area of jurisdiction. The cash flow constraint is a main reason for the back log. Only through Capital funding will the municipality be able to provide the service.

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The municipality has a traffic component for law enforcement. A service provider is appointed for the issuing of traffic fines and collecting thereof. The appointment of additional staff is a challenge due to the geographic location of Thembelihle.

T3.8.1

Concerning T3.8.2
T3.8.2.1

Chapter 3

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

The division is performing their utmost with restricted resources to uphold the law enforcement tasks.

Our revenue decreased due to the suspension of the previous service provider for the issuing of traffic fines. Although a new service provider was appointed, the recovering of fines is still a challenge.

T3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Storm water drainage has received very little attention in the past. Steynville is situated on a very flat area topographically which causes drainage problems that leads major damage to roads as ponds are formed. Master Drainage Plans need to be compiled to identify the priority problem areas for immediate attention. Drainage of the areas must be addressed before any significant maintenance plan can be developed for the road networks.

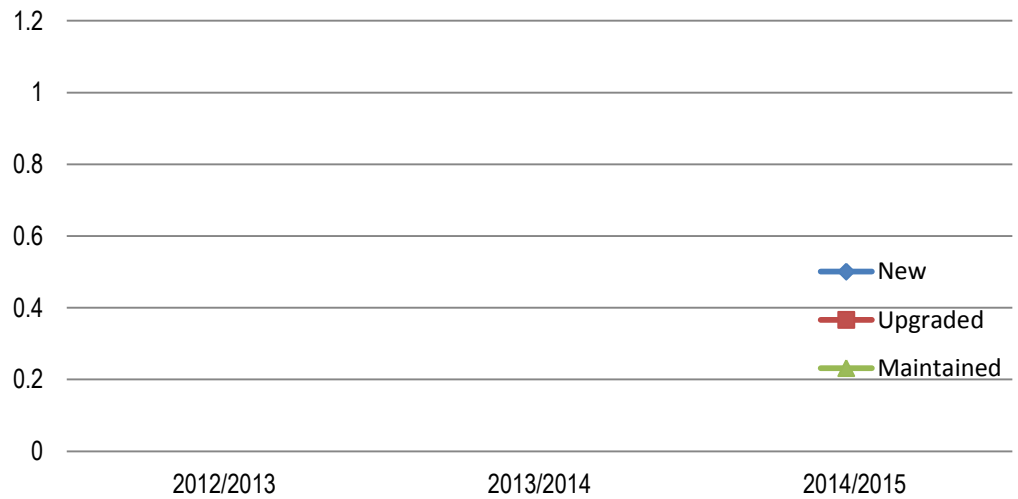
The problem is partially addressed with the MIG upgrading of the roads in Steynville, but a master drainage plan still need to be compiled.

T3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2012/2013	No projects			
2013/2014				
2014/2015				
				T 3.9.2

Chapter 3

Stormwater infrastructure costs



T3.9.4

Chapter 3

Employees: Stormwater Services					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6	Included in road section				#DIV/0!
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total					#DIV/0!

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.9.6

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Thembelihle has had no storm water drainage capital projects during the financial year.

T3.9.9

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The municipality is an hour's drive from Kimberley which has been declared as a special economic zone which offers the opportunity to tap into the vast potential available.

The town of Hoptown is situated on the crossroads of the N12 and the route accessing the N10 at Hanover.

The upgrading of the road to Douglas to a tarred road presents further future local economic development potential.

The banks of the Orange River also present enormous economic development potential.

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

The Planning section need to be strengthened drastically. The position of Manager: Planning and Development exist on the approved staff establishment and need to be filled in the 2015/2016 financial year.

All town planning activities are performed by external service providers with input from municipal officials and consultations with council.

Building regulations is done through shared services rendered by Pixley Ka Seme District municipality.

T3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Enviroment	
	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1
Planning application received		none		four		one
Determination made in year of receipt						yes
Determination made in following year				yes		
Applications withdrawn						
Applications outstanding at year end				three		

T3.10.2

Chapter 3

Chapter 3

Employees: Planning Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	0	0	0	0	#DIV/0!

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

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

T3.10.4

Capital Expenditure Year 1: Planning Services						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0	#DIV/0!		
Project A	0	0	0	#DIV/0!	0	
Project B	0	0	0	#DIV/0!	0	
Project C	0	0	0	#DIV/0!	0	
Project D	0	0	0	#DIV/0!	0	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.10.6	

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

T3.10.7

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

A local economic development plan aligned to the district and provincial plan have been compiled.

A few projects were approved for local economic development. The projects will create jobs and uplift the social welfare.

T3.11.1

Economic Activity by Sector			
			estimated %
Sector	Year -1	Year 0	Year 1
Agric, forestry and fishing	48%	48%	48%
Mining and quarrying	13%	13%	13%
Manufacturing	9%	9%	9%
Wholesale and retail trade	14%	14%	14%
Finance, property, etc.	5%	5%	5%
Govt, community and social services	8%	8%	8%
Infrastructure services	3%	3%	3%
	100%	100%	100%

T3.11.2

Economic Employment by Sector			
			Jobs estimated % according to IDP
Sector	Year -1 No.	Year 0 No.	Year 1 No.
Agric, forestry and fishing	35%	35%	35%
Mining and quarrying	5%	5%	5%
Manufacturing	8%	8%	8%
Wholesale and retail trade	11%	11%	11%
Finance, property, etc.	3%	3%	3%
Govt, community and social services	21%	21%	21%
Infrastructure services	17%	17%	17%
Total	100%	100%	100%

T3.11.3

Chapter 3

COMMENT ON LOCAL JOB OPPORTUNITIES:

The Northern Cape Tourism Master Plan will inform the prospects for developments in the municipal area.

The building of a small scale conference facility will also contribute to job creation and economic development opportunities in a similar manner.

T3.11.4

Jobs Created during Year 1 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)	0	0	0	
Year -1	0	0	0	
Year 0	0	0	0	
Year 1	0	0	0	
Initiative A (Year 1)	none	none	none	
Initiative B (Year 1)	none	none	none	
Initiative C (Year 1)	none	none	none	

T3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2012/2013	not known	0
2013/2014	not known	0
2014/2015	1	40
* - <i>Extended Public Works Programme</i>		T3.11.6

Chapter 3

Chapter 3

Employees: Local Economic Development Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	0	0	0	0	#DIV/0!
10 - 12	1	1	1		0%
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

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

T3.11.8

Expenditure 2014/2015: Economic Development Services					
					R' 000
Capital Projects	2014/2015				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
EPWP	1000	1000	820	-22%	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	

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

T 3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Job creation decrease unemployment and up lift the community. The cemetery in Strydenburg was fenced and cleaned. Potholes in Hopetown were repaired and the cemetery was cleaned. Both towns were cleaned.

T3.11.11

Chapter 3

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

Three libraries service the residents of Thembelihle Municipality as well as two community halls and four cemeteries.

T3.52.0

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES
Three libraries service the residents of Thembelihle Municipality as well as two community halls.

T3.52.1

SERVICE DELIVERED BY LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

The libraries are open Monday to Friday from 07H30 to 13H00 and 14H00 to 16H30 at no cost to the users.

The community halls are available at a fee and schools pay a reduced tariff.

T3.52.2

Chapter 3

Chapter 3

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year 0		Year 1		
	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	3	3	3	0	0%
7 - 9	3	3	3	0	0%
10 - 12				0	#DIV/0!
13 - 15				0	#DIV/0!
16 - 18				0	#DIV/0!
19 - 20				0	#DIV/0!
Total	8	8	8	0	0%

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

T3.52.4

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Libraries are well stocked, well supported by Department Arts and Culture and properly manned. Different programmes as contained in the business plan are run.

This service can only go from strength to strength.

T3.52.7

Chapter 3

3.13 CEMETORIES AND CREMATORIIUMS

INTRODUCTION TO CEMETORIES & CREMATORIIUMS

Funds and projects for cleaning and minor works are provided by the EPWP grant.

T3.55.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIIUMS

T3.55.2

Cemeteries are not accounted for as a separate department

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIIUMS OVERALL:

T3.55.7

Chapter 3

Chapter 3

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Provided for by sectorial departments.

T3.56.1

SERVICE STATISTICS FOR CHILD CARE

T3.56.2

Chapter 3

Chapter 3

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

No services provided by the municipality

T3.56.7

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

Delete Directive note once comment is complete – Provide brief introductory comments.

T3.69.0

3.15 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

We are a low capacity municipality. The work is performed by three committees of council and the senior managers and staff of the municipality.

The municipal manager is responsible for overall management and ultimately accountability of all inputs, outputs and how outcomes are achieved.

T3.69.1

Chapter 3

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

T3.69.2

Chapter 3

Employees: The Executive and Council					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3				0	#DIV/0!
4 - 6				0	#DIV/0!
7 - 9				0	#DIV/0!
10 - 12				0	#DIV/0!
13 - 15	7	7	7	0	0%
16 - 18				0	#DIV/0!
19 - 20				0	#DIV/0!
Total	7	7	7	0	0%

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

Financial Performance 2014/2015: The Executive and Council					
					R'000
Details	2013/2014	2014/2015			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	15565	16735	16735	16735	0%
Expenditure:					
Employees	1943	2380	2618	2536	6%
Repairs and Maintenance					#DIV/0!
Other	1823	2098	2223	2782	25%
Total Operational Expenditure	3766	4478	4841	5318	16%
Net Operational Expenditure	-11799	-12257	-11894	-11417	-7%

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.

Chapter 3

Capital Expenditure 2014/2015: The Executive and Council					
R' 000					
Capital Projects	2014/2015				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/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 3.24.6

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

T3.69.7

3.16 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

There is a BTO established and functional. The majority post are filled but the ever increasing workload necessitate the filling of all vacancies. Once sufficient funding is available, all vacant post should be filled so as to meet the workload required.

There was an overspending of 23% on employee costs which can be attributed to overtime worked as well as accrued leave paid.

T3.70.1

Chapter 3

Financial Performance 2014/2015: Financial Services						R'000
Details	2013/2014	2014/2015				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	5255	6891	7103	5447	-27%	
Expenditure:						
Employees	1066	3371	4006	4366	23%	
Repairs and Maintenance	139	4	3	62	94%	
Other	9157	1322	135786	14435	91%	
Total Operational Expenditure	10362	4697	139795	18863	75%	
Net Operational Expenditure	5107	-2194	132692	13416	116%	
<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>						
T 3.25.5						

Employees: Financial Services					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6		3	1	2	67%
7 - 9		6	3	3	50%
10 - 12		10	3	7	70%
13 - 15		2	2		0%
16 - 18					#DIV/0!
19 - 20		1	1		0%
Total	0	22	10	12	55%
<i>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.</i>					
T 3.25.4					

Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Increase in speed of payment of tariffs, tax demands, invoices	No more than x% of creditors raised (in Rand value) during the year outstanding (o/s) at year end	No more than T ₀ % of current yr creditors o/s at yr end	No more than A ₀ % of current yr creditors o/s at yr end	No more than T ₁ % of current yr creditors o/s at yr end	No more than T ₁ % of current yr creditors o/s at yr end	No more than A ₁ % of current yr creditors o/s at yr end	No more than T ₂ % of current yr creditors o/s at yr end	No more than T ₅ % of current yr creditors o/s at yr end	No more than T ₅ % of current yr creditors o/s at yr end
Reducing the number of invoices raised by increasing advance payment for services rendered (A project requiring participation by all departments but let by the central finance department)	x% reduction in number of invoices raised over the previous year's target	To% reduction in invoices raised; target limit of invoices	A ₀ % reduction in invoices raised; target limit of invoices	T ₁ % reduction in invoices raised; target limit of invoices	T ₁ % reduction in invoices raised; target limit of invoices	A ₁ % reduction in invoices raised; target limit of invoices	T ₂ % reduction in invoices raised; target limit of invoices	T ₅ % reduction in invoices raised; target limit of invoices	T ₅ % reduction in invoices raised; target limit of invoices
Improving speed of legal measures to recover revenues	Commence legal proceedings for recovery of revenues within 4 weeks of the due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									

T3.70.3

Chapter 3

Chapter 3

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Despite the fact that all positions were not filled, several revenue enhancement and cost cutting measures were implemented viz incentive scheme for improved debt collection, strict implementation of credit control and debt collection measures, achievement of competency levels.

There was an overall decrease in findings raised by the Auditor-General regarding finance related issues.

T3.70.7

3.17 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The HR function had only one (1) staff member whereas there should have been three staff members at the very least.

The intention is to address this issue in the staff establishment for 2015/2016

T3.71.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

T3.71.2

Chapter 3

Chapter 3

Employees: Human Resource Services					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6				1	#DIV/0!
7 - 9					#DIV/0!
10 - 12	1	1	1	1	100%
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total					#DIV/0!

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.26.4

Capital Expenditure Year 1: Human Resource Services						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0	#DIV/0!		
Project A				#DIV/0!	280	
Project B				#DIV/0!	150	
Project C				#DIV/0!	320	
Project D				#DIV/0!	90	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.71.6	

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The identified human capacity shortage need to be supplemented with a Skills Development Facilitator as well as a Payroll Clerk in the very least.

Chapter 3

Employees are serviced but satisfaction level need to be measured.

T3.71.7

3.18 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The municipality has no IT services.

T3.72.1

SERVICE STATISTICS FOR ICT SERVICES

T3.72.2

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Thembelihle Municipality is a low capacity municipality having a severely challenged cash flow making it very difficult to establish an ICT Services section at this point in time.

Initiatives are under way to improve the cash flow and to then expand the capacity to deliver by including services like that for ICT.

T3.72.7

3.19 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

These services are provided by an overextended Corporate Services Department employing the services of external service providers where the capacity is wanting

T3.73.1

Chapter 3

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T3.73.2

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

The services of the Planning and Development Department will go a long way to improve the delivery on this very important service.

T3.73.7

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The local labor forum is engaged in all instances relating to labor matters and new appointments. The forum is also involved in the formulation of strategies having bearing on human resource matters.

Strategies are then finalized for implementation.

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Summary of Personnel Numbers	2012/13			Current Year 2013/14			Budget Year 2014/15		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	7FTE	7		7FTE	1	6	7FTE	7	
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	4FTE		2	4FTE	1	3	4FTE	1	3
Other Managers	5FTE	2		2FTE	2		4FTE	4	
Professionals		2			2			1	
Finance	1FTE	1		1FTE	1		1FTE	1	
Spatial/town planning	2FTE			2FTE					
Information Technology	1FTE			1FTE					
Roads									
Electricity									
Water									
Sanitation									
Refuse									
Other	2FTE	1		2FTE	1				
Technicians					1	2			
Finance									
Spatial/town planning									
Information Technology				2FTE		2			
Roads									
Electricity				1FTE	1				
Water									
Sanitation									
Refuse									
Other	3FTE			3FTE					
Clerks (Clerical and administrative)	19FTE	16	7	19FTE	18	7		6	
Service and sales workers	1FTE			1FTE					
Skilled agricultural and fishery workers	4FTE	3		4FTE	3				
Craft and related trades									
Plant and Machine Operators	12FTE	11		12FTE	11		12FTE	12	
Elementary Occupations	44FTE	32	2	44FTE	35	2		48	
TOTAL PERSONNEL NUMBERS									
	-	73	11	-	74	20	-	79	3

Chapter 4

Vacancy Rate: 2014/2015			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	2	2	100.00
Other S57 Managers (Finance posts)	0	0	#DIV/0!
Police officers	0	0	#DIV/0!
Fire fighters	0	0	#DIV/0!
Senior management: Levels 13-15 (excluding Finance Posts)	3	0	0.00
Senior management: Levels 13-15 (Finance posts)	2	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	5	0	0.00
Highly skilled supervision: levels 9-12 (Finance posts)	1	0	0.00
Total	15	2	13.33

*Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 4.1.2

COMMENT ON VACANCIES:

Vacant post not filled is a direct result of a lack of funding. As funds become available it is the intention that all post on the approved organogram will be filled.

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The effective management of the municipal workforce remains a challenge that will have to be addressed. The Corporate Service Department have indicated that they will endeavour to facilitate the matter in the 2015/2016 financial year. The human resource section needs to be strengthened with the appointment of a skills development facilitator as well as a payroll clerk to improve the service rendered. A large number of the HR policies need to be reviewed to ensure that they address the challenges experience.

T4.2.0

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%	0%	
2	Attraction and Retention	100%	0%	
3	Code of Conduct for employees	100%	0%	
4	Delegations, Authorisation & Responsibility	100%	100%	1-Feb-12
5	Disciplinary Code and Procedures	100%	100%	Bargaining Council process
6	Essential Services	100%	100%	NC Division Bargaining Council
7	Employee Assistance / Wellness	100%	0%	
8	Employment Equity	100%	0%	
9	Exit Management	100%	0%	
10	Grievance Procedures	100%	100%	Bargaining Council process
11	HIV/Aids	100%	0%	
12	Human Resource and Development	100%	0%	
13	Information Technology	0%	0%	
14	Job Evaluation	100%	0%	SALGA led process
15	Leave	100%	0%	
16	Occupational Health and Safety	100%	0%	
17	Official Housing	100%	0%	
18	Official Journeys	100%	0%	
19	Official transport to attend Funerals	0%	0%	
20	Official Working Hours and Overtime	100%	0%	
21	Organisational Rights	100%	0%	
22	Payroll Deductions	100%	0%	
23	Performance Management and Development	100%	0%	
24	Recruitment, Selection and Appointments	100%	0%	
25	Remuneration Scales and Allowances	100%	100%	Bargaining Council process
26	Resettlement	0%	0%	
27	Sexual Harassment	100%	0%	
28	Skills Development	100%	0%	
29	Smoking	50%	0%	
30	Special Skills	0%	0%	
31	Work Organisation	0%	0%	
32	Uniforms and Protective Clothing	100%	0%	
33	Other:	100%	0%	

Use name of local policies if different from above and at any other HR policies not listed.

T4.2.1

Chapter 4

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The intention is employ consultants to look at the reviewing of current policies and the drafting of additional policies were identified as necessary.

T4.2.1.1

4.3 INJURIES, SICKNESS AND 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
None				
T 4.3.5				

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
None			
T 4.3.6			

Chapter 4

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
<p><i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. 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></p>					T4.4.1

<p>COMMENT ON PERFORMANCE REWARDS:</p> <p>No performance rewards were paid during the year.</p>	T4.4.1.1
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Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Training was undertaken on the minimum competency qualifications and two officials successfully completed the course.

The workers in water treatment works department attended training courses directly related to their job content.

T4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2014	Number of skilled employees required and actual as at 30 June 2015											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year 2014	Actual: End of 2015	Year 2015 Target	Actual: End of Year2014	Actual: End of Year2015	Year 2015 Target	Actual: End of Year 2014	Actual: End of Year 2015	Year2015 Target	Actual: End of Year 2014	Actual: End of Year 2015
MM and s57	Female													
	Male													
Councillors, senior officials and managers	Female								2	2		2	2	
	Male													
Technicians and associate professionals*	Female													
	Male													
Professionals	Female													
	Male													
Sub total	Female													
	Male													
Total		0	0	0	0	0	0	0	0	2	2	0	2	2

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

T 4.5.1

Chapter 4

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	0	1
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	2	0	2	2	0	2
<i>Any other financial officials</i>	0	0	0	0	0	0
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0			
TOTAL	3	0	3	3	0	3

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

T 4.5.2

Chapter 4

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

Six staff members in the finance department is still in the process of obtaining the minimum competency qualifications.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Measure are in place to contain staff expenditure and ensure strict budget control. Overtime is monitored and restricted to essential work to be performed.

No performance bonuses were paid in the 2014/2015 financial year.

T4.6.0

4.6 EMPLOYEE EXPENDITURE

NC076 Thembelihle - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	929	1,107	562	1,082	1,515	1,515	1,618	1,721	1,831
Pension and UIF Contributions	54	137	148	162	227	227	243	258	275
Medical Aid Contributions	29	54	61	82	117	117	125	133	141
Motor Vehicle Allowance	289	288	942	476	242	242	258	275	292
Cellphone Allowance	81	82	98	101	128	128	136	145	154
Housing Allowances Other benefits and allowances									
Sub Total - Councillors	1,381	1,667	1,811	1,903	2,229	2,229	2,380	2,532	2,694
% increase		20.7%	8.6%	5.1%	17.1%	-	6.8%	6.4%	6.4%

Chapter 4

Senior Managers of the Municipality									
Basic Salaries and Wages	778	778	1,724	1,637	1,551	1,551	1,932	2,056	2,187
Pension and UIF Contributions	138	138	90	244	139	139	263	375	399
Medical Aid Contributions				86	-	-			
Overtime					-	-			
Performance Bonus					-	-			
Motor Vehicle Allowance	246	246	360	534	571	571	540	574	611
Cellphone Allowance			1	15	39	39	40	43	45
Housing Allowances			76	97	27	27			
Other benefits and allowances									
Payments in lieu of leave			71						
Long service awards			5						
Post-retirement benefit obligations									
Sub Total - Senior Managers of Municipality	1,162	1,162	2,328	2,613	2,326	2,326	2,775	3,048	3,243
% increase		-	100.4%	12.2%	(11.0%)	-	19.3%	9.8%	6.4%
Other Municipal Staff									
Basic Salaries and Wages	7,239	7,239	9,153	12,086	10,511	10,511	12,695	13,559	14,479
Pension and UIF Contributions	2,252	2,252	1,899	1,036	1,822	1,822	2,330	2,399	2,567
Medical Aid Contributions			383	318	564	564	801	853	907
Overtime	1,082	901	796	426	972	972	1,042	1,109	1,180
Performance Bonus	465	465	413	549	728	728	1,219	1,301	1,389
Motor Vehicle Allowance			31	22	-	-	87	96	102
Cellphone Allowance			35	4	-	-			
Housing Allowances	77	77	8	-			5	5	6
Other benefits and allowances			82	6	79	79	93	99	105
Payments in lieu of leave			12	11	159	159	212	161	172
Long service awards	56	56	28	124			10		
Post-retirement benefit obligations				131	52	52	55	59	63
Sub Total - Other Municipal Staff	11,170	10,989	12,841	14,713	14,886	14,886	18,550	19,640	20,969
% increase		(1.6%)	16.9%	14.6%	1.2%	-	24.6%	5.9%	6.8%
Total Parent Municipality	13,713	13,818	16,980	19,229	19,441	19,441	23,705	25,220	26,906
		0.8%	22.9%	13.2%	1.1%	-	21.9%	6.4%	6.7%

Source: MBRR SA22

T4.6.1

Chapter 4

COMMENT ON WORKFORCE EXPENDITURE:

The salary expenditure increase with 18% (R3,432 million) between the previous financial year and 2014/15. The appointment of staff (CFO, Electrical and upgrading of post levels) led to higher payment of salary, pension, medical aid, UIF, SDL, etc. A further reason for the increase can be ascribe to bonuses, accrued leave and overtime that exceeded payments compared to the previous year.

T4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	1
	Male	2
Highly skilled production (Levels 6-8)	Female	3
	Male	3
Highly skilled supervision (Levels9-12)	Female	
	Male	
Senior management (Levels13-16)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		9

Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).

T 4.6.2

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

T4.6.3

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

There was an overall increase of 12% when comparing the actuals with the adjustment budget.

The increase can be attributed to additional grants received as well as higher than budget for income received in Department: Corporate Services (Rental received, miscellaneous, etc.)

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

T5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Thembelihle Local Municipality

Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Service charges	17 223 000	1 267 000	18 490 000	16 230 103	(2 259 897)
Rental of facilities and equipment	488 000	26 000	514 000	433 232	(80 768)
Interest received (trading)	3 178 000	(2 274 000)	904 000	807 643	(96 357)
Administration and management fees received	-	-	-	1	1
Commissions received	-	-	-	391 317	391 317
Discount received	-	-	-	458 676	458 676
Other income - (rollup)	819 000	(333 000)	486 000	602 695	116 695
Connection Fees	-	-	-	74 796	74 796
Interest received - investment	347 000	(45 000)	302 000	390 984	88 984
Licenses and permits	-	-	-	20 358	20 358
Licenses or Permits (Non- exchange)	280 000	(96 000)	184 000	192 720	8 720
Informal Settlement Rates	-	-	-	112 539	112 539
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	3 401 000	659 000	4 060 000	2 486 124	(1 573 876)
Transfer revenue					
Government grants & subsidies	42 620 000	(8 351 000)	34 269 000	45 592 233	11 323 233
Fines, Penalties and Forfeits	4 021 000	491 000	4 512 000	3 879 093	(632 907)
Total revenue from non- exchange transactions	50 322 000	(7 297 000)	43 025 000	52 262 709	9 237 709
Total revenue	72 377 000	(8 656 000)	63 721 000	71 672 514	7 951 514
Expenditure					
Personnel	(21 325 000)	1 118 000	(20 207 000)	(22 187 621)	(1 980 621)
Remuneration of councillors	(2 380 000)	(239 000)	(2 619 000)	(2 498 053)	120 947
Administration	-	-	-	(14 587)	(14 587)
Depreciation and amortization	(3 291 000)	(6 816 000)	(10 107 000)	(8 936 295)	1 170 705

Chapter 5

Finance costs	(393 000)	(252 000)	(645 000)	(3 476 067)	(2 831 067)
Lease rentals on operating lease	-	-	-	(17 520)	(17 520)
Bad debts written off	(8 749 000)	-	(8 749 000)	(6 689 570)	2 059 430
Repairs and maintenance	(1 288 000)	492 000	(796 000)	(1 191 139)	(395 139)
Bulk purchases	(6 898 000)	(2 480 000)	(9 378 000)	(10 372 009)	(994 009)
Contracted Services	(161 000)	-	(161 000)	(91 531)	69 469
Transfers and Subsidies	(1 313 000)	139 000	(1 174 000)	-	1 174 000
General Expenses	(9 339 000)	(1 805 000)	(11 144 000)	(13 532 037)	(2 388 037)
Total expenditure	(55 137 000)	(9 843 000)	(64 980 000)	(69 006 429)	(4 026 429)
Operating surplus	17 240 000	(18 499 000)	(1 259 000)	2 666 085	3 925 085
Loss on disposal of assets and Liabilities	-	-	-	(192 531)	(192 531)
Fair value adjustments	-	-	-	651 910	651 910
Actuarial gains/losses	1 785 942	(1 785 942)	-	(85 568)	(85 568)
	1 785 942	(1 785 942)	-	373 811	373 811
Surplus before taxation	19 025 942	(20 284 942)	(1 259 000)	3 039 896	4 298 896
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	19 025 942	(20 284 942)	(1 259 000)	3 039 896	4 298 896

Segmental Statement of Financial Performance for the year ended Prior Year Current Year

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
			Municipality			
-	-	-	- Executive & Council/Mayor and Council	17 595 711	7 301 161	10 294 550
-	-	-	- Finance & Admin/Finance	5 966 857	18 242 253	(12 275 396)
-	-	-	- Planning and Development/Economic Development/Plan	17 587 121	11 613 555	5 973 566
-	-	-	- Health/Clinics	1 915 605	7 682 965	(5 767 360)
-	-	-	- Comm. & Social/Libraries and archives	1 319 507	1 252 797	66 710
-	-	-	- Public Safety/Police	-	17 113	(17 113)
-	-	-	- Waste Water Management/Sewerage	2 149 927	2 008 905	141 022
-	-	-	- Road Transport/Roads	5 180 243	1 546 729	3 633 514
-	-	-	- Water/Water Distribution	8 816 602	7 081 995	1 734 607
-	-	-	- Electricity /Electricity Distribution	10 278 671	10 803 524	(524 853)
-	-	-	- Other/Air Transport	1 236 081	1 455 432	(219 351)
-	-	-		72 046 325	69 006 429	3 039 896
			Municipal Owned Entities			
			Other charges			
-	-	-	- Municipality	72 046 325	69 006 429	3 039 896
-	-	-	Total	72 046 325	69 006 429	3 039 896

Chapter 5

COMMENT ON FINANCIAL PERFORMANCE:

REVENUE

1. **Income not budgeted for (100% increase)** Commission received, Discount received, Connection fees and Informal Settlement Rates.
2. **Other income (19% increase)** Additional income received in respect of other service render.
3. **Interest received debtors (decrease 11 %)** Lower payment rate.
4. **Rental (decrease 18%)** Fewer application for the Facilities.
5. **Service charges (14%)** Lower consumption of services.
6. **Interest on investment (22% increase)** Additional funding invested.
7. **Grants Received(24% increase)** Additional grants received from RBIG
8. **Property Rates (decrease 63%)** Provision made for adjustments between valuation roll and billing system
9. **Fines (decrease 16%)** Problems encounter with service outsourced

EXPENDITURE

1. **Depreciation (13% lower)** Revaluation of assets
2. **Finance Charge (81% higher)** Grouping of all finance charges
3. **Bad Debt (30% lower)** Over provision budgeted figures
4. **Repairs and Maintenance (33% higher)** Ageing infrastructure and motor vehicle fleet
5. **Contracted Services (71% lower)** Decreased in outsourced services
6. **General Expenses (17% higher)** Amount for transfer and subsidies included in general expenses

T5.1.3

5.2 GRANTS

Government grants and subsidies

Operating grants

Equitable share	16 735 000	15 565 001
Finance Management Grant (FMG)	1 496 403	1 650 000
National ACIP	-	3 350 849
Municipal System Implementation Grant (MSIG)	934 059	889 941
Expanded Public Works Programme (EPWP)	607 930	749 431
Library Grant	185 435	353 130
LG SETA Grant	33 878	38 827
Municipal Infrastructure Grant (MIG) Operating Portion	570 246	-
Regional Bulk Infrastructure Grant (RBIG) Operating portion	12 164	-
Treasury's contribution towards Audit Fees	1 848 954	1 617 900
	22 424 069	24 215 079

Capital grants

Municipal Infrastructure Grant (MIG)	16 170 874	4 681 724
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Chapter 5

Integrated National Electricity Programme (INEP)	-	269 643
Regional Bulk Infrastructure Grant (RBIG)	6 481 493	4 676 269
Expanded Public Works Programme (EPWP)	212 200	-
Finance Management Grant (FMG)	303 597	-
	23 168 164	9 627 636
	45 592 233	33 842 715

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	27 008 279	16 659 814
Unconditional grants received	18 583 954	15 565 001
	45 592 233	32 224 815

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The municipality met all the requirements for operating funding. An additional provision was made for funding received from National Treasury to enable the municipality to pay the difference as per the invoice received from the Auditors-General –Audit fees.

Capital project for Upgrading of Roads and Storm water Infrastructure in Steynville commence late in the financial year resulting in application for a roll-over of funds not spend to National Treasury. Unfortunately the application was not approved and an amount of R5.5 million was withheld for transfer.

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

T5.2.2

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Council has adopted an Asset Management policy which has been implemented and reviewed on an annual basis.

National Treasury appointed consultants to analyze, verify and update the Asset Register. An updated Asset Register is in place at the municipality. Minor findings were raised in the 2014/15 Auditor-General Report, which has since been addressed.

There is only one staff member dedicated to this unit who will, with the support of the PSP, be able to perform the functions required.

T5.3.1

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2015				
Asset 1				
Name	234220 Upgrading of Hopetown Water Treatment Works - Phase 1			
Description				
Asset Type	INFRASTRUCTURE : WATER			
Key Staff Involved	PCI AFRICA (PTY) LTD			
	URSA CIVILS			
	WORLEY PARSONS			
Staff Responsibilities				
	Year 2012	Year 2013	Year 2014	Year 2015
Asset Value	R7,591,368.00	R14,519,497.00	R5,858,327.00	R3,038,046.00
Capital Implications				
Future Purpose of Asset	Provide clean and more water to community			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name	TLM 06/2014 Upgrading of Roads and Stormwater Infrastructure in Steynville, Hopetown.			
Description				
Asset Type	INFRASTRUCTURE ROADS			
Key Staff Involved	BVI Consulting			
Staff Responsibilities				
	Year 2012	Year 2013	Year 2014	Year 2015
Asset Value				R2,397,941.00
Capital Implications				
Future Purpose of Asset	Provide a better infrastructure for roads			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name	234740/M Hopetown Upgrading of existing raw water abstraction from Orange River			
Description				
Asset Type				
Key Staff Involved	C PAC PUMPS AND VALVES			
	Ursa Civils			
	WORLEY PARSONS			
	TRICOM AFRICA			
	NOMAD CONSTRUCTION			
Staff Responsibilities				
	Year 2012	Year 2013	Year 2014	Year 2015
Asset Value	R 163,038.00	R 521,943.00	R 820,845.00	R 9,342,710.00
Capital Implications				
Future Purpose of Asset	Provide more consumers with water			
Describe Key Issues				
Policies in Place to Manage Asset				
	T 5.3.2			

COMMENT ON ASSET MANAGEMENT:

The three projects were finance from grant funding received. Has no influence on Rates and Taxes.

T5.3.3

Chapter 5

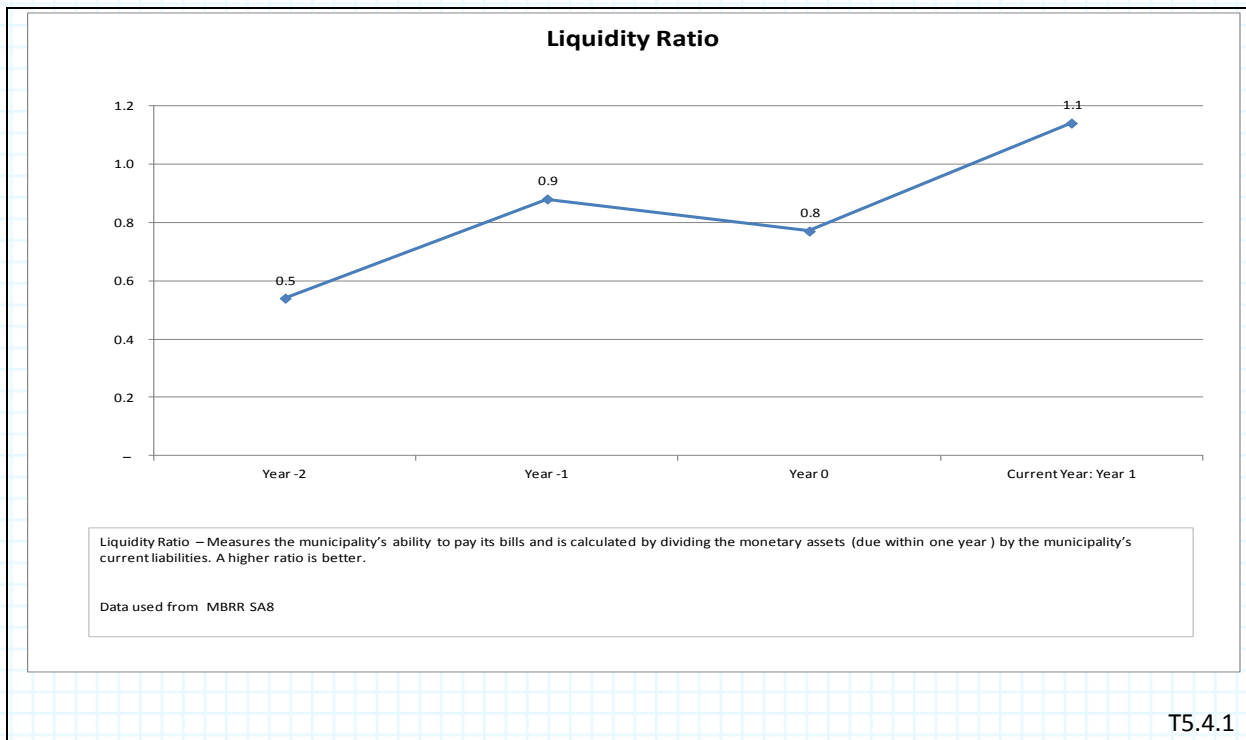
Repair and Maintenance Expenditure: 2014/2015				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	1 287 995	796 283	1 191 139	33%
T 5.3.4				

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

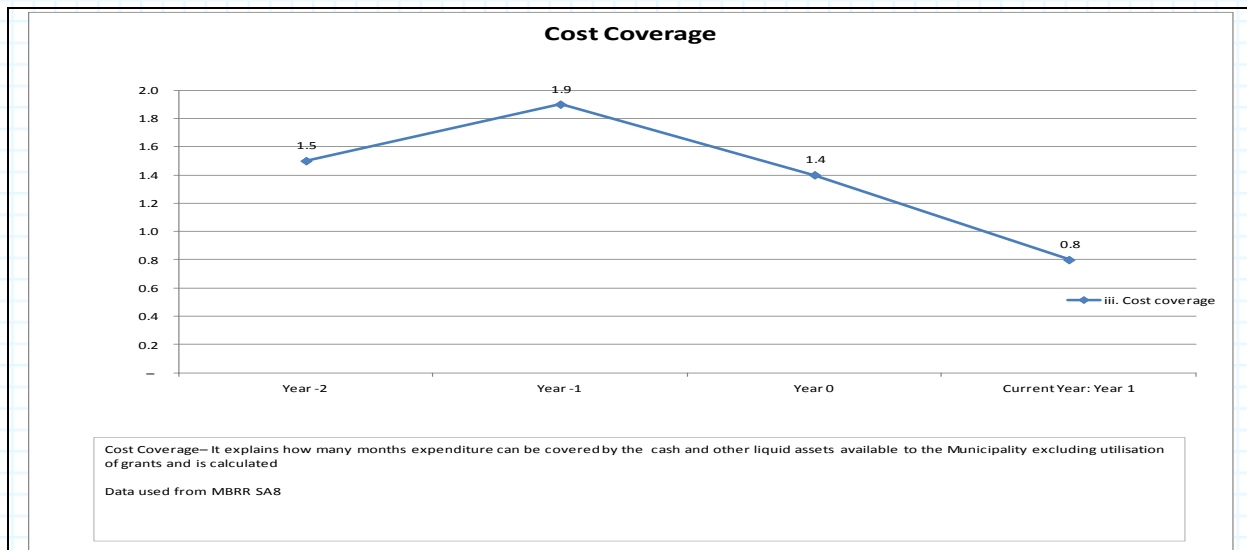
The amount spent on Repairs and Maintenance increased due to the ageing infrastructure and motor vehicle fleet.

T5.3.4.1

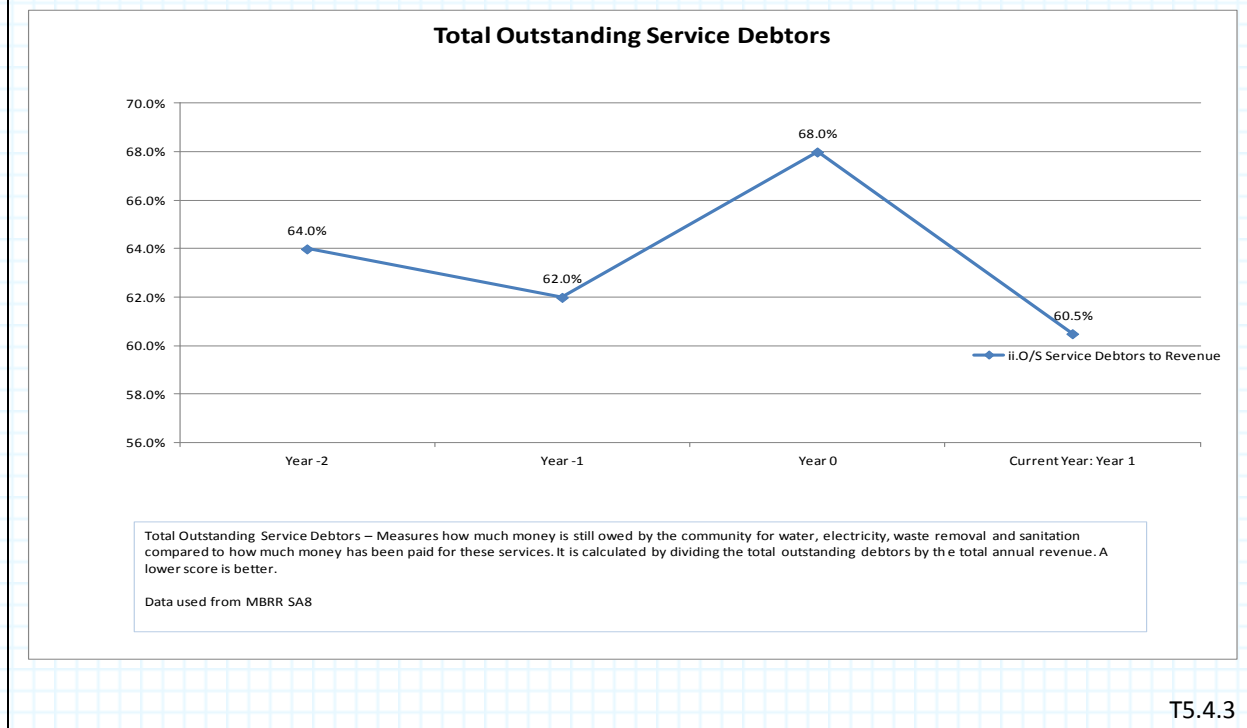
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Chapter 5

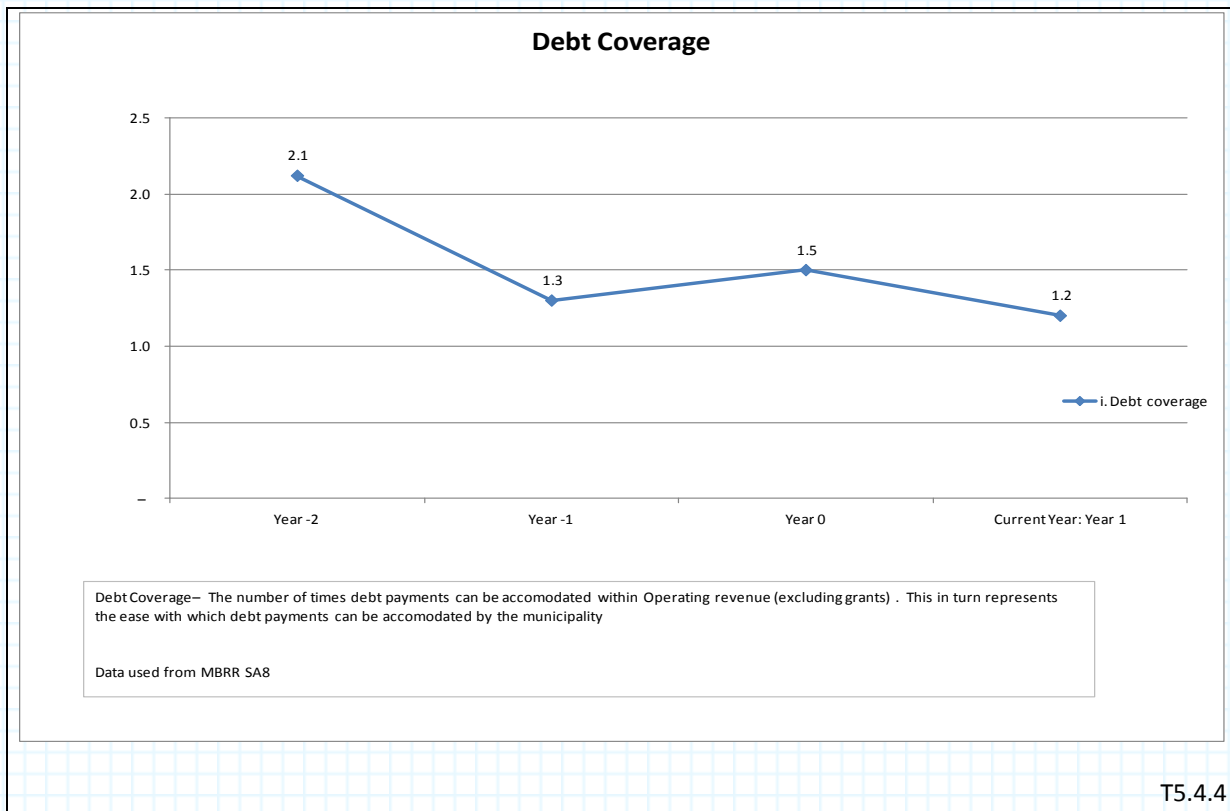


T5.4.2

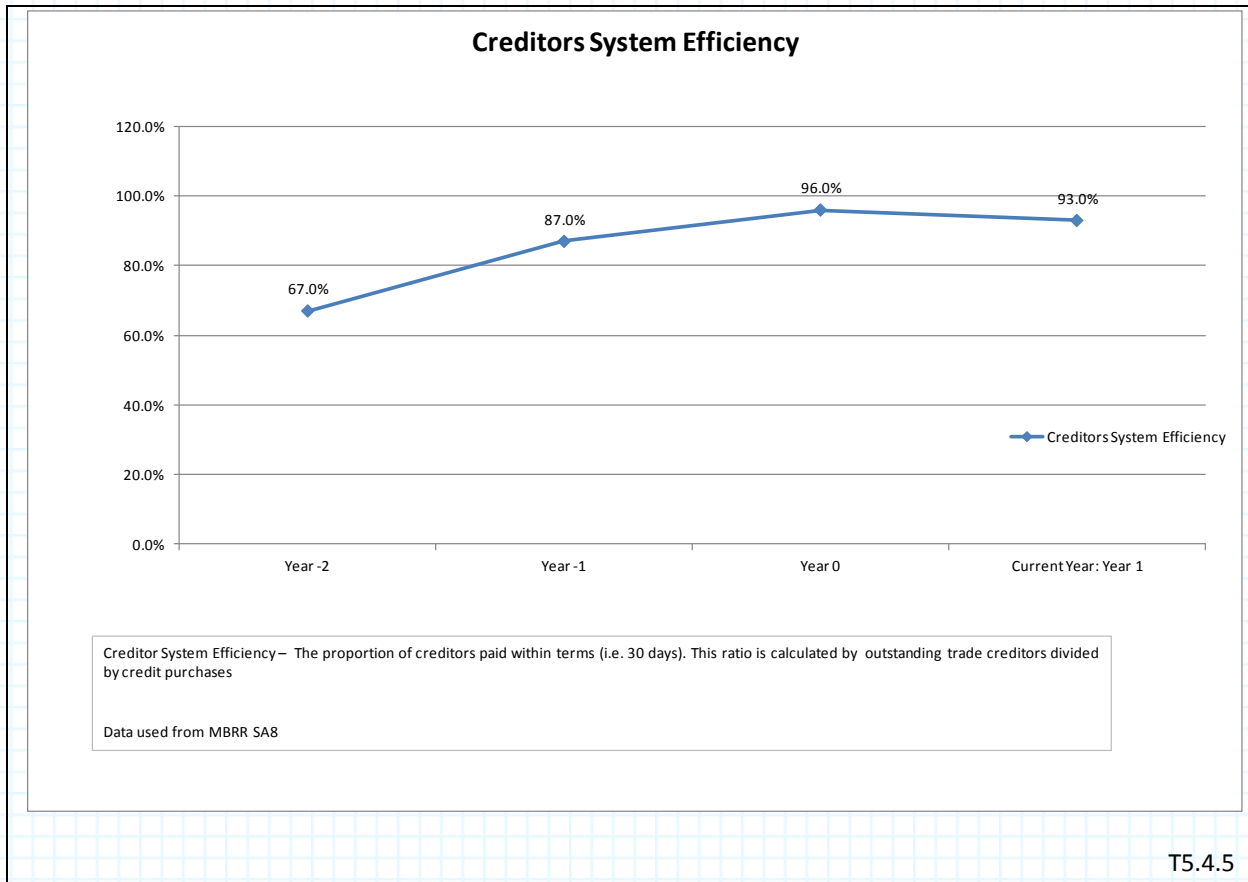


T5.4.3

Chapter 5

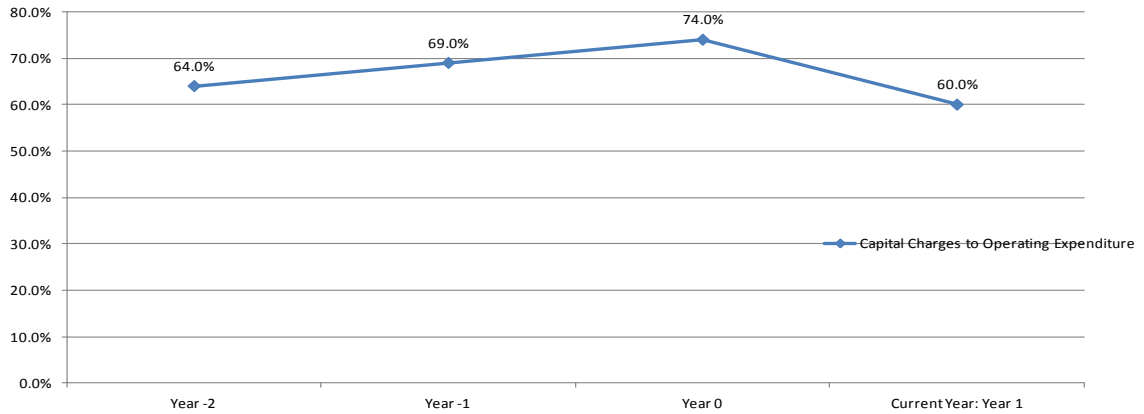


Chapter 5



Chapter 5

Capital Charges to Operating Expenditure

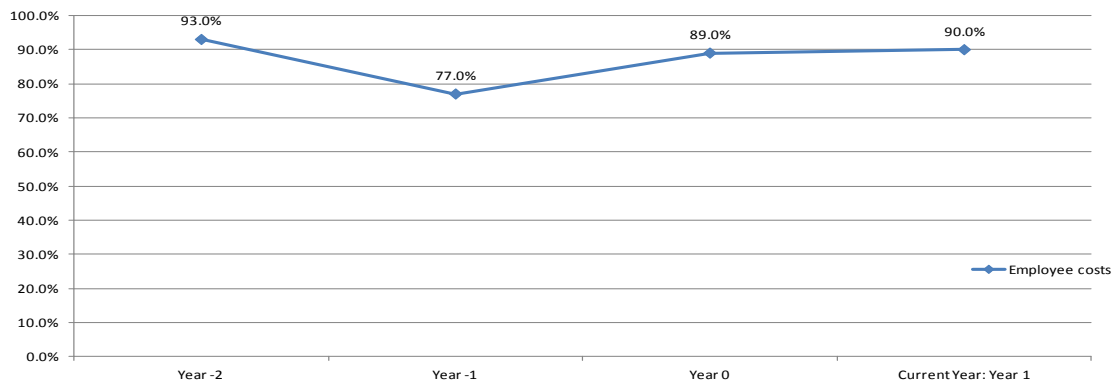


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T5.4.6

Employee Costs

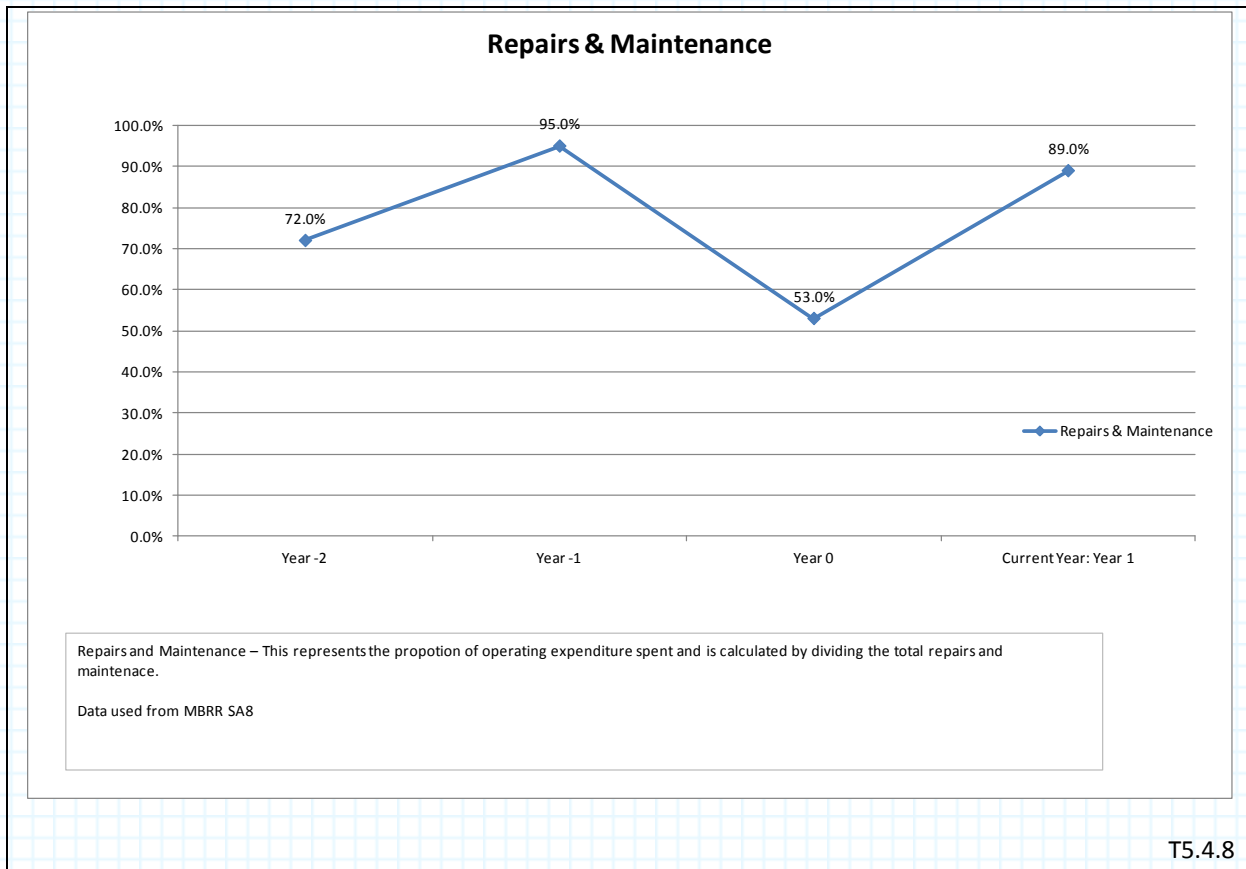


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T5.4.7

Chapter 5



COMMENT ON FINANCIAL RATIOS:

T5.4.9

Chapter 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

1. Upgrading of Hopetown Water Treatment Works – Phase 1

Amount of R5,399 million was budgeted for the 2014/2015 financial year. The actual amount spent was R3,038 million(56% under spent)

2. Upgrading of Roads and Storm water Infrastructure in Steynville, Hopetown

No amount was budgeted for but an amount of R2,397 million(100% variance)

3. Hopetown Upgrading of existing raw water abstraction from orange River

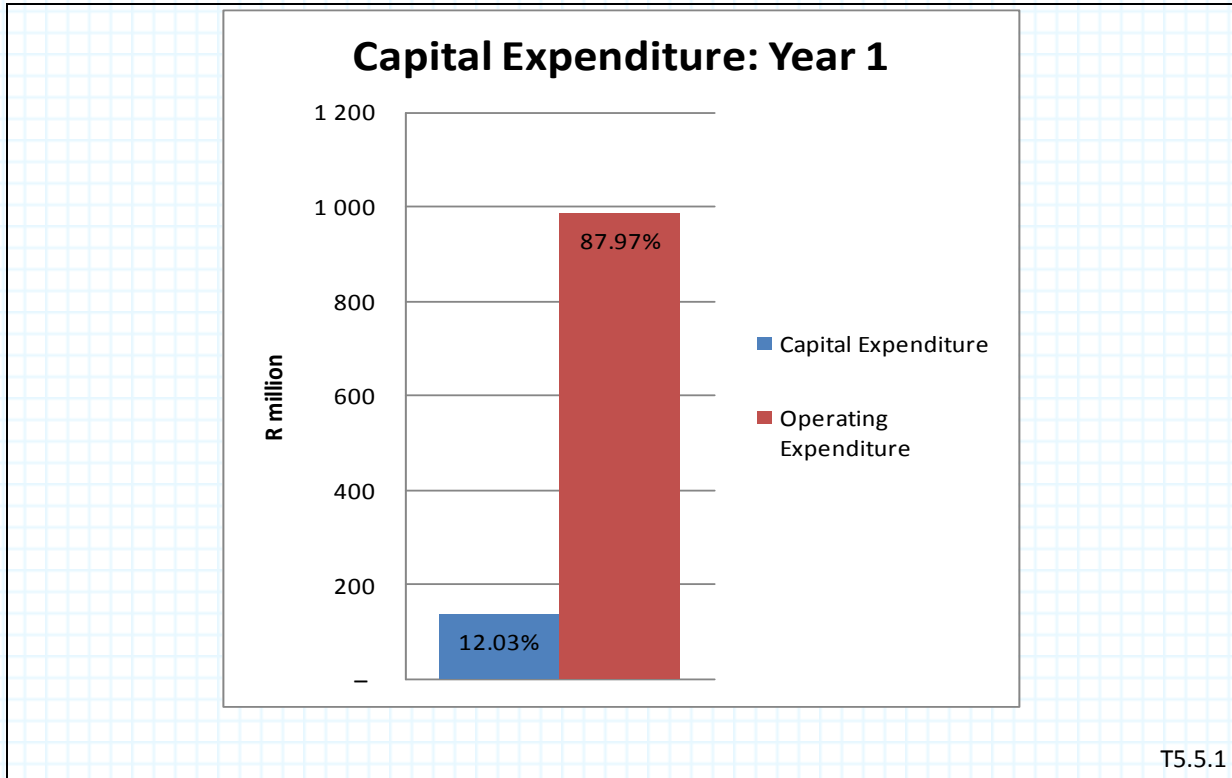
Amount of R7.250 million was budgeted for the 2014/2015 financial year. The actual amount spent was R9,342 million (28% over spent)

All of the above capital projects were funded from grants received (MIG & RBIG)

T5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE

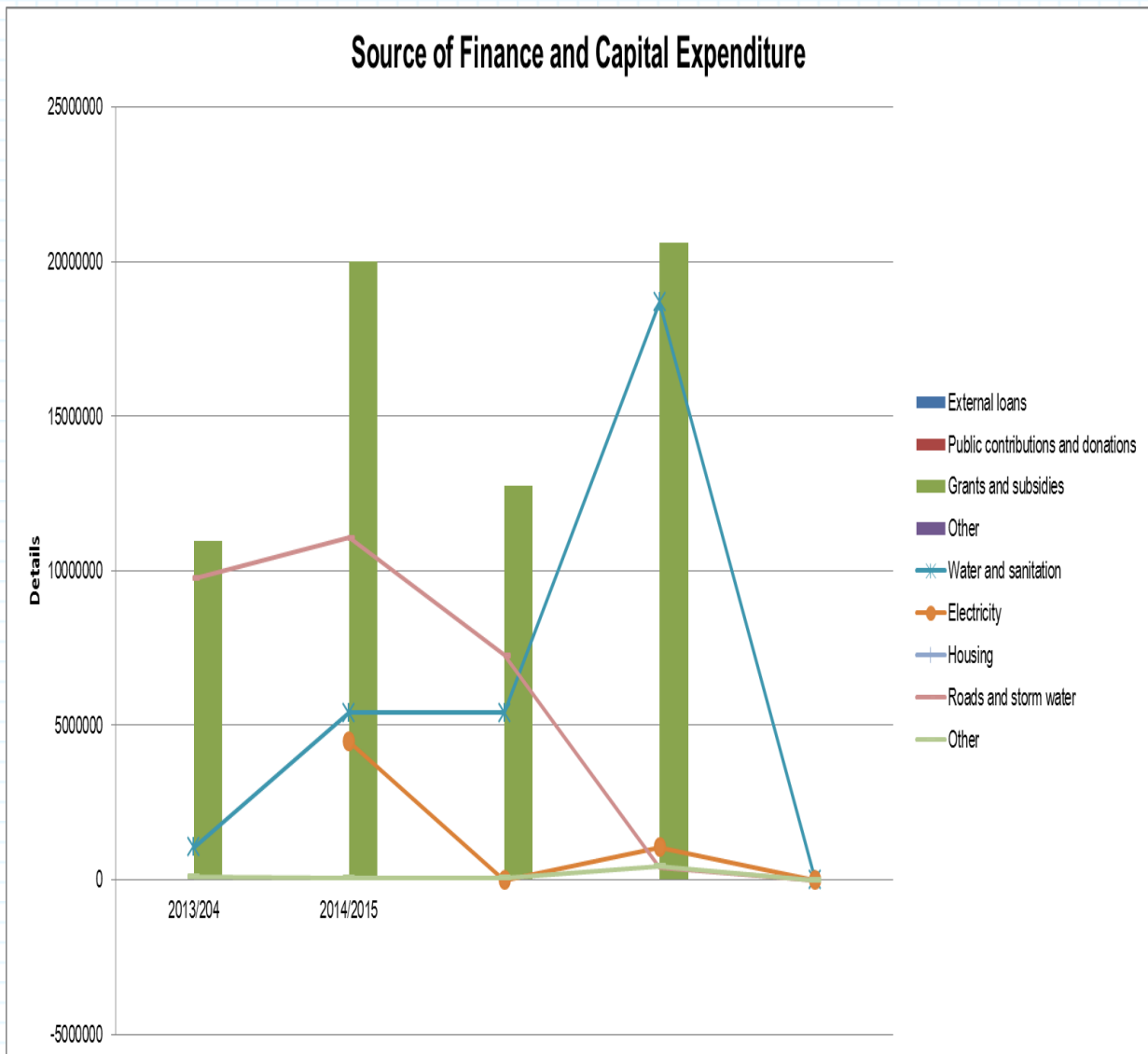


Chapter 5

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2013/2014 to 2014/2015							R' 000
Details	2013/204	2014/2015					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans							
Public contributions and donations							
Grants and subsidies	10 948	20 007	12 737	20 614	-36.34%	3.04%	
Other							
Total	10948159	20007100	12737100	20614331	-36.34%	3.04%	
<i>Percentage of finance</i>							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital expenditure							
Water and sanitation	1 064	5 399	5 399	18 683	0.00%	246.04%	
Electricity		4 470	-	1 054	-100.00%	-76.42%	
Housing							
Roads and storm water	9 769	11 068	7 268	415	-34.33%	-96.25%	
Other	115	70	70	451	0.00%	544.76%	
Total	10947960	21007100	12737100	20603168	-134.33%	618.13%	
<i>Percentage of expenditure</i>							
Water and sanitation	9.7%	25.7%	42.4%	90.7%	0.0%	39.8%	
Electricity	0.0%	21.3%	0.0%	5.1%	74.4%	-12.4%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	89.2%	52.7%	57.1%	2.0%	25.6%	-15.6%	
Other	1.0%	0.3%	0.5%	2.2%	0.0%	88.1%	
T 5.6.1							

Chapter 5



COMMENT ON SOURCES OF FUNDING:

An amount of R20,614 million was spent vs the amount of R12,737 million budgeted for. The variance in capital funding can be ascribed to additional RBIG funding received during the financial year.

The capital expenditure of R20,614 million is 30 % of the total expenditure of R68,634 million.

T5.6.1.1

Chapter 5

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Name of Project	Current: Year2015			Variance: Current Year 2015	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Upgrading of Hopetown Water Treatment	5,399	5,399	3,038	44%	0%
B - Upgrading of Roads and Stormwater Infrastructur in Steynville			2,397		
C - Hopetown Upgrading of existing raw water abstraction from Orange River	9,372	7,260	9,342	0%	23%
<i>* Projects with the highest capital expenditure in Year 0</i>					
Name of Project - A	234220 Upgrading of Hopetown Water Treatment Works - Phase 1				
Objective of Project	Provide clean and more water to consumers				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B	TLM 06/2014 Upgrading of Roads and Stormwater Infrastructure in Steynville				
Objective of Project	Provide a better infrastructure of roads				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C	234740/M Hopetown Upgrading of existing raw water abstraction from Orange River				
Objective of Project	Provide more water to community				
Delays					
Future Challenges					
Anticipated citizen benefits					

COMMENT ON CAPITAL PROJECTS:

1. Upgrading of Hopetown Water Treatment Works – Phase 1

Amount of R5,399 million was budgeted for the 2014/2015 financial year. The actual amount spent was R3,038 million(56% under spent). Total project amount is R35,754 million and sufficient funds remain to complete the project.

2. Upgrading of Roads and Storm water Infrastructure in Steynville, Hopetown

No amount was budgeted for but an amount of R2,397 million(100% variance). Total project amount is R77 million and sufficient funds remain to complete the project.

3. Hopetown Upgrading of existing raw water abstraction from Orange River

Amount of R7.250 million was budgeted for the 2014/2015 financial year. The actual amount spent was R9,342 million (28% over spent)

All of the above capital projects were funded from grants received (MIG & RBIG)

T5.7.1.1

Chapter 5

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Thembelihle Local Municipality has backlogs in housing and electricity supply.

T5.8.1

Municipal Infrastructure Grant (MIG)* Expenditure Year 2015						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification	10060	7260	18682	46%	61%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	

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

T 5.8.3

COMMENT ON BACKLOGS:

Access to alternative electricity could be improved by Thembelihle supplying Eskom with the indigent list so that those who do not have access to power may obtain alternative sources such as paraffin and candles – but this must be arranged via Eskom.

Chapter 5

Access to housing has been delayed due to poor intergovernmental relation with the provincial department of housing. It is hoped that this will improve in the future.

Thembelihle plans to apply for funding for housing projects like Strydenburg 63 and Sewendelaan 201.

T5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Monthly projections are prepared and regularly discussed at managerial level. Given the dire cash flow situation at the municipality, it is extremely important to manage the inflow and outflow of cash on an order manner. Several revenue enhancement and cost cutting measures have been approved by council and are in various stages of implementation.

The large outstanding debt owed to ESCOM remains problematic and a solution need to be found.

The suspension of the PSP appointed to perform the issuing and collection of traffic fines had a major negative influence on the current cash flow situation.

T5.9.0

Chapter 5

5.9 CASH FLOW

Reconciliation of Budgeted Cash Flows"

Description	2014/15							2013/14
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	21 066	1 390	22 456	14 584	(7 872)	64.9%	69.2%	23 204
Government - operating	21 532		21 532	20 437	(1 095)	94.9%	94.9%	21 101
Government - capital	21 158	(8 421)	12 737	17 229	4 492	135.3%	81.4%	10 091
Interest	1 713	(508)	1 205	391	(814)	32.4%	22.8%	663
Dividends			-		-	-	-	
Payments								
Suppliers and employees	(41 921)	616	(41 305)	(35 729)	5 576	86.5%	85.2%	(42 875)
Finance charges	(393)	(252)	(645)	(3 377)	(2 732)	523.6%	859.4%	(950)
Transfers and Grants	(1 313)	139	(1 174)		1 174	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	21 842	(7 036)	14 806	13 535	(1 271)	91.4%	62.0%	11 235
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE			-	(23)	(23)	#DIV/0!	#DIV/0!	2 106
Decrease (increase) in non-current debtors			-		-	-	-	
Decrease (increase) other non-current receivables			-		-	-	-	
Decrease (increase) in non-current investments			-		-	-	-	
Payments								
Capital assets	(18 370)	6 270	(12 100)	(20 608)	(8 508)	170.3%	112.2%	(10 948)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(18 370)	6 270	(12 100)	(20 631)	(8 531)	170.5%	112.3%	(8 842)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans			-		-	-	-	
Borrowing long term/refinancing			-		-	-	-	
Increase (decrease) in consumer deposits	47	(47)	-		-	-	-	
Payments								
Repayment of borrowing	(80)	(630)	(710)	(1 044)	(334)	147.1%	1305.6%	(572)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(33)	(677)	(710)	(1 044)	(334)	147.1%	3165.0%	(572)
NET INCREASE/ (DECREASE) IN CASH HELD	3 439	(1 443)	1 996	(8 140)				1 821
Cash/cash equivalents at the year begin:	8 863	3 932	8 863	8 863				6 659
Cash/cash equivalents at the year end:	12 302	2 489	10 859	723	(10 136)	6.7%	5.9%	8 863

COMMENT ON CASH FLOW OUTCOMES:

The budgeted income did not realize mainly due to the problems encountered with the issuing and collecting of traffic fines. This resulted in the positive bank balance of R8,863 million on 30 June 2014 decreasing to R723 thousand on 30 June 2015.

T5.9.1.1

Chapter 5

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

No new loans were taken up and investments are made on call deposit (32 days). Current loans from DBSA are serviced.

T5.10.1

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

None

T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Municipality has a fully functional Supply Chain Management (SCM) Unit. All SCM committees have been established and meet regularly. Minor audit issues were raised during the financial year and will be addressed in the Audit Action Plan.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

Chapter 5

The Municipality is fully GRAP compliant and ensures that all standards are being complied with. The issues raised in the Auditor-General Report will be addressed as per the Audit Action Plan.

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Auditor-General's Report 2014/15 is included in this report.

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2014

6.1 AUDITOR GENERAL REPORTS YEAR 2014

The Auditor General issued a Disclaimer opinion on the 2013/2014 financial statements. The basis for the qualification related to Operating Expenditure and Revenue from non-exchange transactions.

COMPONENT B: AUDITOR-GENERAL OPINION 2015

6.2 AUDITOR GENERAL REPORT YEAR 2015

The Auditor General issued a Qualified opinion on the 2014/2015 financial statements. The basis for the qualification related to Operating Expenditure and Revenue from non-exchange transactions.

The Audit report is attached to this report and are supplemented by an Audit Action plan as required

Report on the financial statements

Introduction

1. I have audited the financial statements of Thembelihle Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, and cash flow statement and the 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.

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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 entity'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 entity'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 qualified audit opinion.

Basis for qualified opinion

Operating expenditure

6. During 2014, I was unable to obtain sufficient appropriate audit evidence for general expenditure. Consequently, I was unable to determine whether any

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adjustment to expenditure stated as R12 098 278 was necessary. My audit opinion on the financial statements for the period ended 30 June 2014 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Revenue from non-exchange transactions

7. The municipality did not recognise revenue from fines in accordance with the SA Standards of GRAP 23, Revenue from non-exchange transactions and IGRAP 1, applying the probability test on initial recognition of revenue. Fines were recognised before the transaction date when the municipality had no enforceable right to revenue and thus were overstated by R1 121 895 and receivables from non-exchange transactions were overstated by the same amount. In addition, I was

unable to obtain sufficient appropriate audit evidence for fines revenue from non-exchange transactions in 2014 stated at R 923 798 in note 25 as it was impracticable to do so. Consequentially, there was an impact on the surplus for the year and accumulated surplus.

Receivables from non-exchange transactions

8. During 2014, the municipality did not recognise all items of receivables from non-exchange transactions in accordance with GRAP 1 Presentation of Financial statements as the amounts per the Annual Financial Statements and the Trial Balance varied. Consequently, I was unable to determine whether any adjustments relating to receivables from fines in the financial statements were necessary. My audit opinion on the financial statements for the period ended 30 June 2014 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.
9. Additionally, Fines were recognised before the transaction date when the municipality had no enforceable right to revenue and thus fines receivables were overstated by R1 121 895. I was not able to determine the impact on the net carrying amount of receivables from non-exchange transactions in note 12 stated at a net of R 478 369 as it was impracticable to do so. Consequentially, there was an impact on the surplus for the year and accumulated surplus.

Irregular expenditure

10. Section 32 of the Municipal Finance Management Act requires disclosure of the particulars of any irregular expenditure incurred by the municipality. The audit revealed various transactions which were in contravention to the supply

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chain management, resulting in irregular expenditure being understated by R 797 062 (2014: R2 508 973).

Qualified opinion

11. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Thembelihle 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

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

Restatement of corresponding figures

13. As disclosed in note 50 to 51 of the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2015 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

Material underspending of the conditional grant

14. As disclosed in note 16 of the financial statements, the municipality materially underspent conditional grants allocated for capital expenditure to the amount of R 6 785 456 (2014: R 11 620 201). This had a negative impact on service delivery in the municipality and on the construction of capital projects aimed at improving service delivery.

Unauthorized expenditure

15. Unauthorised expenditure incurred during 2014 -15 was disclosed as R14 904 549 (2014: R12 606 468) in note 55 of the financial statements. This unauthorised expenditure must still be investigated and reported to council. The unauthorised expenditure was still awaiting authorisation or to be written off.

Material losses

16. As disclosed in note 60 and 61 to the financial statements, material losses were reported at 58% (2014: 52%) and 39% (2014: 42%) incurred as a result of distribution losses relating to unaccounted water and electricity,

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respectively.

Going concern

17. The financial statements indicates that Thembelihle Local Municipality is experiencing financial difficulties as current liabilities exceeded its current assets by R 43 407 622. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

Additional matters

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

Unaudited supplementary schedules

19. The supplementary information set out in appendix A to F 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.

Unaudited disclosure notes

20. 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.

Report on other legal and regulatory requirements

21. 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 selected objectives 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

22. The annual performance report was not presented for auditing and consequently my findings below are limited to the procedures performed on the strategic planning and performance management documents for the following selected

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objectives:

- Development objective 2 Basic Services: — pages x to x

23. I assessed the information to determine whether the performance 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 (FMPPI).
24. The material findings in respect of the selected development objectives are as follows:

Development objective 2: Service Delivery (KPA2)

Usefulness of Performance information

25. Performance targets should be specific in clearly identifying the nature and required level of performance as required by the FMPPI. A total of 98% of targets were not specific.
26. Performance targets should be measurable as required by the FMPPI. We could not measure the required performance for 99% of the targets.
27. The period or deadline for delivery of targets should be specified as required by the FMPPI. A total of 100% of targets were not time bound.
28. Performance indicators and measures should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 64% of the indicators were not well defined.
29. The processes and systems that produced the indicator or measure should be verifiable, as required by the FMPPI. A total of 100% of the indicators and measures were not verifiable.

This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes.

Unaudited supplementary information

30. The supplementary information set out on pages XX to XX does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

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Compliance with legislation

31. 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:

Strategic planning and performance management

32. The adopted integrated development plan (IDP) did not reflect and identify the key performance indicators and targets and financial plan, as required by sections 26 and 41 of the Municipal Systems Act, as well as Municipal planning and performance management regulation 2(1) and 2(3)(a-c).
33. The municipality did not conduct its affairs in a manner which was consistent with its IDP, as required by section 36 of the Municipal Systems Act, section 21(2)(a) of the MFMA and Municipal planning and performance management regulation 6.
34. The performance management system did not provide for policies and procedures to take steps of improvement where performance targets were not met, as required by section 41 (1)(d) of the Municipal Systems Act,.
35. Measurable performance targets for the financial year were not set in the IDP, for each of the key performance indicators and with regard to each of the development priorities or objectives, as required by section 41(1)(b) of the Municipal Systems Act, and the Municipal planning and performance management regulations 12(1) and 12(2)(e).
36. The annual performance agreements for the municipal manager and all senior managers are not linked to the measurable performance objectives approved with the budget and to the service delivery budget implementation plan as required in terms of section 53(1)(c)(iii) of the MFMA and section 57(1)(b) of the Municipal Systems Act,

Financial statements, performance and annual reports

37. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets; current assets; liabilities; revenue and expenditure identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and/ or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
38. The 2013/14 annual report was not tabled in the municipal council within

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seven months after the end of the financial year, as required by section 127(2) of the MFMA.

Audit committees

39. An audit committee was not in place, as required by section 166(1) of the MFMA.
40. A performance audit committee was not in place and the audit committee was not used to fulfil the performance audit committee function, as required by Municipal planning and performance management regulation 14(2)(a).

Internal audit

41. The internal audit unit did not function as required by section 165(2) of the MFMA, in that:
 42. The internal audit unit did not prepare a risk-based audit plan and an internal audit programme for the financial year under review.
 43. Internal audit unit did not report to the audit committee on the implementation of the internal audit plan.
 44. The internal audit unit did not advise the accounting officer on matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management.
 45. Sufficient appropriate audit evidence could not be obtained that the internal audit unit advised the accounting officer on matters relating to compliance with the MFMA, the Division of Revenue Act (DoRA) and other applicable legislation, as required by section 165(2)(b)(vii) of the MFMA.

Procurement and contract management

46. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a)
47. 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).
48. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
49. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation

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36(1).

50. Bid specifications were not always drafted by bid specification committees which were composed of one or more officials of the municipality as required by SCM regulation 27(3).

Human resource management and compensation

51. Sufficient appropriate audit evidence could not be obtained that job descriptions were established for all posts in which appointments were made in the current year, as required by section 66(1)(b) of Municipal Systems Act,.
52. The acting corporate service manager was appointed without having met the prescribed minimum competency levels as required by section 56(1)(b) of the Municipal Systems Act.

Expenditure management

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

Conditional grants and transfers

1. The municipality did not evaluate its performance in respect of programmes or functions funded by the Municipal Systems Improvement Grant allocation, as required by section 12(5) of the DoRA.
2. Sufficient appropriate audit evidence could not be obtained that the Municipal Infrastructure Grant allocation was spent in accordance with the applicable grant framework, in contravention of section 17(1) of the DoRA.
3. The municipality did not evaluate its performance in respect of programmes funded by the Municipal Infrastructure Grant allocation, as required by section 12(5) of the DoRA

Revenue management

4. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Asset management

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5. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.
6. An effective system of internal control for assets was not always in place, as required by section 63(2)(c) of the MFMA.

Consequence management

7. Unauthorised, Irregular, Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.
8. Council certified unauthorised, irregular, fruitless and wasteful expenditure as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(a)(ii) of the MFMA.

Internal control

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

Leadership

10. The leadership did not provide effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the interests of the entity. The municipality did not enforce compliance with applicable laws and regulations. And there was no consequence management for those that did not conduct the business of the municipality in line with the rules and regulations.
11. The leadership did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls. Lack of management oversight on preparing, approving and implementing the policies such as fraud prevention, code of conduct, fraud hotline, risk management strategy and draft recruitment policy.
12. The municipality did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. Financial reporting was given to the external service provider and there was not report for performance information.

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13. The leadership did not always have established and communicated policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities.
14. The municipality did not develop and monitor the implementation of action plans to address internal control deficiencies. Internal and audit committee were not effectively used or functional as oversight. Consultants were utilised for the compilation of financial reports, however this is not sufficient to address internal control deficiencies.
15. Establish an IT governance framework that supports and enables the business, delivers value and improves performance.

Financial and performance management

16. There were no proper and effective systems and controls in place as evidenced by:
 - Weekly and monthly reconciliations that were not always adequately prepared for financial items during the year including payroll, taxation, creditors, debtors; and fixed assets. This has resulted in the municipality being required to rely on manual reconciliation at year end. Due to the significant increase in volume of manual reconciliation required, assurance processes were not implemented timely to ensure information is accurate and complete. As a result, a number of errors in the reconciliations were identified by the external auditors.
 - Municipal documents were not always easily accessible when needed.
 - No annual performance report.
17. The municipality did not prepare regularly, accurate and complete financial and performance reports that are supported and evidenced by reliable information. Numerous changes had to be made to the records during the audit and the results of the changed that could not be made resulted in the audit opinion.
18. The municipality did not always review and monitor compliance with applicable legislation.
19. The municipality did not design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.

Governance

20. The financial and risk unit was not established. The municipality did not conduct

Chapter 6

risk assessment and did not identify the risks relating to the achievement of the financial and performance reporting objectives. Controls were not always developed to prevent, detect and correct material misstatement in the financial and performance reporting.

21. The internal audit unit did not function as required by section 165(2) of the MFMA and also did not have the guidance from the Audit Committee as it was not established.
22. An audit committee was not in place, as required by section 166(1) of the MFMA. Numerous findings were reported on compliance, financial and performance reporting that could have been minimized by the guidance from the audit committee. The municipality did not utilize the shared services available at the district municipality.

Au G

30 November 2015



COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements.

Signed (Municipal Manager).....

Dated 2015/02/04

T6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

GLOSSARY

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 "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
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.

GLOSSARY

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 for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance						
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance	
	FT/PT			%	%	
Cllr. Jonas	FT	Mayor	Ward 1	100%		
Cllr. Madikane	PT	Finance	DA	100%		
Cllr. Humphreys	PT	MPAC	ANC	100%		
Cllr. Louw	PT	Infrastructure	Cope	100%		
Cllr. Mpamba	PT	Economic Development	ANC	100%		
Cllr. Kywe	PT	Communication	ANC	100%		
Cllr. De Bruin	PT	Corporate	Cope	100%		
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>						T A

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	NO	
Building regulations	NO	
Child care facilities	NO	
Electricity and gas reticulation	YES	
Firefighting services	NO	
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	YES	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters	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	
<i>Continued next page</i>		

APPENDICES

Continued from previous page

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	NO	
Billboards and the display of advertisements in public places	YES	
Cemeteries, funeral parlours and crematoria	NO	
Cleansing	YES	
Control of public nuisances	NO	
Control of undertakings that sell liquor to the public	NO	
Facilities for the accommodation, care and burial of animals	NO	
Fencing and fences	YES	
Licensing of dogs	YES	
Licensing and control of undertakings that sell food to the public	YES	
Local amenities	YES	
Local sport facilities	YES	
Markets	YES	
Municipal abattoirs	NO	
Municipal parks and recreation	YES	
Municipal roads	YES	
Noise pollution	NO	
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		T D

APPENDICES

APPENDIX F – WARD INFORMATION

Ward Title: Ward 1, 2, 3, 4				
Capital Projects: Year 2015				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
1	Project Description: MIG1326 Upgrading of Roads and Stormwater in Deetlesville	Feb-15		R 1,497,453
2	Project Description: 234220 Upgrading of Hopetown Water Treatment Works - Phase 1	May-11		R 35,754,980
3	Project Description: 234220 Strydenburg Thembelihle BWS Scheme	Aug-11	Jun-14	R 13,654,207
4	Project Description: TM2011/008 Refurbishment of Hopetown Main Intake - Phase 1	Aug-11		R 2,744,896
4	Project Description: TM 2011/009 Transformer & Switch Gear Hopetown Main Intake Substation - Phase 2			
5	Project Description: 234750 Upgrading Of Steynville Bulk Water Supply	Nov-11	Jun-14	R 21,012,674
6	Project Description: TLM 06/2014 Upgrading of Roads and Stormwater Infrastructure in Steynville, Hopetown.	Oct-14		R 77,000,000
7	Project Description: TM 02/2012 Highmast Lighting - Steynville / Mandela Square	Aug-12	Feb-14	R 1,032,521
8	Project Description: 234740/M Hopetown Upgrading of existing raw water abstraction from Orange River	Apr-12		R 7,157,557.47
				T F.1

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)
Names: xxx (8); xxx (7)...
T F.3

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year2015	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	Not functional	
		T G

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during Year 2015)					
					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					
					<i>TH.1</i>
Public Private Partnerships Entered into during Year 2015					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2008/09
N/A					
					<i>TH.2</i>

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider			
Name of Entity & Purpose (i)	(a) Service Indicators	Year 0	
	(b) Service Targets (ii)	Target	*Previous Year (iii)
	N/A		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	2013/2014	Current: 2014/2015		2014/2015 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Executive and Council	15,565,001	16,735,000	16,736,395	17,595,711	5%	5%
Vote 2 - Budget & Treasury	5,851,370	6,892,513	7,103,467	5,966,857	-16%	-19%
Vote 3 - Corporate Services	823,703	555,319	607,861	1,915,605	71%	68%
Vote 4 - Community & Social Services	1,562,414	1,288,201	918,000	1,319,507	2%	30%
Vote 5 - Public Safety		0	0	0	0%	0%
Vote 6 - Planning & Development	5,744,130	11,615,829	8,818,764	17,587,121	34%	50%
Vote 7 - Road Transport	2,797,999	5,305,314	4,692,700	5,180,243	-2%	9%
Vote 8 - Electricity	8,442,083	15,169,692	10,420,984	10,278,671	-48%	-1%
Vote 9 - Water	11,325,953	9,685,806	10,306,495	8,816,602	-10%	-17%
Vote 10 - Water Waste Management	2,483,818	3,128,638	2,665,428	2,149,927	-46%	-24%
Vote 11 - Waste Management	1,310,394	2,001,487	1,452,042	1,236,081	-62%	-17%
Total Revenue by Vote	55,907	72,378	63,722	72,046	0%	12%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

T K.1

VOLUME III

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	Year 2014	Year 2015			Year 2015 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	2,289	3,401	4,060	2,599	-31%	-56%	
Property rates - penalties & collection charges			-				
Service Charges - electricity revenue	8,729	9,925	10,003	10,795	8%	7%	
Service Charges - water revenue	3,007	3,438	4,669	2,070	-66%	-126%	
Service Charges - sanitation revenue	2,245	2,492	2,470	2,250	-11%	-10%	
Service Charges - refuse revenue	1,193	1,368	1,349	1,115	-23%	-21%	
Service Charges - other			-				
Rentals of facilities and equipment	304	488	515	433	-13%	-19%	
Interest earned - external investments	663	347	301	391	11%	23%	
Interest earned - outstanding debtors	785	3,178	904	808	-294%	-12%	
Dividends received			-				
Fines	924	4,021	4,512	3,879	-4%	-16%	
Licences and permits	253	280	184	213	-31%	13%	
Agency services			-				
Transfers recognised - operational	24,215	21,532	21,532	22,424	4%	4%	
Other revenue	674	819	486	1,527	46%	68%	
Gains on disposal of PPE			-				
Environmental Protection							
Total Revenue (excluding capital transfers and contributions)	45,282	51,290	50,985	48,504	-5.74%	-5.11%	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>							T K.2

VOLUME III

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
RBIG	5399	5399	18682	71%	71%	
FMG	70	70	451	84%	84%	
Other			11	100%	100%	
Total	5469	5469	19144	71%	71%	
<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>						TL

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

VOLUME III

VOLUME III: AUDITED ACTION PLAN 2015