

BLUE CRANE ROUTE MUNICIPALITY (EC102)



DRAFT ANNUAL REPORT 2011/2012

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Chapter 1

COMPONENT A: MAYOR'S FOREWORD

CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

a. Vision:

A Municipality that strives to provide a better life for all its citizens

b. Key Policy Developments:

In his State of the Nation Address on 10 February 2011, the President emphasized on some of the positive developments that had taken place; namely:

- The progress made on basic services, with more than 400 000 additional people being served with basic water supply last year. About 81% of the country is electrified as compared to 63% in the year 2000.
- The decrease in crime statistics, for example, the murder rate declined by 8, 6% in the past year.
- The performance of the financial sector, which has proven to be remarkably resilient in the face of the recent financial crisis and the global economic meltdown.
- The Budget deficit is set to decline from the current 6.7% to between 3 and 4% by 2013.
- The 2010 FIFA Soccer World Cup which was undoubtedly the most exciting project in 2010.

Furthermore he indicated that while many South Africans celebrate the delivery of houses, electricity or water, there are yet many others who are still waiting and that service delivery should indeed move faster.

The President then stated that five priorities were previously focused on, being:

- Education;
- Health;
- rural development and agrarian reform;
- taking forward the fight against crime; and
- Creating decent work.

He added that despite having done well on these priorities there was still concern with regard to unemployment and poverty which persists despite the economic growth experienced in the past 10 years. To address these concerns, the State President stated that had declared 2011 a year of job creation through meaningful economic transformation and inclusive growth.

Having noted this just prior to the commencement of the financial year we are reporting on these events not only affected the nation as a whole but also had particular ripple effects on us here in the Blue Crane. In particular the impact of the global economic crisis on our agricultural sector, as well as the ever increasing demand placed on us as a local government to increase both the pace and footprint of the service delivery to our community.

In response I'm confident that as Blue Crane Route Municipality we have played our part to the best of our abilities in ensuring that we respond to the needs of our people. In ensuring that this is forever at

Chapter 1

the fore front of everything that we do this report provide an account of service delivery by the municipality. The report further articulates our performance in the last financial year in terms of the needs of the poorest amongst us of the delivery of the basic services to our communities. Similarly we have succeeded in driving a program of local economic development through our development agency.

In this regard I am proud to present to you the Draft Annual Report for consideration for the financial year 2011/2012.

(Signed by :)



Mayor NM Scott

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Chapter 1

1.1. MUNICIPAL MANAGER'S OVERVIEW

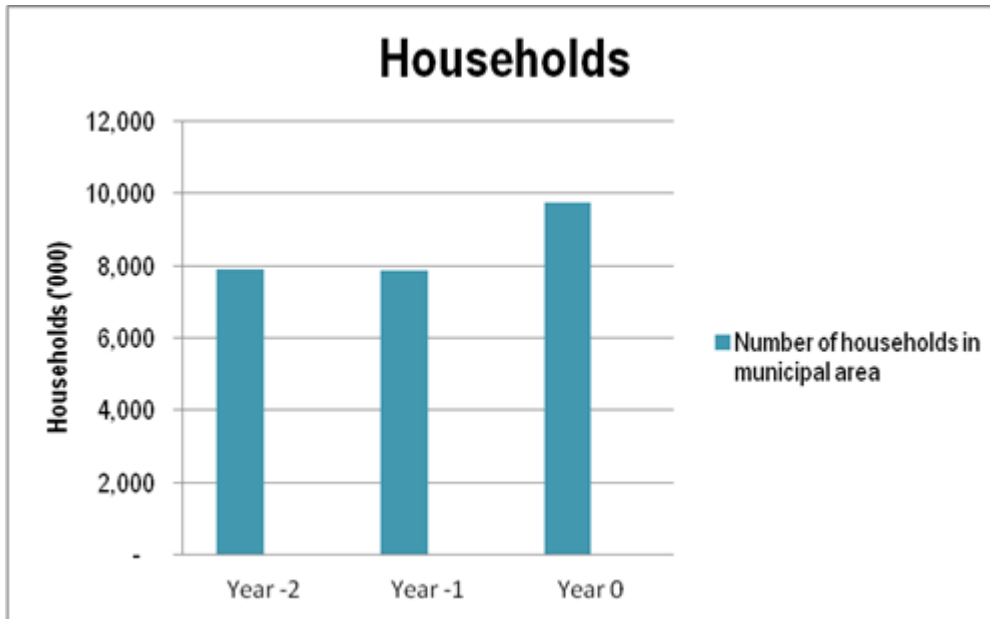
The year under review has been eventful and not without its challenges. However as the custodians of service delivery in the municipality we are particularly proud of the number of significant achievements. During this period critical service delivery, and institutional enablers, were attained these include amongst other the upgrade of gravel roads, the completion of bulk water supply in Somerset East and the replacement of fleet.

In Chapter 3 a detailed breakdown into the municipality's performance with regards to service delivery shall be presented. From this breakdown readers will be able to gain an understanding into the service data, the employee information and financial data (capital and operational expenditure).

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Population Details									
Age	Population '000								
	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	1 543	1 570	3 112	1 581	1 418	2 998	2 172	1 784	3 956
Age: 5 - 9	1 915	2 003	3 917	1 788	1 774	3 562	1 741	1 712	3 453
Age: 10 - 14	2 104	2 053	4 157	1 899	1 968	3 867	1 645	1 463	3 108
Age: 15 - 19	1 717	1 883	3 600	1 910	1 941	3 851	1 558	1 615	3 173
Age: 20 - 24	1 500	1 591	3 090	1 351	1 476	2 827	1 428	1 432	2 859
Age: 25 - 29	1 259	1 315	2 573	1 396	1 431	2 827	1 401	1 359	2 760
Age: 30 - 34	1 193	1 351	2 544	1 183	1 255	2 439	1 150	1 163	2 314
Age: 35 - 39	1 072	1 202	2 274	1 201	1 368	2 569	1 189	1 247	2 436
Age: 40 - 44	958	976	1 934	1 089	1 209	2 297	1 054	1 195	2 248
Age: 45 - 49	717	813	1 531	921	1 082	2 003	1 011	1 192	2 203
Age: 50 - 54	546	638	1 184	709	839	1 548	962	1 053	2 015
Age: 55 - 59	607	677	1 284	557	621	1 178	769	901	1 670
Age: 60 - 64	440	535	975	546	657	1 203	570	714	1 284
Age: 65 - 69	387	454	840	359	436	795	414	517	931
Age: 70 - 74	230	318	548	251	359	610	320	457	777
Age: 75 - 79	151	215	366	141	231	372	152	239	391
Age: 80 - 84	52	128	180	106	160	266	80	162	242
85+	80	155	234	46	147	193	66	116	182
Total	16 468	17 874	34 342	17 034	18 372	35 406	17 682	18 321	36 003

Chapter 1



T1.2.3

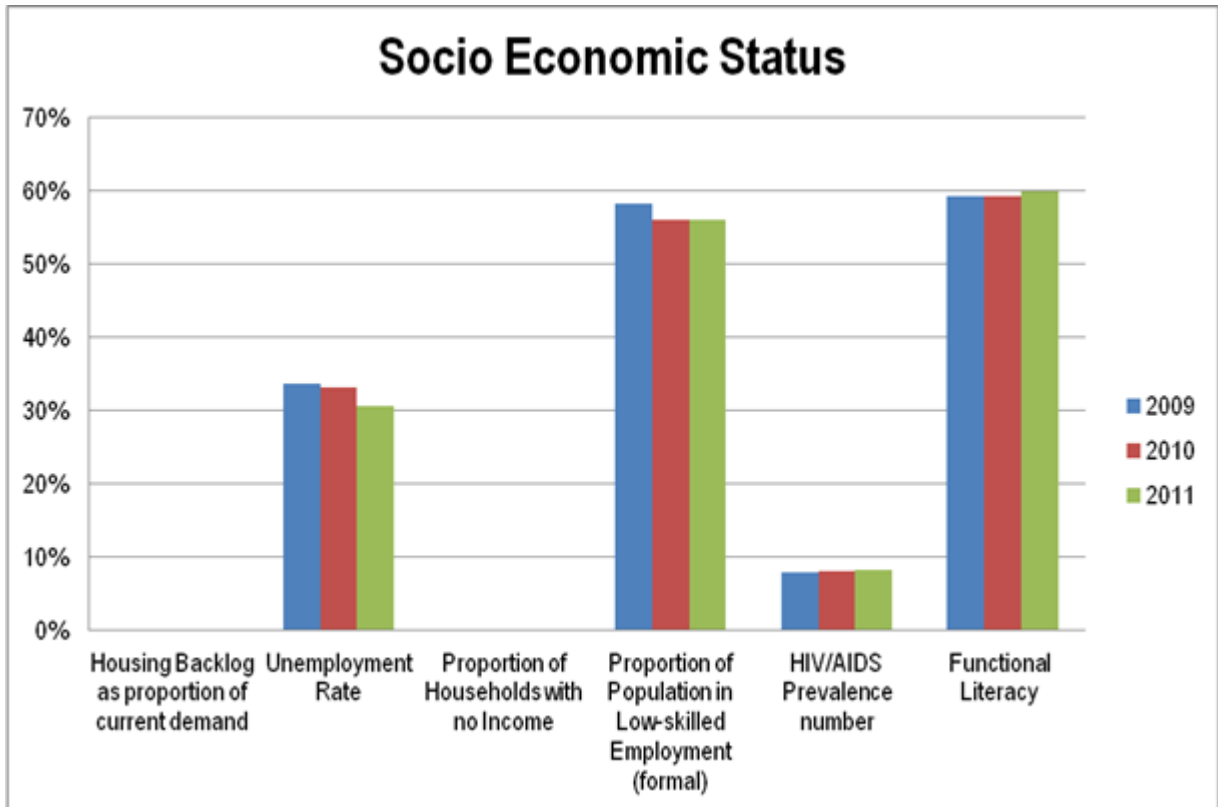
Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment (formal)	HIV/AIDS Prevalence number	Functional Literacy
2009	N/A	33.7%	N/A	58.2%	7.9%	59.3%
2010	N/A	33.2%	N/A	56.1%	8.1%	59.2%
2011	N/A	30.7%	N/A	56.0%	8.2%	60.0%

ECSECC Data 2011 T 1.2.4

The background data which is presented gives an introduction to the demographic make-up of BCRM. The data tells us that the total population of the municipality is 36 003 inhabitants according to the 2011 census. In terms of age demographic, BCRM is similar to many other municipalities since it has a relatively young population. There has also been a marked increase in the new births, table T 1.2.2, illustrates this point clearly.

In terms of Socio Economic data, table T 1.2.4: illustrates a gradually declining unemployment rate (33,7% in 2009 to 30,7% 2011). This marginal decline does bode well for economic growth in the municipality however it still needs to be properly determined where the actual source of this employment is coming from. 56% of the labour force in the municipality is involved in low skilled labour thus earn relatively lower wages. This proportion has been declining though and thus represents the transformation of the local economy and the need for higher skilled labour force.

Chapter 1

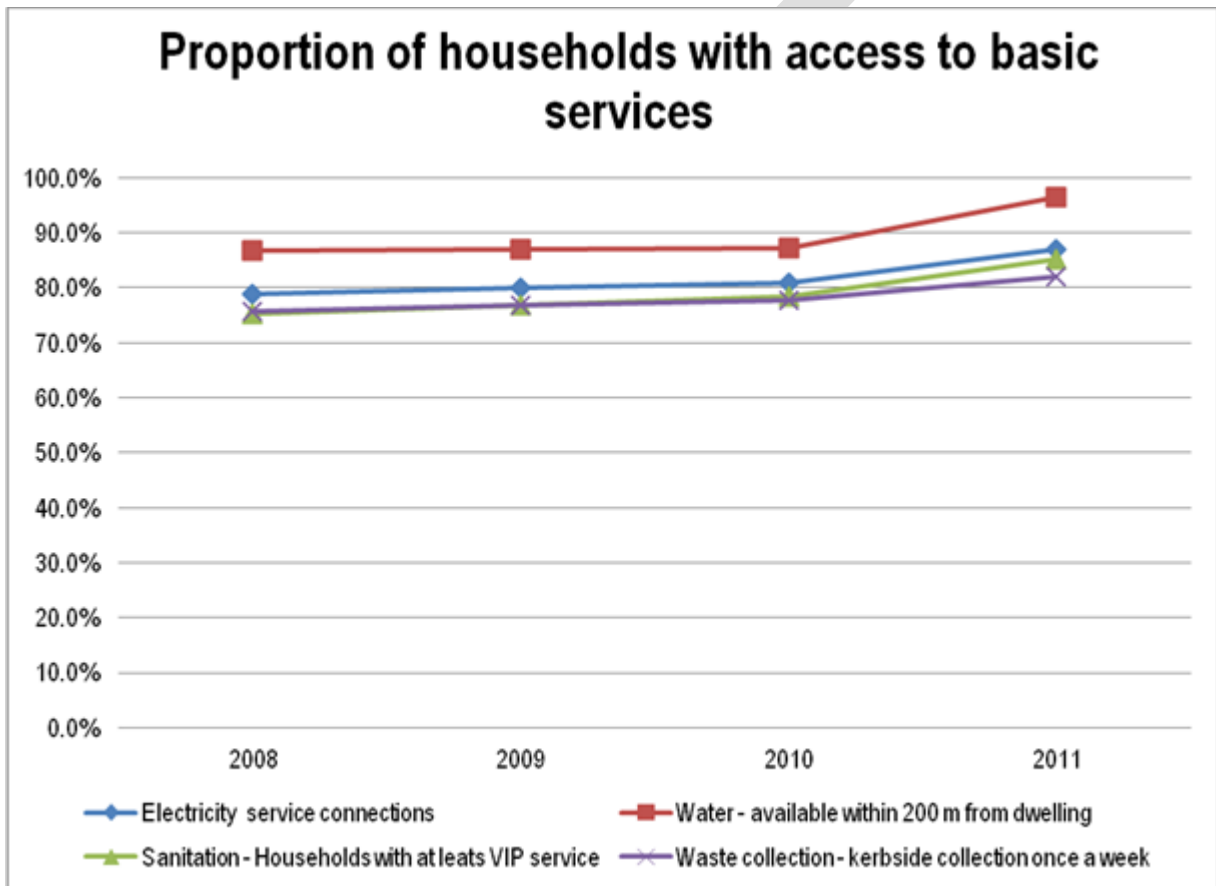


Overview of Neighbourhoods within the Blue Crane Route Municipality	
Settlement Type	Population
Towns	
Somerset East	17133
Pearston	4176
Cookhouse	5369
Sub-Total	26678

Chapter 1

1.3. SERVICE DELIVERY INTRODUCTION

In terms of Service Delivery BCRM has performed moderately in the 2011/2012 financial year. According to the 2011/2012 IDP, BCRM scored low with regards to water services, forestry and environmental and air quality management; got a moderate score with regards to roads, transport and storm water, waste management and disaster management; and scored high with regards to general infrastructure, human settlement, and energy.



The municipality has shown good improvements across all basic services especially in 2011. The availability of water remains the most impressive service in terms of access. According to 2011 statistics, nearly 95% of BCRM's inhabitants have access to water (within 200m from dwelling). The poorest performing basic service is waste collection with almost 20% of residents still not having access to regular (once a week) kerbside waste collection; such a situation can have negative implications for the hygiene of the residents who lack these services.

Chapter 1

1.4. FINANCIAL OVERVIEW

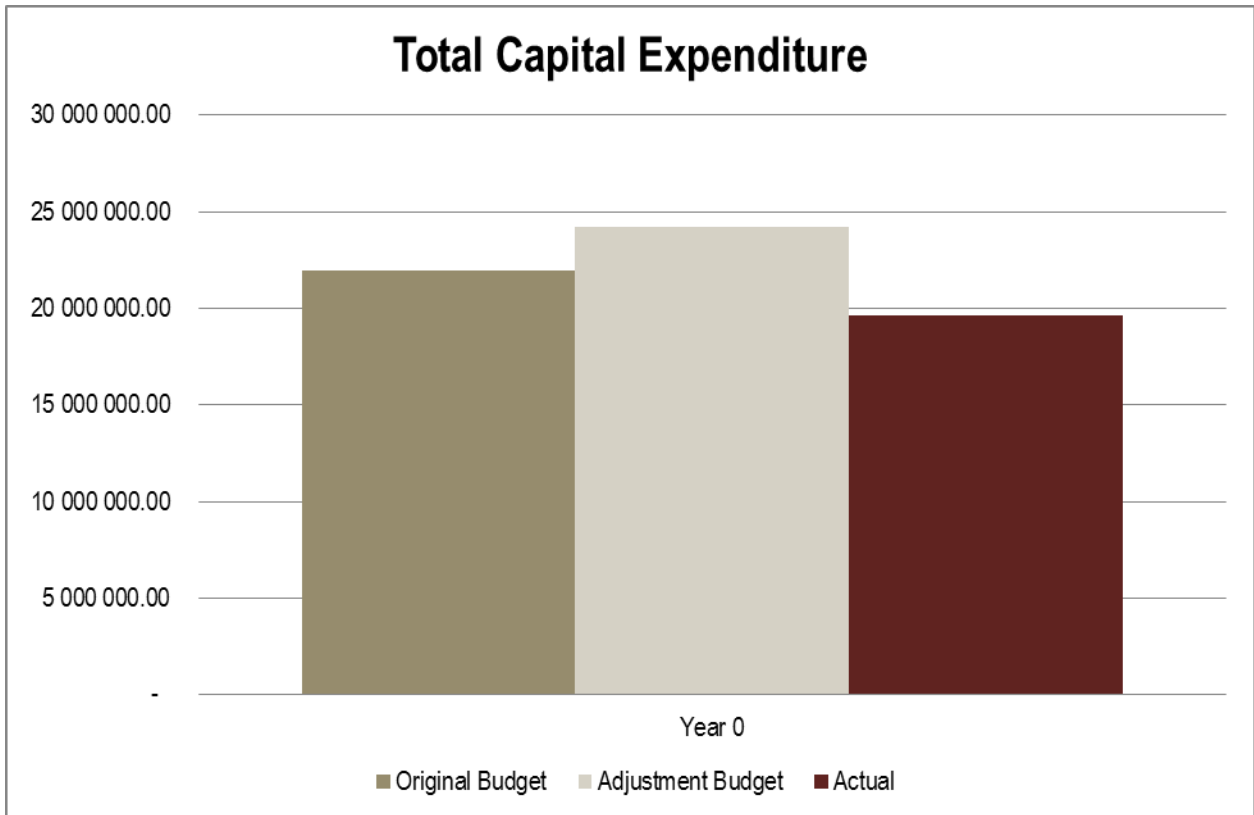
The financial policy of the Blue Crane Route Municipality is to provide a sound financial base and the resources necessary to sustain a satisfactory level of municipal services to the citizens within the Blue Crane Route Municipal area. Detailed information regarding the municipality's financial performance is available in chapter 5 of the annual report.

Financial Overview: 2012			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	38,931,000.00	44,315,689.00	44,686,641.00
Taxes, Levies and tariffs	91,089,000.00	84,606,497.00	76,190,709.00
Other	10,197,000.00	13,592,244.00	9,224,353.00
Sub Total	140,217,000.00	142,514,430.00	130,101,703.00
Less: Expenditure	644.00	640.00	644.00
Net Total*	140,216,356.00	142,513,790.00	130,101,059.00
* Note: surplus/(deficit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	31%
Repairs & Maintenance	2%
Finance Charges & Impairment	14%
T 1.4.3	

Total Capital Expenditure: 2012	
R'000	
Detail	2012
Original Budget	21,963,400.00
Adjustment Budget	24,238,093.00
Actual	19,646,235.74

Chapter 1



1.5. AUDITOR GENERAL REPORT

The Auditor General Report is contained in Chapter 6 of this Annual Report with the relevant Audit Action Plan. The Annual Financial Statements for the municipality and the entity were submitted by 31 August 2012 and the Consolidated Annual Financial Statements was submitted on 28 September 2012. The Audit process and the resultant Audit Report were concluded within the legislative timeframes as well with the Consolidated Audit Report being issued on 14 December 2012.

The Municipality received a qualified opinion for the 2011/2012 financial year from the office of the Auditor General. Further details regarding the Auditor General's Report are available in chapter 6 of the Annual Report.

The Municipality has noted the findings of the Auditor General's report and has put together a detailed action plan to address the issues that have been noted.

Chapter 1

1.6. ORGANISATIONAL DEVELOPMENT OVERVIEW

More detailed information on the organisational performance of the municipality will be presented in chapter 4; some of the more general trends shall be briefly explained in this introductory chapter.

The total number of approved posts is 341 of which 27 posts are currently vacant per the table above which equates to a vacancy rate of 8%. There were no key vacancies in any of the key section 57 Manager posts during the year, thus top management has been stable during the period adding to the overall strategic direction of the municipality.

The Municipality has embarked on an extensive campaign to fill its funded and critical vacant post so as to ensure the optimisation of service delivery. It should be noted however that due to the process of natural attrition (Turnover in the labour market) there will be at times vacancies in the organisation. In this regard the Municipality has maintained a very low turnover rate of between 2%-7% over the last three financial periods.

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

In order for a municipality to apply Performance Management Systems adequately it is vital for the timeframes prescribed by the Auditor General are adhered to. The Annual Report is one of the key tools for performance management within a municipality, maintaining the timeframes ensures that a municipality will not have conflated or confused data. It also assists with creating and instilling a culture of PMS within the municipality as an organisation.

Chapter 1

Blue Crane municipality fully appreciates and understands the importance of timeframes for the Annual Report and strives to adhere to them.

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Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance is the system by which local authorities direct and control their functions and deliver to communities. Governance entails ensuring that there are adequate systems and procedures in place to ensure the local authority delivers on its mandate and is sustainable by ensuring:

- Community Focus
- Service delivery
- Structure and procedures
- Risk Management and internal control
- Code of Conduct.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION

Political governance is provided by the Mayor who also acts as speaker and the council, the details of which are provided in 2.1 below.

Administrative governance is concerned with the day to day operations of the municipality in terms of delivery of services to the community and is provided by the Municipal Manager and other Section 57 Managers as detailed below in the relevant sections.

2.1 POLITICAL GOVERNANCE

INTRODUCTION

The Blue Crane Route is a Category B Municipality and has a Plenary System, which means that all executive powers are vested in Council. The provisions of the latter are per section 12 of the Notice of the Municipal Structures Act 117 of 1998. It has a speaker who is also called the Mayor.

There are ten (11) councillors and four (4) Standing committees, namely:

- Technical Services Committee
- Community Services Committee
- Corporate Services Committee
- Finance Committee

In addition to the above an audit committee has been established to ensure that there is adequate system of internal control in place, and that it is operating effectively and efficiently during the year.

Chapter 2

POLITICAL STRUCTURE

MAYOR AND SPEAKER

Ms. N.M. Scott

COUNCILLORS

The Blue Crane Route Municipality has ten (10) other councillors, four (4) of which are Proportional Representatives (PR). The names of the councillors are as follows:

- Mr B Manxoweni (PR)
- Mr K Brown (PR)
- Mr C Du Preez (PR)
- Mr W Greeff (PR)
- Ms N Mjikelu (Ward 1)
- Ms R Bradfield (Ward 2)
- Ms N Yantolo (Ward 3)
- Mr M Mali (Ward 4)
- Mr M Nontyi (Ward 5)
- Ms Z Funiselo (Ward 6)

POLITICAL DECISION-TAKING

Council has a minimum of six (6) meetings per year. All meetings are preceded by meetings of the:

- Finance Committee.
- Corporate Services Committee.
- Community Services Committee.
- Technical Services Committee.

In addition to the general council meetings undertaken during the year, Special council meetings and committee meetings are convened during the year to ensure that decisions are not delayed.

Council resolutions are prepared for the Mayors signature and only implemented by officials when approved.

Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION

Administrative governance is concerned with the effective functioning of the municipality and its day to day operations in terms of Finance, Corporate, Technical services and Community services.

TOP ADMINISTRATIVE STRUCTURE

TIER 1

I. MUNICIPAL MANAGER

Mr M.A. Mene

II. MANAGER: COMMUNITY SERVICES

Mr P Dreyer

III. MANAGER: CORPORATE SERVICES

Mr H Hendricks

IV. MANAGER: FINANCIAL SERVICES

Ms D.R Sauls

V. MANAGER: TECHNICAL SERVICES

Mr L Ntlazebo

Note: * denotes officials on fixed term performance contracts reporting to the Municipal Manager under the Municipal Systems Act Section 57.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution section 41.

The Structures of intergovernmental relations framework (IGR) have not been functional because of the non-provision of the IGRF Act.

Chapter 2

The District and the province have agreed that the mayors should convene all Provincial, National and Parastatals within each locality.

That has happened in the process of the IDP and Budget preparation.

The following challenges are noted with regards to “IGR”:

- Establishment of Local IGR Structures
- The implementation of the resolutions of IGR
- Budget for IGR functions at all levels
- Lifting of the role of the Provincial Treasury, Department of Local Government and Traditional Affairs and the Premiers’ office in their role to support Local Government.
- Consideration of the Department of Agriculture and Environment Affairs in the MUNIMEC

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

- Departmental Cooperative governance meetings with Mayors and Municipal Managers
- Attendance of presidential Committee by Municipalities

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

- MUNIMEC (Municipalities and Member of Executive Council coordinated by Local Government and Traditional Affairs and the Eastern Cape Department of Human Settlements.
- Premiers coordinating committee
- Unofficial MUNIMEC with Department of Economic Affairs and Tourism

ASSOCIATIONS WITH MUNICIPAL ENTITIES

- Blue Crane Route Development Agency

DISTRICT INTERGOVERNMENTAL STRUCTURES

- Mayors Forum (DIMAFO)
- Municipal Managers Technical Forum
- Chief Financial Officers Technical Forum
- Technical Managers Technical Forum

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipal Systems Act 32 of 2000 provides a detailed exposition on the participation of communities in municipal affairs. In this regard the council has ensured that it has consulted with the community on various matters.

2.4 COMMUNICATION, PARTICIPATION AND FORUMS

The council ensures that it consults with the community on the following matters:

- Draft IDP
- SDBIP
- Electricity increase
- Annual report

WARD COMMITTEES

Council has established six (6) ward committees; the purpose of these committees is to strengthen the involvement of the community in the political governance and affairs of the municipality so that the local communities concerns and interests are addressed by those elected to govern the Municipality.

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
Ward 1 - Mass meeting (Public)	27-Oct-11	11	0	59	Yes	Formal report
Ward 1 - IDP and Budget meeting	09-May-12	11	10	70	Yes	IDP and Budget
Ward 2 - Community meeting	04-Apr-12	0	0	0	N/A	Formal report
Ward 2 - IDP and Budget meeting	07-May-12	0	0	0	N/A	IDP and Budget
Ward 3 - IDP and Budget Meeting	08-May-12	0	0	0	N/A	IDP and Budget
Ward 3 - IDP and Budget Preparatory meeting	03-May-12	0	0	0	N/A	IDP and Budget
Ward 4 - Ward community	22-Mar-12	0	0	0	N/A	Formal report
Ward 4 - IDP and Budget meeting	03-May-12	0	0	0	N/A	IDP and Budget
Ward 5 - IDP and Budget Meeting	16-May-12	0	0	0	N/A	IDP and Budget
Ward 5 - IDP and Budget Meeting	22-May-12	0	0	0	N/A	IDP and Budget

Chapter 2

Public Meetings						
Ward 6 - IDP and Budget Meeting	10-May-12	0	0	0	N/A	IDP and Budget
						T 2.4.3

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
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 of Municipal Systems Act 2000	T 2.5.1

COMPONENT D: OVERVIEW OF CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

Note: MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

In order to identify and address risks facing Blue Crane Route, a risk assessment will be performed on an annual basis. This process will be complimented by the specific identification of existing controls to mitigate risks identified. Additional actions to further mitigate these risks will culminate in a risk management plan.

Presentations to employees of Blue Crane Route will be conducted in order to ensure that they have a more detailed understanding of the risks facing Blue Crane Route and the areas wherein these risks exist, thus enhancing the prospect of detecting preventing and correcting.

Chapter 2

2.7 FRAUD AND ANTI-CORRUPTION STRATEGY

FRAUD AND ANTI-CORRUPTION STRATEGY

Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

Blue Crane Route subscribes to the principles of good corporate governance, which requires the conducting business in an honest and transparent fashion.

The Plan is premised on the organisations core ethical values driving the business of Blue Crane Route, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that in practice all municipalities, departments and other business units of Blue Crane Route and even external stakeholders must be guided by the Plan as the point of reference for their conduct in relation to Blue Crane Route.

Blue Crane Route will be consistent and efficient in its application of the disciplinary measures. Additional measures, which will be considered include:

- Communication of specific disciplinary standards and forbidden conduct;
- Introducing a system where the application of disciplinary measures is applied consistently;
- Steps for ongoing training of managers in the application of disciplinary measures;
- Where managers are found to be inconsistent and/or inefficient in the application of discipline, Blue Crane Route will consider firm action; and
- Publication (within the permissible legal framework) of the outcomes and sanctions of disciplinary actions, including lessons learned. The successful achievement of these initiatives, together with their communication is expected to have a deterrent effect.

Blue Crane Route will perform specific detection reviews in areas, which are at a high risk of unethical conduct, fraud and corruption on a regular basis. This will include the conducting of presentations to employees, including managers, to ensure that they have a more detailed understanding of the risks associated with these areas, thus also enhancing the prospect of detecting irregularities earlier. These include:

- Recruitment of staff;
- Procurement, e.g. emergency procurement, sole suppliers, etc;
- Housing, e.g. allocation, administration of housing waiting lists, etc; and

Financial Systems and Control, e.g. payment of suppliers, receipt and banking of revenue received

Chapter 2

2.8 SUPPLY CHAIN MANAGEMENT

The Municipality has a supply chain management policy in place, The objective of this policy is to provide a policy framework within which the Municipal Manager and Chief Financial Officer can institute and maintain a supply chain management system which is transparent, efficient, equitable, competitive, which ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development. By adopting this policy the council further pledges itself and the municipal administration, to the full support of the Proudly South African campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act. No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and

Where applicable, the council also pledges itself to observe the requirements of the Construction Industry Development Board Act No. 38 of 2000 and its regulations.

The following financial policies were also adopted by council and implemented:

- Investment Policy
- Financial Reporting Framework Policy
- Asset Management Policy
- Cost Estimation Policy
- Cash Management, Payment of Creditors Policy
- Cash Receipt and Banking Policy

2.9 BY-LAWS

By-laws Introduced during Year 2011/12					
By Law	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Aerodrome	n/a	n/a	n/a	n/a	n/a
Commonage	n/a	n/a	n/a	n/a	n/a
Community fire and safety	n/a	n/a	n/a	n/a	n/a
Customer care and revenue	n/a	n/a	n/a	n/a	n/a
Electricity supply	n/a	n/a	n/a	n/a	n/a
Fences and fencing	n/a	n/a	n/a	n/a	n/a
Impoundment of animals	n/a	n/a	n/a	n/a	n/a
Liquor trading hours	n/a	n/a	n/a	n/a	n/a

Chapter 2

Outdoor advertising and signage	n/a	n/a	n/a	n/a	n/a
Prevention of public nuisances	n/a	n/a	n/a	n/a	n/a
Public amenities	n/a	n/a	n/a	n/a	n/a
Roads and traffic	n/a	n/a	n/a	n/a	n/a
Solid waste disposal	n/a	n/a	n/a	n/a	n/a
Sporting facilities	n/a	n/a	n/a	n/a	n/a
Storm water management	n/a	n/a	n/a	n/a	n/a
Street trading	n/a	n/a	n/a	n/a	n/a
Water and supply chain	n/a	n/a	n/a	n/a	n/a

2.10 MUNICIPAL WEBSITE CONTENT AND ACCESS

The Municipality has a website per the requirements of section 75 of the MFMA, refer below for details of the content available per the website.

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	-
All current budget-related policies	Yes	-
The previous annual report (Year 2011)	Yes	-
The annual report (Year 2012) published/to be published	Yes	-
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2011/12) and resulting scorecards	Yes	-
All service delivery agreements (Year 2011)	Yes	-
All long-term borrowing contracts (Year 2012)	Yes	-
All supply chain management contracts above a prescribed value (give value) for Year 2012	Yes	-
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.	Yes	-
Contracts agreed in Year 2012 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	-
Public-private partnership agreements referred to in section 120 made in Year 2012	n/a	-
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2012	Yes	-
T 2.10.1		

Chapter 2

2.11 PUBLIC SATISFACTION LEVELS

The Municipality did not conduct any public satisfaction survey during the 2011/2012 Financial year

Satisfaction Surveys Undertaken during: Year 2010/11 and Year 2011/12					
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	None noted				
(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					
				T 2.11.2	

Chapter 3

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

INTRODUCTION

BCRM operates as WSP and WSA for all water services in the municipal area. The three main towns in the BCRM are: Somerset East, Cookhouse and Pearston, with Somerset East being the economic and social hub of the Municipality. To supply water to the different areas, the Municipality obtains its water from the Orange/ Fish Irrigation Scheme, boreholes and surface down flows.

Somerset East:

Bulk water supply for Somerset East originates from fountains situated in the mountains, boreholes and extraction from the Orange/Fish River Scheme via the Somerset East Irrigation Sub-Area Canal. Water consumption demand is currently putting great pressure on some parts of the supply infrastructure where water supply bottlenecks appear to be problematic. The current extraction exceeds the registered volumes of that from the Canal as well as the supply from the Bestershoek area.

Cookhouse:

Cookhouse extracts its water from the Hougham Abrahamson Canal and the Boschberg Canal. The only registered supply is that from the Hougham Abrahamson Canal and the current extraction volume exceeds the registered allocation. Legal requirements regulating the water supply to Cookhouse need to be attended to.

Pearston:

Only boreholes supply the town of Pearston with water. The borehole supply is registered and in line with the specific water use, but the registered allowable volumes of extraction is not realistic and needs to be reviewed.

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

Service delivery is at the heart of what BCRM aims to achieve. It is vitally important that all municipal structures and entities are optimally harnessed in such a way that will make the delivery of services to the residents a reality. This chapter deals with service delivery of basic services over the past financial year and gives a detailed breakdown of the various activities, achievements and challenges that the municipality has faced with regards to service delivery. BCRM classifies basic services as Water, electricity, sewer, refuse services, infrastructure and housing .

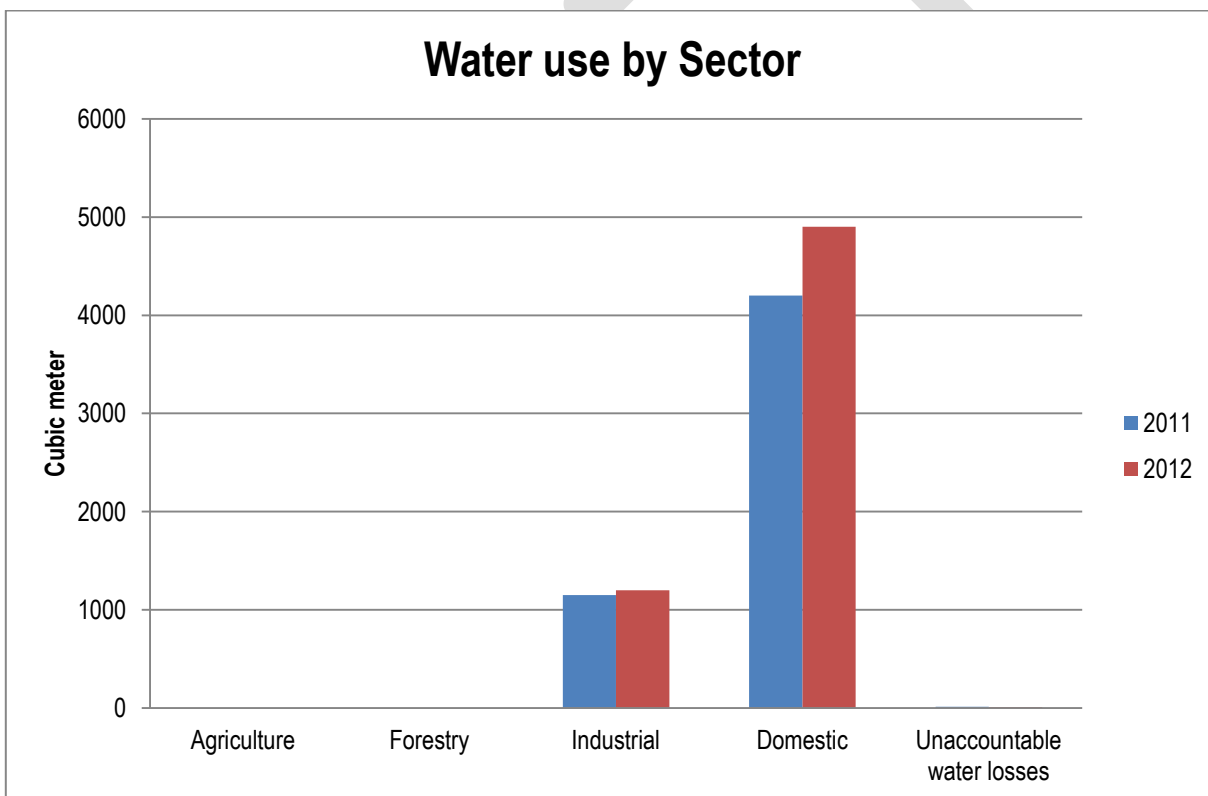
Chapter 3

Thus in this chapter the reader is given an overall picture of where the municipality is placed in terms of this important function.

3.1. WATER PROVISION

No water treatment plant is available in Pearston, whilst both Cookhouse and Somerset East have adequate treatment facilities. The raw water comes from Uitkeer (D.W.A.F) via the Somerset East Irrigation board canal where it is abstracted at the southern part of the town next to the T.R.41 and treated at the Orange Fish Treatment Plant and is distributed to the consumers.

The amount of bulk water presently abstracted from current BCRM sources is approximately 2,642.7 ML/year, whilst the available water resources can provide approximately 5,663.9 ML/year. In the next five years there will be a shortfall in the water supply to Somerset East Town of approximately 82 ML/year. The total physical losses are estimated at 74 ML/year for the entire BCRM.



Domestic activities account for the largest amount of water usage in BCRM, industry being the second being user. In addition, domestic usage of water seems to be also increasing; the available data shows an increase of 700 cubic meters per day from 2010/2011 to 2011/2012. Industry has seen a much more modest increase over the same period of just 50 cubic meters per day.

A concern is the 11 cubic meters of unaccounted water loss that was recorded in the year of review, and whilst this number is a decrease of 1 cubic meter from the previous year, it should still be noted that unaccounted water loss is a serious problem since water is such a scarce resource.

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Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	0	0	1150	4200	12
Year 0	0	0	1200	4900	11
					T 3.1.2

Water Service Delivery Levels				
Description	Households			
	2008/09	2009/10	2010/11	2011/2012
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	6,000	8,100	8,720	8,929
Piped water inside yard (but not in dwelling)	900	700	350	350
Using public tap (within 200m from dwelling)	30	30	30	20
Other water supply (within 200m)				0
<i>Minimum Service Level and Above sub-total</i>	6,930	8,830	9,100	9,299
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	-	-	-	-
Other water supply (more than 200m from dwelling)	-	-	-	-
No water supply				-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%	0%
Total number of households*	6,930	8,830	9,100	9,299
T 3.1.3				

Chapter 3

Households - Water Service Delivery Levels below the minimum						
Description	2008/09	2009/10	2010/11	Households		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
Informal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
						T 3.1.4

Chapter 3

Financial Performance Year 2011/12: Water Services					
R'000					
Details	2011	2012			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	17,073,602	17,014,491	18,917,758	17,080,364	0%
Expenditure:					
Employees	2,381,058	2,592,273	2,998,310	2,766,410	6%
Repairs and Maintenance	504,898	639,941	605,466	495,318	-29%
Other	8,891,725	5,844,776	6,695,137	7,434,347	21%
Total Operational Expenditure	11,777,681	9,076,990	10,298,913	10,696,075	15%
Net Operational Expenditure	-5,295,921	-7,937,501	-8,618,845	-6,384,289	-24%

T 3.1.8

Capital Expenditure Year 2011/12: Water Services	
R' 000	
Capital Projects	2012

Employees: Water Services					
Job Level	2011	2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	14	14	13	1	7%
10 - 12	7	7	7	0	0%
13 - 15				0	0
16 - 18				0	0
19 - 20				0	0
Total	25	25	24	1	4%

T3.1.7

Chapter 3

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	417,000	623,448	431,364	3%	
Water Equipment	75,000	61,000	56,130	-34%	56,130
Water Pump	0	14,000	13,786	100%	13,786
Water Network and Pumping Equipment	342,000	548,448	361,448	5%	361,448
					T 3.1.9

BCRM has experienced a number of challenges with regards to water services of these include the following:

- Pearston obtains its water from boreholes only. One of the boreholes (Rustenburg) supplies approximately 70% of the town's water. Consumption increased with the bucket eradication program and the borehole is over exploited. If this borehole collapses, the town will be left without sufficient water.
- Somerset East Water is obtained from surface water that is seasonal and rainfall dependent, as well as water from the Orange/Fish Irrigation Scheme. The town is dependent on the only reliable source, being the Orange/Fish Canal supply. A project has been completed and it's being implemented with a new bulk water pipeline to ensure that the town will be able to overcome any water shortage threats in the future.
- Due to the fact that Cookhouse was administered by the old Transnet, all assets and rights still reside with Transnet. The town is dependent on water from the Orange/Fish Irrigation Scheme and has no surface or borehole sources. The present water supply to the town is not reliable, and a pipeline is required from the Orange-Fish Scheme to secure sustainable water to the town

3.2 SANITATION PROVISION

Sewer outfall is managed by various methods in the Blue Crane Route. Besides the Chris Hani settlement in Somerset East, the entire community of the Somerset East urban area is serviced with a waterborne sewer system. A substantial capital outlay has been budgeted for and is being spent; further provision must be made for upgrading the facility to a waterborne reticulation system. The

Chapter 3

BCRM is currently in the process of eradicating the Bucket System in line with the national priority requiring all bucket systems to be completely eradicated by 2011/12. The BCRM's objective is to supply each consumer with full water borne sanitation system, if technically and financially feasible.

Sanitation Service Delivery Levels				
Description	*Households			
	Year -3	Year -2	Year -1	Year 0
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	6,700	7,800	8,000	8,329
Flush toilet (with septic tank)	120	120	120	120
Chemical toilet	–	–	–	–
Pit toilet (ventilated)	–	–	–	–
Other toilet provisions (above min.service level)	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	6,820	7,920	8,120	8,449
<i>Percentage</i>	95.4%	94.6%	93.4%	91.4%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet	200	300	375	450
Other toilet provisions (below min.service level)	70	150	200	340
No toilet provisions	60	–	–	–
<i>Below Minimum Service Level sub-total</i>	330	450	575	790
<i>Below Minimum Service Level Percentage</i>	4.6%	5.4%	6.6%	8.6%
Total households	7,150	8,370	8,695	9,239
*Total number of households including informal settlements				T 3.2.3

Chapter 3

Sanitation Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Year 0
	Outcome No.	Outcome No.	Outcome No.	Actual No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	6,700	7,800	8,000	8,329
Flush toilet (with septic tank)	120	120	120	120
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	0	0	0	0
Other toilet provisions (above min.service level)	0	0	0	0
<i>Minimum Service Level and Above sub-total</i>	6,820	7,920	8,120	8,449
<i>Minimum Service Level and Above Percentage</i>	96.2%	94.6%	93.4%	90.9%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	200	300	375	450
Other toilet provisions (below min.service level)	70	150	200	340
No toilet provisions				60
<i>Below Minimum Service Level sub-total</i>	270	450	575	850
<i>Below Minimum Service Level Percentage</i>	3.8%	5.4%	6.6%	9.1%
Total households	7,090	8,370	8,695	9,299
*Total number of households including informal settlements				<i>T 3.2.3</i>

Employees: Sanitation Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	1	1	1	0	0%
7 - 9	10	10	10	0	0%
10 - 12	7	7	6	1	14%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20				0	0
Total	18	18	17	1	6%
<i>T 3.2.7</i>					

Chapter 3

Financial Performance 2012: Sanitation Services					
Details	2011	2012			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10,955,002	11,489,222	12,101,139	10,620,800	-8%
Expenditure:					
Employees	1,537,851	2,026,950	1,976,170	1,843,997	-10%
Repairs and Maintenance	315,385	378,640	225,788	101,109	-274%
Other	3,779,540	2,741,611	2,869,661	1,973,873	-39%
Total Operational Expenditure	5,632,776	5,147,201	5,071,619	3,918,979	-31%
Net Operational Expenditure	-5,322,226	-6,342,021	-7,029,520	-6,701,821	5%

Capital Expenditure Year 2011/12: Sanitation Services					
Capital Projects	2012				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1,136,861	651,552	324,250	-251%	-
Sewer Pumps and Sewer Line Upgrade	0	451,552	176,907	100%	555,000
Gorman Rupp Pump motors	450,000	10,000	8,641	-5108%	8,641
Sewer Pumps	151,861	100,000	119,230	-27%	119,230
Sewer Reticulation Pump	535,000	90,000	19,472	-2648%	19,472
					T 3.2.9

As a WSP and a WSA, the Municipality takes full responsibility for sewage disposal and treatment in all towns. To this end, BCRM is in the process of upgrading the bulk WWTW facilities in all towns and the status is as follows:

Pearston

Pearston has a newly build WWTW facility. The facility has been under-designed and needs to be enlarged.

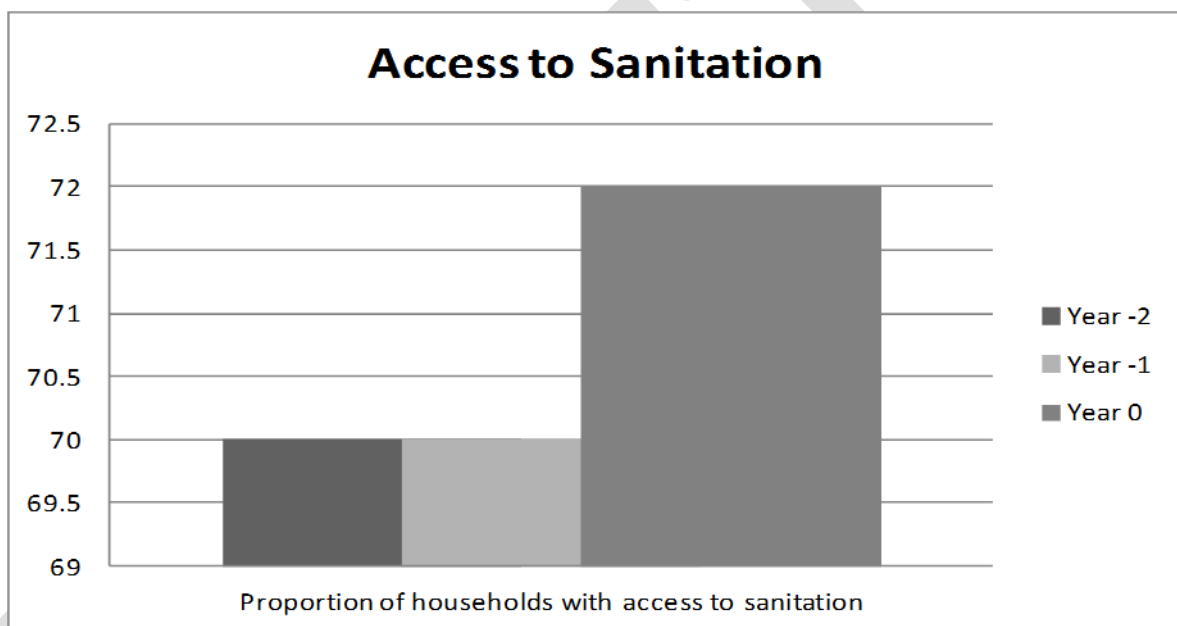
Chapter 3

Somerset East

Residential reticulation in the town is old and requires intensive maintenance actions. At the moment a new activated sludge purification works is under construction in Somerset East to upgrade the WWTW. The project will be done in phases and the first phase is complete.

Cookhouse

The bulk WWTW needs to be upgraded and the project is under design. MIG funds have been allocated to the project, but the progress has been retarded due to an EIA study that could not be completed in the past three years.



3.3 ELECTRICITY

Blue Crane Route Municipality's electricity covers an area of approximately 9900km²; this includes the three (3) towns, Somerset East, Cookhouse and Pearston, as well as an extensive farming community. The supply ranges from a full connection in rural and urban areas and prepaid to a ready board system, the Municipality has its own distribution licence to supply electricity to rural and urban areas within its boundaries. Our maximum demand hovers in the region of 15, 5 MVA.

New developments and expansion with regards to electrification during the 2011/2012 financial year include the following:

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Electrification of 34 shacks in Cookhouse and RDP houses in Church Street, Electrification of 166 farm worker houses in rural areas, Electrification of project of RDP houses in Pearston, New high-rise pump station in Somerset East, New developments at Dairy Belle cheese factory in Cookhouse, n Chris Hani and Old Location approximately 240 houses have either been electrified or the connections transferred from one shack to newly built RDP houses, There are 435 rural transformers that supply electricity to dairy farms, chicken farms, piggeries, ostrich farms and irrigation farms producing animal fodder, vegetables, grain, etc.

T 3.3.2

Electrification remains one of the municipality's most important functions. BCRM's ability to efficiently fulfill this function is hampered by challenges which can negatively impact upon performance. Chief amongst these concerns over the year under review is that the electricity infrastructure constantly needs upgrading as the network ages and demands expand.

As a solution the municipal unit dealing with electricity started a ring-fencing exercise to upgrade the infrastructure.

Despite the significant challenge of ageing infrastructure. BCRM has still managed to have a number of achievements in terms of electrification. This is primarily because the spacious rural areas provide favourable conditions for new networks.

The following upgrades were done to the electricity network:

- Five regulators have been installed on Eastport HT line strengthen supply.
- A new 22 kV power line was built from Somerset East to Pearston.
- The main supply to Cookhouse was strengthened with new cables and switchgear and two new 200, a regulator as well as a new overhead line in Cookhouse.
- A low tension line was built in Buikkant Street in Pearston with street lighting.
- Sport lights were installed at the sport field in Pearston.
- New streetlights were installed in Millennium Park, Pearston.
- Streetlights in Nojoli Street in Somerset East were equipped with yellow sodium lights.
- Spotlights were installed in dark areas in Mnandi.
- Electricity is supplied to the pump station in Clevedon for a new high-rise project with a switch gear, an 11 kV cable as well as an overhead line with a 500kVA transformer.
- A 5 MVA transformer has been purchased for Wellington Grove and Middleton power lines.
- A 6 MVA transformer has been purchased for the Eastpoort/Klipfontein power line. A new plinth was cast for these transformers.
- The main substation was extended for installation of new equipment.

3.4 WASTE MANAGEMENT

(THIS SECTION INCLUDES: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Chapter 3

INTRODUCTION

The management of solid waste is the responsibility of each local municipality. Although urban areas generally are adequately catered for in terms of the operation of solid waste removal, the scale and remoteness of many settlements does not enable local municipalities to ensure refuse removal from minor settlements and communities

A weekly door-to-door refuse collection services is provided to all urban residents of Blue Crane Route municipal area. Once collected, refuse gets disposed off at the landfill sites of each town of the Blue Crane Route Municipality respectively. Cookhouse and Somerset East landfill sites are authorised whilst Pearston is not authorised. Currently, none of the three (3) sites complied with the Environmental Conservation Act (Act 73 of 1989) and National Environmental Management Act of 1998 (NEMA), however DEDEA is assisting these Municipality in this regard Council. It is anticipated that this assistance will greatly assist towards sustaining compliance in the area of waste management in the municipality.

Unfortunately, this does not extend to the rural areas of the Municipality, as these rural areas of BCRM provide their own waste management service.

Employees: Solid Waste Management Services					
Job Level	Year 2010/11	Year 2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	8	8	8	0	0%
10 - 12	54	57	54	3	5%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	66	69	66	3	4%
T3.4.5					

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Financial Performance Year 2011/12: Solid Waste Management Services					
R'000					
Details	2011	2012			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	12,438,405	13,215,506	13,264,005	11,004,689	-20%
Expenditure:					
Employees	5,969,391	6,727,147	7,131,600	6,782,927	1%
Repairs and Maintenance	288,646	543,773	526,020	201,516	-170%
Other	5,994,861	4,530,806	4,405,118	3,681,834	-23%
Total Operational Expenditure	12,252,898	11,801,726	12,062,738	10,666,277	-11%
Net Operational Expenditure	185,507	1,413,780	1,201,267	338,412	-318%
<i>T 3.4.7</i>					

Capital Expenditure Year 2011/12: Waste Management Services					
R' 000					
Capital Projects	2012				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	350,000	0	0	
Fencing of Landfill Site	0	350,000	0	0	600,000
<i>T 3.4.9</i>					

Challenges that the Waste Management function of the municipality has faced include the following:

- The number of households in BCRM has increased, resulting in greater volume of waste generated, but the collection teams remain the same. This is one of the reasons why the collection cannot be managed weekly.
- Some of the employees of waste collection are attending ABET classes and that causes shortages of manpower.

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- The Municipality does not have any programs that encourage the community to separate waste, a source for the purposes of refusing and recycling.
- The recycling that is taking place at the landfill is done by a private contractor supported by the Municipality. The Municipality allows the private company to recycle on the site so that volumes of waste going into the trenches can be reduced, subsequently improving the airspace. So far, progress in this regard is very slow.
- The three landfill sites are not operating and managed according to the minimum requirements and Waste Management Act. The biggest problem that the Municipality is having is permitting these sites, ensuring proper management and its funding. Council has applied for MIG funding since the budget for the development of the new landfill site is beyond its financial means
- The irregular collection of garden refuse has resulted in illegal dumping taking place all over the area. Waste is also dumped along the way to landfill site by those that can afford to transport their own waste.
- The dumping of waste by private people at landfill sites is free and the Municipality is losing revenue that could sustain waste management activities.
- BCRM has under spent by 318% on its budget

Measures to remedy the challenges that have been faced by BCRM with regards to Waste Management include the following:

- Sweeping of streets,
- Cleansing of furrows
- Cleansing of cemeteries
- Removal of illegal dumps and garden refuse

3.5 HOUSING

Housing forms part of the priority needs analysis due to the current shortfall in the provision of housing in the BCRM. The right to adequate housing is one of the basic human rights as outlined by the South African Human Rights Commission. The initial housing backlog experienced by the low income earning population in BCRM in 1990 has been addressed to an extent. The three urban centres received the following allocation of subsidies for low cost housing projects:

- Somerset East: 1,405
- Pearston: 789
- Cookhouse: 696

The waiting list is furthermore being consolidated to include all the settlements to give applicants a choice of locality.

Somerset East is experiencing the greatest need for housing in the BCRM. There is a great need for middle-income housing, particularly in Somerset East. Somerset East and Cookhouse are experiencing a shortage of suitable housing for housing development purposes. The Departments of Land Affairs (DLA), Human Settlements (DHS) and farmers that are willing to sell have been approached and some agreements have been concluded and sent to the
Almost 90% of the population of BCRM lives in a formal residential unit.

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In the period under review, another critical focus are in the BCRM has been on the rectification of the backlog of households within the Blue Crane Route Municipality. This has been due to challenges with the Bulk Infrastructure such as electricity, water and sanitation. Once the bulk infrastructure backlogs have been addressed new establishments and settlements can be planned.

Notwithstanding the extent of the demand for human settlements and housing in the Municipality, to date the BCRM in partnership with the DHS have 202 houses have been completed in old locations as follows:

- 38 out of 50 in Pearston
- 24 out of 34 in Aeroville

Future plans involve buying the land in cookhouse from Proponent in the Survey area and rectification and rebuilding:

- Westview 400 rectification
- New Brighton 300 rectification
- Mnomdi 300 rectification
- Mnomdi 140 R16,000 subsidy extension
- Aeroville 261 R16,000 subsidy extension
- Cookhouse 200 rectification
- Millennium park 300 rectification

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
2009	9595	7824	81.5%
2010	9595	7824	81.5%
2011	9595	7824	81.5%
2012	9761	8558	87.7%
			T 3.5.2

Employees: Housing Services					
Job Level	2011		2012		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	2	2	2	0	0
7 - 9	5	5	5	0	0
10 - 12	17	18	17	1	6%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	24	25	24	1	4%
T 3.5.4					

Chapter 3

Financial Performance Year 2011/12: Housing Services					
R'000					
Details	2011	2012			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	992,190	457,035	2,501,173	2,267,925	80%
Expenditure:					
Employees	2,747,886	2,857,713	3,166,270	3,075,386	7%
Repairs and Maintenance	13,234	52,429	319,609	287,586	82%
Other	1,200,383	1,525,283	3,652,546	1,933,480	21%
Total Operational Expenditure	3,961,503	4,435,425	7,138,425	5,296,452	16%
Net Operational Expenditure	2,969,313	3,978,390	4,637,252	3,028,527	-31%
T 3.5.5					

Capital Expenditure Year 2011/12: Housing Services					
R' 000					
Capital Projects	Year 2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	349,900	776,000	150,338	-133%	
Furniture / Equipment - Town Hall	101,100	100,000	94,708	-7%	94,708
Municipal Buildings - Various	248,800	620,000	-	0	620,000
Purchase of Erf 87/112 Cookhouse	-	56,000	55,630	100%	55,630
T 3.5.6					

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3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

BCRM provides free basic services to those classified as indigent in the municipality. Families that are classified as indigent are determined by the municipality through an indigent policy. The municipality maintains a register which allows it to document all those households needing access to free basic services. The indigent policy seeks to realise the following objectives:

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council. This regard the Municipality is able to mitigate the impact of poverty and unemployment;
- The financial sustainability of free basic services through the determination of an appropriate tariff systems that contributes to such sustainability through cross subsidisation;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
- The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households; and
- Co-operative governance with other spheres of government.

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R2440 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
	Total	Access	%	Access	%	Access	%	Access	%	
Year -2	3,274	3,274	3,274	100%	3,274	100%	3,274	100%	3,274	100%
Year -1	3,758	3,758	3,758	100%	3,758	100%	3,758	100%	3,758	100%
Year 0	3,452	3,452	3,452	100%	3,452	100%	3,452	100%	3,452	100%
										T 3.6.3

Financial Performance Year 2011/12: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year 2010/11	Year 2011/12			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	2063316	2017016	2017016	2259780	11%
Waste Water (Sanitation)	1471745	1486943	1486943	1646554	10%
Electricity	1090809	1330000	1330000	1171318	-14%
Waste Management (Solid Waste)	2205482	2213129	2213129	2494546	11%
Total	6831352	7047088	7047088	7572198	7%
					T 3.6.4

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In terms of the data provided, it is apparent that the BCRM does not have any backlogs in the delivery of free basic services to indigent households in the Municipality, as per the current indigent data base for the municipality. In providing these services the municipality annually reviews the indigent policy as well as implementing annual registration and review of all municipal beneficiaries. This is not easy because of challenges faced with regard to acquiring data from areas such as rural and township/informal settlements that have poor infrastructure and therefore frustrate the data collection process.

With regards to the delivery of free basic services, the data presented paints a positive picture. According to table T 3.6.3, the municipality has delivered 100% of free basic services to all those households classified as being indigent, the challenge now lies in ensuring that those households that are indigent and do not appear on the registers will be recorded as soon as possible. In ensuring that the indigent data base is credible and constantly updated, the Municipality undertook ongoing engagements with the public through its walk-in service and through outreaches to communities in the Municipality. In terms of actual vs. Budgeted expenditure, BCRM has performed fairly well maintaining variances no larger than 14% in across the basic services being delivered to the indigent households.

BCRM is in the process of implementing free basic services to Indigent households. In order to provide these services the municipality annually reviews the indigent policy as well as implementing annual registration and review of all municipal beneficiaries. This is not easy because of challenges faced with regard to acquiring data from areas such as rural and township/informal settlements that have poor infrastructure and therefore frustrate the data collection process.

With regards to the delivery of free basic services, the data presented paints a positive picture. According to table T 3.6.3, the municipality has delivered 100% of free basic services to all those households classified as being indigent, the challenge now lies in ensuring that those households that are indigent and do not appear on the registers will be recorded as soon as possible. In terms of actual vs. Budgeted expenditure, BCRM has performed fairly well maintaining variances no larger than 14% in across the basic services being delivered to the indigent households.

COMPONENT B: ROAD TRANSPORT

3.7 ROADS(PROVISIONING OF ROADS INFRASTRUCTURE)

Roads form one of most basic infrastructural components necessary for development. A well-functioning and well maintained road network creates a positive economic environment influencing the economic activity of the area. In the context of the BCRM, the extent and quality of the existing road network has a significant impact on both the local economy and the community as a whole, since it fundamentally impact on the mobility of both people and produce into the area.

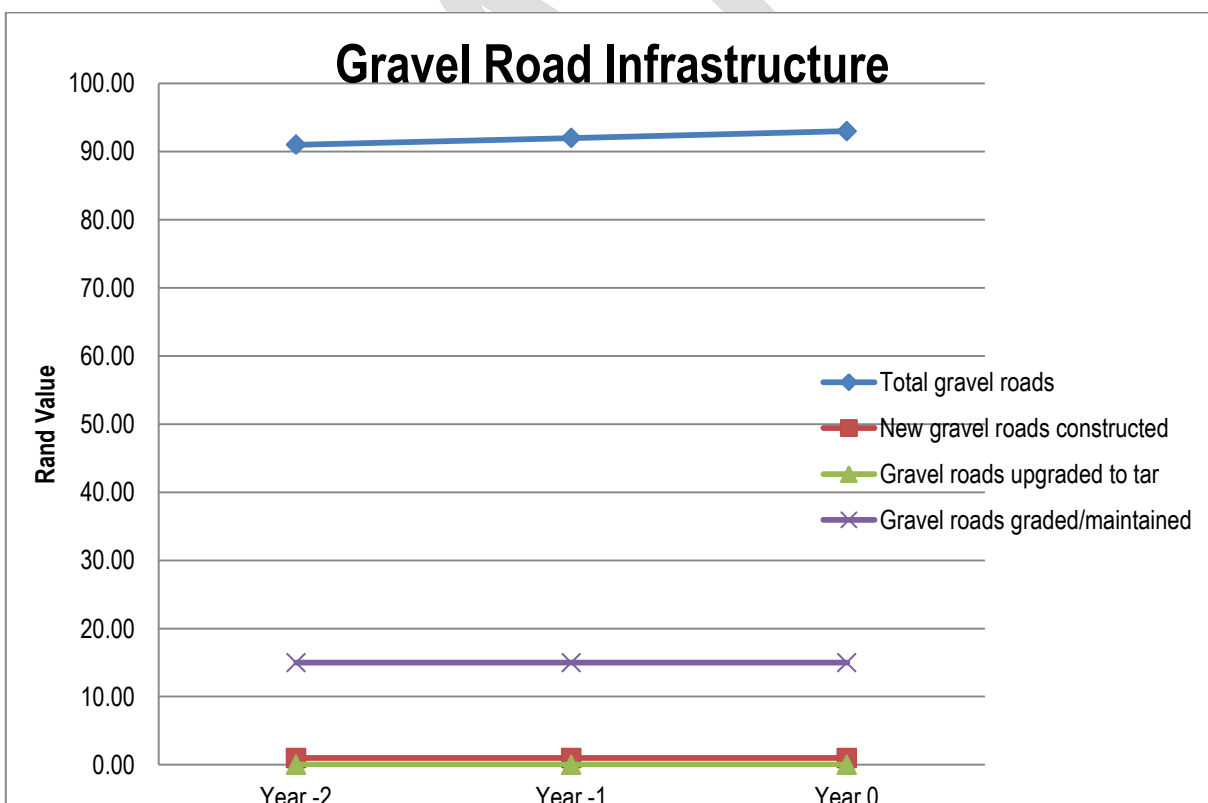
In an economic context, this specifically affects the agricultural related industries and tourism, in particular. If the road network is not sufficiently maintained it could have a negative influence on the

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potential growth rate of the leading economic sectors. The existing bitumen surfaced roads are deteriorating, as the Municipality does not have sufficient funding for road maintenance.

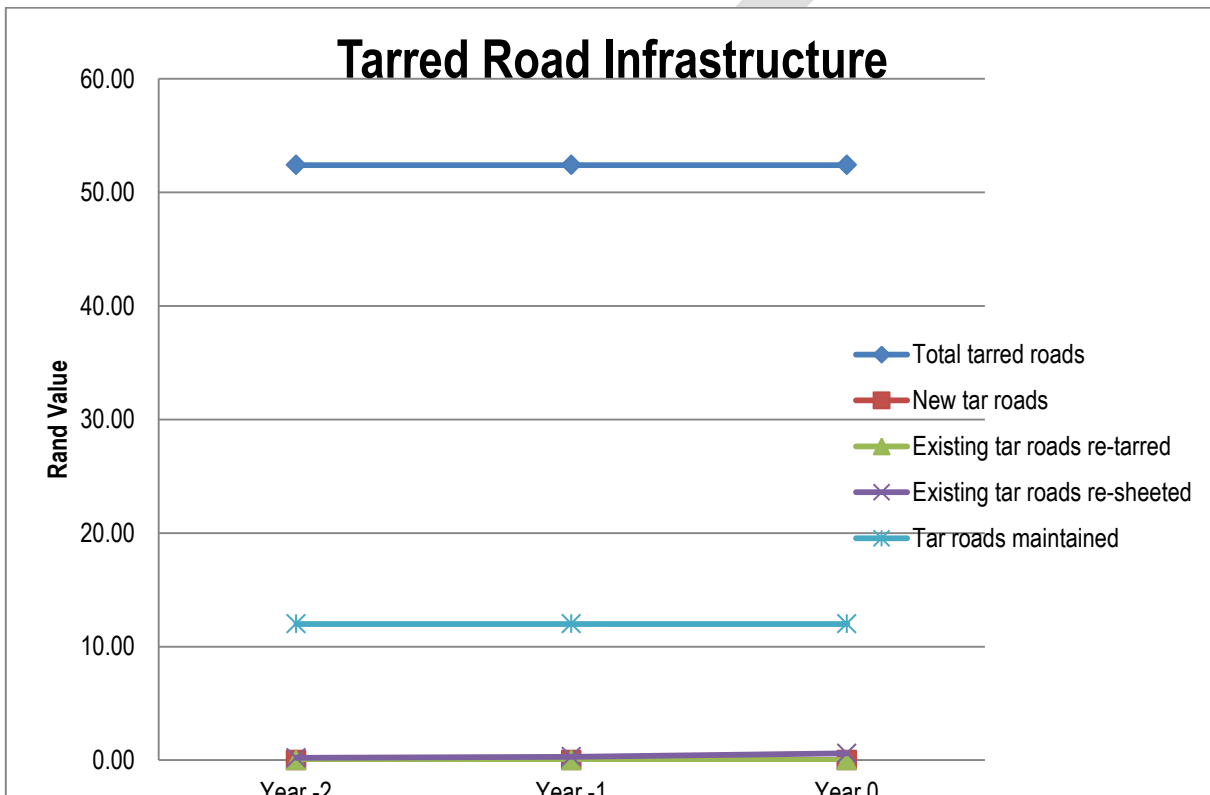
The general status of roads in the urban areas of Blue Crane Route ranges from tar surfaced in central business areas and higher income residential areas to gravel surfaced and graded roads in the middle and low income areas respectively. The maintenance of roads throughout the entire Blue Crane Route Municipal Area (urban and rural) is problematic due to the lack of funding. Urgent attention and funding is needed to address this problem.

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2009/10	91.00	1.00	0.00	15.00
2010/11	92.00	1.00	0.00	15.00
2011/12	93.00	1.00	0.00	15.00
				T 3.7.2



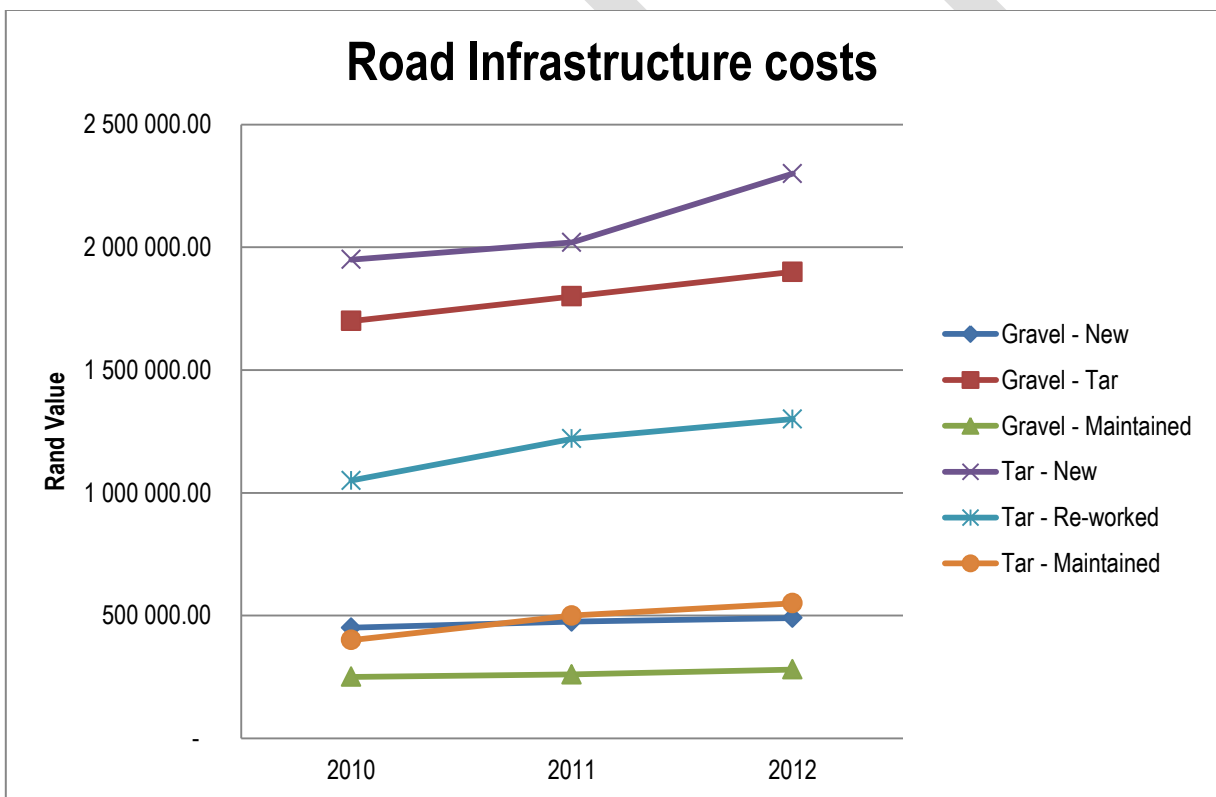
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Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2009/10	52.40	0.00	0.00	0.20	12.00
2010/11	52.40	0.00	0.00	0.30	12.00
2011/12	52.40	0.00	0.00	0.60	12.00
					T 3.7.3



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Cost of Construction/Maintenance							R' 000
years	Gravel			Tar			
	Gravel - New	Gravel - Tar	Gravel - Maintained	Tar - New	Tar - Re-worked	Tar - Maintained	
2010	450,000.00	1,700,000.00	250,000.00	1,950,000.00	1,050,000.00	400,000.00	
2011	475,000.00	1,800,000.00	260,000.00	2,020,000.00	1,220,000.00	500,000.00	
2012	490,000.00	1,900,000.00	280,000.00	2,300,000.00	1,300,000.00	550,000.00	
							T 3.7.4



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Employees: Road Services					
Job Level	2011	2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	2	3	3	0	0
7 - 9	11	11	11	0	0
10 - 12	25	25	24	1	4%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	38	39	38	1	3%

T3.7.7

Financial Performance Year 0: Road Services					
					R'000
Details	2011	2012			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	16,983,252	17,976,249	16,247,061	16,020,263	-12%
Expenditure:					
Employees	5,626,040	5,863,764	5,357,561	5,094,648	-15%
Repairs and Maintenance	924,897	1,729,983	1,348,720	1,064,695	-62%
Other	391,705	2,886,675	2,027,837	811,025	-256%
Total Operational Expenditure	6,942,642	10,480,422	8,734,118	6,970,368	-50%
Net Operational Expenditure	10,040,610	7,495,827	7,512,943	9,049,895	17%

T 3.7.8

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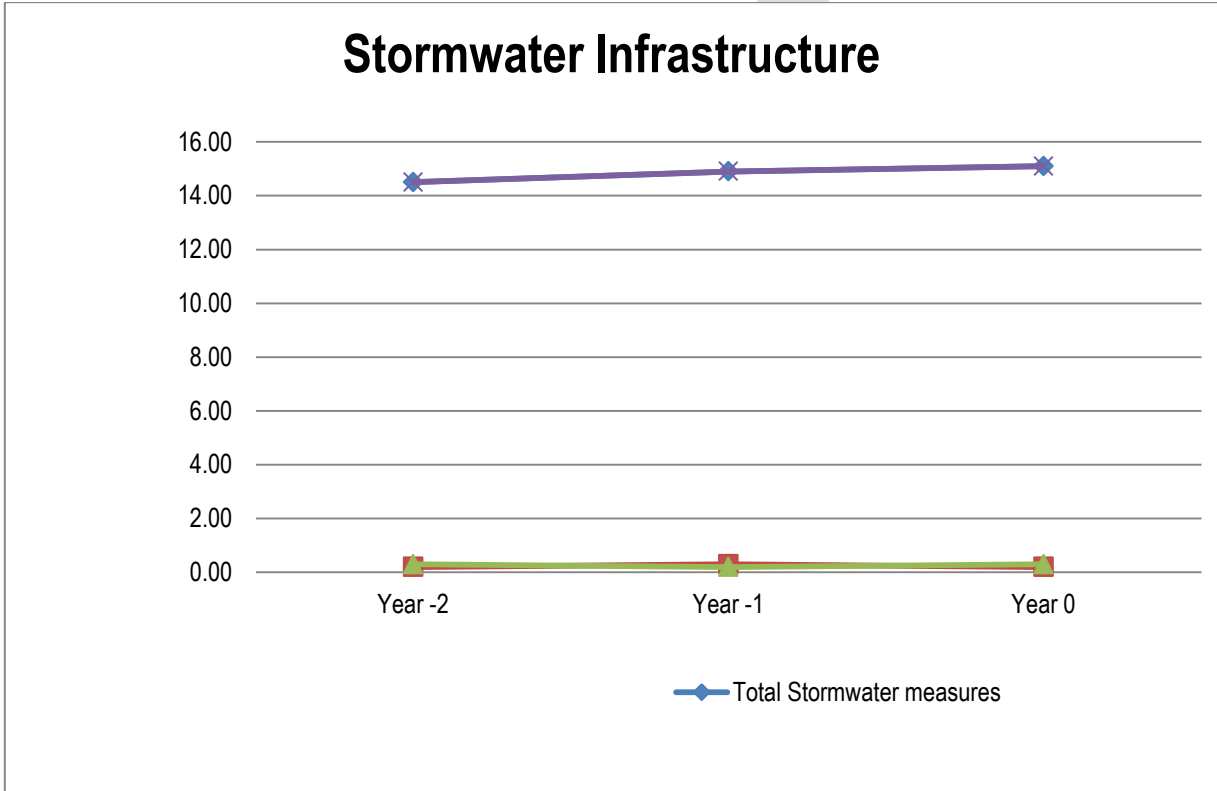
Capital Expenditure Year 2011/12: Road Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	19869180	17050270	15578480	-28%	-
Upgrade Building	104,110	104,110	103,160	-1%	103,160
Road Paving - Cacadu	355,719	355,719	-	-	355,719
Vehicle and LDV's	3,450,000	3,200,000	3,197,722	-8%	3,197,722
Equipment	25,000	150,000	44,314	44%	150,000
Computer Equipment	-	20,000	11,575	100%	11,575
Upgrade WWTW - Cookhouse	-	100,000	66,231	100%	4,000,000
Water Treatment Works - Cookhouse	-	550,000	450,280	100%	450,280
Aeroville Hall	841,268	-	-	-	-
Upgrade Gravel Roads	-	3,200,441	3,166,770	100%	12,000,000
Bestershoek New Bulk Water	15,093,083	9,370,000	8,538,428	-77%	19,000,000
					T 3.7.9

3.9 STORMWATER DRAINAGE (WASTE WATER)

Stormwater Infrastructure				
	Kilometers			
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2009/10	14.50	0.20	0.30	14.50
2010/11	14.90	0.30	0.20	14.90
2011/12	15.10	0.20	0.30	15.10
T 3.9.2				

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Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
2009/10	1,700,000	600,000	280,000	
2010/11	1,800,000	700,000	330,000	
2011/12	1,900,000	900,000	420,000	
			T 3.9.3	



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Employees: Stormwater Services					
Job Level	2011	2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%

Financial Performance Year 2011/12: Stormwater Services						R'000
Details	Year 2010/11	Year 2011/12				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	0	0	0	0	0	
Expenditure:						
Employees	0	0	0	0	0	
Repairs and Maintenance	0	0	0	0	0	
Other	0	0	0	0	0	
Total Operational Expenditure	0	0	0	0	0	
Net Operational Expenditure	0	0	0	0	0	

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Capital Expenditure Year 0: Stormwater Services					
R' 000					
Capital Projects	2012				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.9.8

COMPONENT C: LOCAL ECONOMIC DEVELOPMENT

3.10 LOCAL ECONOMIC DEVELOPMENT

Local economic development is vital to the future development of the BCRM and its inhabitants. The 2008 LED Strategy contains a thorough examination of the socio-economic situation in the BCRM, a brief socio-economic summary is presented in this strategy, whilst it .The strategy further highlights key challenges facing BCRM that impact on local economic development in the Municipality, and the broader economic realities in the district and the province as a whole. These environmental factors are identified as follows, namely:

- The structural profile (small population, large area and resultant low population density) of the BCRM limits access to facilities, services and employment;
- Disparity exists between development in urban and rural areas within the municipality;
- Rural areas have seen a decline in investment;
- High levels of unemployment (40% of economically active population);
- A concentration of employment opportunities (75%) in agriculture and community/ government services;
- High levels of poverty within BCRM (more than half of the population living below poverty line);
- Developmental role of LED stakeholders and principles of LED are not clearly understood;
- LED and institutional arrangements within BCRM is currently in place through the LED Strategy;
- Karoo Cluster has been established for the purpose of interaction
- Possible causes of some of these challenges include:
 - Low levels of investment;
 - Lack of opportunities;

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- National trends;
- Lack of skills, education and support;
- Regional influences;
- Developed tourism potential and facilities.

Economic Activity by Sector (Gross Value Added)			
R '000			
Sector	2008	2009	2010
Agric, forestry and fishing	98	82	76
Mining and quarrying	-	-	-
Manufacturing	115	114	124
Wholesale and retail trade	67	67	76
Finance, property, etc.	136	135	146
Govt, community and social services	178	201	228
Infrastructure services	92	83	87
Total	686	682	736

Economic growth in BCRM has been strongest in the government, community and social services sector. The trends show that over three years (2008-2010), this sector displayed quite healthy growth. The finance and property etc., Sector has also shown healthy growth and was the second largest sector in terms of GVA in 2010.

A worrying trend is the continued decline in the already small amount of agricultural economic activity. A municipality such as BCRM with a large amount of rural land should be able to better harness this potential in order to produce more from its agricultural activities. To this end the BCDA has embarked on agricultural development projects to help and stimulate the sector.

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Jobs Created during 2011/2012 by LED Initiatives (Excluding EPWP projects)

Employees: Local Economic Development Services

Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
2009/10	230	190	40	BCDA Reports
2010/11	235	160	75	BCDA Reports
2011/12	315	245	70	BCDA Reports

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2009/10	40	2,000
2010/11	50	2,900
2011/12	66	4,500
* - Extended Public Works Programme		T 3.11.6

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Job Level	Year 2010/11	Year 2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	5	0	0%
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	10	10	10	0	0%
					T 3.11.8

Chapter 3

Financial Performance Year 2011/12: Local Economic Development Services					
R'000					
Details	Year 2010/11	Year 2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	759,324	672,228	658,848	808,675	17%
Expenditure:					
Employees	92,499	319,358	180,450	195,342	-63%
Repairs and Maintenance	-	-	-	-	-
Other	2,296,594	4,106,142	5,170,240	5,293,936	22%
Total Operational Expenditure	2,389,093	4,425,500	5,350,690	5,489,278	19%
Net Operational Expenditure	1,629,769	3,753,272	4,691,842	4,680,603	20%
T 3.11.9					

This year saw the initial commencement of some of the projects that the BCDA have been working on relentlessly over the last three (3) years. for the last couple of years. The projects which moving into final funding/ and implementation phases were:

Tourism:

The phase 1 & 2 development of the Tourism hub was undertaken by the BCDA. The total investment was R4m, from Cacadu district municipality and DEDEAT with at least 160 temporary jobs created. The added advantage was that the Department of Public Works has further invested in the project with the development of the road infrastructure in the 2012 13 financial year. The project will be launched in the 2012 13 year with the prospect of creating at least 20 permanent jobs.

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Renewable energy:

Wind farm development

Agriculture:

Emerging farmer development

Education:

Maths & science incubator

General:

Additionally, an exciting initiative, in the form of a prospective development of a local shopping centre, which saw the conclusion of a deal to build a shopping complex in Somerset East in December 2011 was a major breakthrough in the holistic development of the BCRM region. Although the project is in the pre-construction phase the real construction should commence in the 2012/2013 financial year.

Capital Expenditure Year 2011/12: Planning Services					
R' 000					
Capital Projects	2012				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
					T 3.10.6

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Employees: Planning Services					
Job Level	2011	2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					0
4 - 6					0
7 - 9					0
10 - 12					0
13 - 15					0
16 - 18					0
19 - 20					0
Total	0	0	0	0	0

T 3.10.4

Financial Performance Year 0: Planning Services					
					R'000
Details	2011	2012			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	0	0	0	0	0
Expenditure:	0	0	0	0	0
Employees	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
Total Operational Expenditure	0	0	0	0	0
Net Operational Expenditure	0	0	0	0	0

T 3.10.5

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3.11 ECONOMIC DEVELOPMENT

Local economic development is vital to the future development of the BCRM and its inhabitants. The 2008 LED Strategy contains a thorough examination of the socio-economic situation in the BCRM, a brief socio-economic summary is presented in this strategy, whilst it .The strategy further highlights key challenges facing BCRM that impact on local economic development in the Municipality, and the broader economic realities in the district and the province as a whole. These environmental factors are identified as follows, namely:

- The structural profile (small population, large area and resultant low population density) of the BCRM limits access to facilities, services and employment;
- Disparity exists between development in urban and rural areas within the municipality;
- Rural areas have seen a decline in investment;
- High levels of unemployment (40% of economically active population);
- A concentration of employment opportunities (75%) in agriculture and community/ government services;
- High levels of poverty within BCRM (more than half of the population living below poverty line);
- Developmental role of LED stakeholders and principles of LED are not clearly understood;
- LED and institutional arrangements within BCRM is currently in place through the LED Strategy;
- Karoo Cluster has been established for the purpose of interaction

Possible causes of some of these challenges include:

- Low levels of investment;
- Lack of opportunities;
- National trends;
- Lack of skills, education and support;
- Regional influences;
- Developed tourism potential and facilities.

Chapter 3

Jobs Created during 2011/2012 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
2009/10	230	190	40	BCDA Reports
2010/11	235	160	75	BCDA Reports
2011/12	315	245	70	BCDA Reports
Tourism Hub	0	0	0	
Agricultural Energy farms	0	0	0	
Renewable energy projects	0	0	0	
				T 3.11.5

Economic growth in BCRM has been strongest in the government, community and social services sector. The trends show that over three years (2008-2010), this sector displayed quite healthy growth. The finance and property Sector has also shown healthy growth and was the second largest sector in terms of GVA in 2010.

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A worrying trend is the continued decline in the already small amount of agricultural economic activity. A municipality such as BCRM with a large amount of rural land should be able to better harness this potential in order to produce more from its agricultural activities. To this end the BCDA has embarked on agricultural development projects to help and stimulate the sector.

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2010	2	73
2011	2	75
2012	3	317
* - <i>Extended Public Works Programme</i>		T 3.11.6

Employees: Local Economic Development Services					
Job Level	Year 2009/10	Year 2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	5	0	0
4 - 6	1	1	1	0	0
7 - 9	2	2	2	0	0
10 - 12	2	2	2	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	10	10	10	0	0
					T 3.11.8

Financial Performance Year 0: Local Economic Development Services						R'000
Details	Year 2010/11	Year 2011/12			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	759,324	672,228	658,848	808,675	17%	
Expenditure:						
Employees	92,499	319,358	180,450	195,342	-63%	
Repairs and Maintenance	-	-	-	-	-	
Other	2,296,594	4,106,142	5,170,240	5,293,936	22%	
Total Operational Expenditure	2,389,093	4,425,500	5,350,690	5,489,278	19%	
Net Operational Expenditure	1,629,769	3,753,272	4,691,842	4,680,603	20%	

Chapter 3

This year saw the initial commencement of some of the projects that the BCDA have been working on relentlessly for the last couple of years. The projects moving into final funding/ implementation phase were:

Tourism:

The phase 1 & 2 development of the Tourism hub was undertaken by the BCDA. The total investment was R4m, from Cacadu district municipality and DEDEAT with at least 160 temporary jobs created. The added advantage was that the Department of Public Works has further invested in the project with the development of the road infrastructure in the 2012 13 financial year. The project will be launched in the 2012 13 year with the prospect of creating at least 20 permanent jobs.

Renewable energy:

Wind farm development

Agriculture:

Emerging farmer development

Education:

Maths & science incubator

General:

Shopping centre The conclusion of a deal to build a shopping complex in Somerset East in December 2011 was a major breakthrough in the holistic development of the BCRM region. Although the project is in the pre-construction phase the real construction should commence in the 2012 13 financial year.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community Services is a one Key Priority Area for BCRM. This priority is concerned with some of the basic human rights that every South African is entitled to, as outlined by the South African Human Rights Commission. These human rights include: the right to education, housing, health, land, water, environmental rights, social security, etc. In this regard this component of the Annual Report is primarily focused on the following areas of service delivery, namely: library services, archives, museums and art galleries, cemeteries, parks and public spaces. All of these are integral public goods, which are essential for holistic social and individual development.

3.12 LIBRARIES; COMMUNITY FACILITIES(CEMETORIES) AND PARKS

Community facilities are vitally important to BCRM as they not only assist in terms of cultivating young minds of the community's youth, but also make the municipality a more attractive place to visit and settle.

To this end BCRM has embarked on a number of activities and projects that will assist in the provision of community facilities. In the 2011/2012 IDP, BCRM identifies the construction of a library and sports fields and the revamping and maintenance of Pearston and Cookhouse libraries as priorities which needed to be attended to as part of the broader priority of providing community facilities.

Chapter 3

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year 2010/11	Year 2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0!
4 - 6	1	1	1	0	0
7 - 9	7	8	6	2	25%
10 - 12	12	13	12	1	8%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	20	22	19	3	14%
					T 3.12.4

Chapter 3

Capital Expenditure Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	377,918	131,118	53,940	-601%	
Libraries - Laptop Computer	30,918	15,918	5,262	-488%	5,262
Bestershoek Furniture / Equipment	75,000	82,000	15,945	-370%	100,000
Commonage - Building of Traylor	152,000	25,200	25,154	-504%	25,154
Commonage - Pound Kraals	120,000	-	-	0%	-
Commonage - Computer Equipment	-	8,000	7,579	100%	7,579
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.12.6

The provision of community services has proven a great challenge to BCRM even though it remains a priority for the municipality. The reason for this is primarily because of a lack of funding for such projects and activities.

Nevertheless BCRM continues to try and make this priority a reality. To this end it should be mentioned that funding has been secured for a service provider to begin the upgrading of the library in Petro village. However, the libraries programme in the Municipality continues to be challenged by the following constraints, namely: limited space (especially in Pearston). Areas such as Cookhouse require additional libraries, particularly in the townships where communities have to travel long distances to access this service.

Additionally, it can be reported that during the past financial year, all parks in the municipality were cleaned and beautified on a continuous basis with assistance of the EPWP programme.

In addition the upgrading of sports fields has begun in Cookhouse and Aeroville and has been completed in Pearston. Plans have also been put in place to build a museum, however construction has not begun.

3.13 CEMETORIES

All cemeteries in the Municipality are currently being maintained and operated by the Community Services Department. However, there is no dedicated team, or unit in the Department assigned purely to this function. Currently, this function is being performed by the Parks division. In this regard, the Department had been able to acquire the support of the EPWP in the Province, which was able to provide assistance in the provisioning of additional staff to assist in this regard.

All Parks are currently being beautified on a constant basis with the assistance of the EPWP programs. With regards to libraries, the municipality is still experiencing problems with acquiring space for the libraries. In other areas such as Cookhouse, there is a need for a librarian in the Township library.

In 2011 the Municipality developed a customer satisfaction survey which is to be assessed a 3 months basis. The idea behind this survey was to gain insight into the level of satisfaction with regards to the community services being offered such as libraries, community facilities and cemeteries.

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year 2010/11		Year 2011/12		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	1	1	1	0	0
7 - 9	7	8	6	2	25%
10 - 12	12	13	12	1	8%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	20	22	19	3	14%

T 3.12.4

Chapter 3

Financial Performance Year 2011/12: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year 2010/11	Year 2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	131,135	267,815	4,574,168	604,878	56%
Expenditure:					
Employees	2,361,673	2,677,144	2,638,620	2,575,699	-4%
Repairs and Maintenance	23,316	106,194	95,568	31,159	-241%
Other	197,587	809,459	724,207	389,271	-108%
Total Operational Expenditure	2,582,576	3,592,797	3,458,395	2,996,129	-20%
Net Operational Expenditure	2,451,441	3,324,982	1,115,773	2,391,251	-39%
<i>T 3.12.5</i>					

Chapter 3

Capital Expenditure Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other

R' 000					
Capital Projects	Year 2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	377,918	131,118	53,940	-601%	-
Libraries - Laptop Computer	30,918	15,918	5,262	-488%	5,262
Bestershoek Furniture / Equipment	75,000	82,000	15,945	-370%	100,000
Commonage - Building of Trailor	152,000	25,200	25,154	-504%	25,154
Commonage - Pound Kraals	120,000	-	-	-	-
Commonage - Computer Equipment	-	8,000	7,579	100%	7,579
					T 3.12.6

All cemeteries are being maintained by the corporate services department. At the moment the team which is tasked with day to day maintenance is the Parks and Open spaces teams. Through the Extended Public Works Program (EPWP), the department has been able to get extra capacity. EPWP provides labour and resources that can be utilised for the Parks and Open spaces team.

EPWP is planning to provide 30 new staff to assist with the cemeteries in the coming financial year. These staff members will undertake tasks such as security, beautification, maintenance cleansing etc.

Chapter 3

Employees: Cemeteries and Crematoriums'					
Job Level	Year 2010/11	Year 2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0%
10 - 12	13	17	13	4	24%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	15	19	15	4	21%
					T 3.13.4
R'000					

Details	Year 2010/11	Year 2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	46,124	54,034	100,577	85,472	37%
Expenditure:					
Employees	1,125,571	1,166,136	1,392,790	1,261,802	8%
Repairs and Maintenance	21,962	789,079	303,740	34,425	-2192%
Other	119,064	494,396	153,825	109,535	-351%
Total Operational Expenditure	1,266,597	2,449,611	1,850,355	1,405,762	-74%
Net Operational Expenditure	1,220,473	2,395,577	1,749,778	1,320,290	-81%

Chapter 3

Capital Expenditure Year 2011/12: Cemeteries and Crematoriums					
R' 000					
Capital Projects	Year 2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	46,543	276,543	13,163	-254%	0
Cemetery Equipment / Tools	-	30,000	13,163	100%	13,163
Cemetery Upgrade / Planning	46,543	246,543	-	0	500,000
<i>T 3.13.6</i>					

Cemeteries and Crematoriums have experienced a number of challenges in the 2012/2013 financial year. The most significant of these was the fact that there has been limited funds for the key project “Aeroville Project” due to budget constraints. This has resulted in the non-implementation of this project. The goal of this project was to see the construction of a cemetery for the Aeroville community. The total estimated cost of the project was R200 000 and was thus too much for the entire budget.

Employees: Cemeteries and Crematoriums					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0
10 - 12	13	17	13	4	24%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	15	19	15	4	21%
T 3.13.4					

Financial Performance 2011/12: Cemeteries and Crematoriums						R'000
Details	Year -2010/11	Year 2011/12				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	46,124	54,034	100,577	85,472	37%	
Expenditure:						
Employees	1,125,571	1,166,136	1,392,790	1,261,802	8%	
Repairs and Maintenance	21,962	789,079	303,740	34,425	-2192%	
Other	119,064	494,396	153,825	109,535	-351%	
Total Operational Expenditure	1,266,597	2,449,611	1,850,355	1,405,762	-74%	
Net Operational Expenditure	1,220,473	2,395,577	1,749,778	1,320,290	-81%	
T 3.13.5						

Chapter 3

Capital Expenditure Year 0: Cemeteries and Crematoriums						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	46,543	276,543	13,163	-254%		
Cemetery Equipment/ Tools	-	30,000	13,163	100%	13,163	
Cemetery Upgrade / Planning	46,543	246,543	-	0%	500,000	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.13.6	

The most significant project earmarked by the Municipality in this service delivery area, related to the development of a new cemetery in Aeroville. The most significant challenge in this regard was the lack of funding initially available for the implementation of the project during the 2011/12 financial year. However, the Municipality is in the process of conducting the Environmental Impact Assessment (EIA), which is projected to cost R 200,000-00 (two hundred thousand rands).

3.14 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION

Health inspection services in the BCRM include a number of vital functions that assist in ensuring the hygiene and environmental safety of BCRM's community. The activities that this function covers include the following:

Food safety: Matters relating to the safety of food during storage, transportation and handling

Water Monitoring: To monitor (bacteriological) the water, to ensure that it is fit for human consumption

Tourism and Leisure: Matters relating to the safety and hygiene standards of accommodation establishments.

Educational Institutions: Matters relating to safety and hygiene standards.

Pauper Burials and Exhumations: Burial of the indigent. Digging and reburial of body remains.

In conducting these inspections the Municipality undertakes random spot checks of establishments and businesses on a monthly basis.

Chapter 3

Employees: Health Inspection					
Job Level	Year 2010/11	Year 2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	2	2	0	0
T 3.19.4					

R'000					
Details	Year 2010/11	Year 2011/12			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	2,555,763	854,315	1,027,325	963,634	11%
Expenditure:					
Employees	465,098	484,622	496,730	608,135	20%
Repairs and Maintenance	4,768	77,282	41,210	2,987	-2487%
Other	1,895,218	279,339	293,091	197,792	-41%
Total Operational Expenditure	2,365,084	841,243	831,031	808,914	-4%
Net Operational Expenditure	190,679	13,072	196,294	154,720	92%
T 3.19.5					

Chapter 3

Capital Expenditure Year 2011/12: Health Inspection					
R' 000					
Capital Projects	Year 2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	195,460	195,460	100%	
Nissan Hardbody	-	195,460	195,460	100%	195,460
					T 3.19.6

COMPONENT G: SECURITY AND SAFETY

INTRODUCTION

Safety and security is not one of the municipal priorities. The crime rate has generally decreased in the Cacadu District from 264.01 in 2001 to 217.69 in 2007. The analysis indicates that the Blue Crane Route Municipality's Crime Index declined from 210.97 in 2001 to 178.93 in 2007. The Karoo municipalities overall have lower crime levels than the southern and eastern municipalities in the District and these recorded crime levels place the BCRM among those with the lowest crime levels. The BCRM's incidence of stock theft is the highest in the District.

3.15 TRAFFIC AND PROTECTION SERVICES

The main objective of BCRM's traffic services is to provide road safety for the public. They ensure that vehicles are road worthy. In addition the traffic services provide visible policing through road blocks in conjunction with the South African Police Services.

Chapter 3

Traffic Service Data					
Job Level	Year 2010/11	Year 2011/12			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy					
Other Police Officers					
0 - 3	0	0	0	0	0
4 - 6	0	1	0	1	100%
7 - 9	6	8	6	2	25%
10 - 12	1	3	1	2	67%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	7	12	7	5	42%

Traffic Service Data					
	Details	2010/11	2011/12		2012/2013
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year				
2	Number of by-law infringements attended	N/A	N/A	N/A	N/A
3	Number of traffic officers in the field on an average day		3		
4	Number of traffic officers on duty on an average day		3		

Chapter 3

Traffic Service Data					
R'000					
Details	Year 2010	Year 2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2,043,702	2,690,750	2,357,253	1,635,759	-64%
Expenditure:					
Police Officers					
Other employees	1,186,570	1,425,329	1,632,600	1,265,774	-13%
Repairs and Maintenance	60,935	198,869	128,367	51,437	-287%
Other	225,382	624,224	591,556	425,436	-47%
Total Operational Expenditure	1,472,887	2,248,422	2,352,523	1,742,647	-29%
Net Operational Expenditure	570,815	442,328	4,730	106,888	514%
<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 3.20.5

BCRM was not able to conduct the intended traffic awareness programmes. This was due to the budget cuts which affected the function. There was also an absence of key posts and resources such as paramedic vehicles as well as traffic officers. Another problem was the absence of the Municipal traffic Chief.

Chapter 3

3.16 FIRE SERVICES

INTRODUCTION

Fire Services are a core function of Cacadu District Municipality; however BCRM renders the services on behalf of the District (without a SLA). The Fire Services have just appointed a Fire fighter who is working in putting the systems in place and two fire fighter positions will be advertised shortly. In addition to providing fire services BCRM also ensures that fire-awareness campaigns are also conducted at schools each quarter as a preventative measure.

BCRM has a combined fire services and disaster management function. Fire Services are a core function of Cacadu District Municipality; however BCRM renders the services on behalf of the District (without a SLA). The Fire Services have just appointed a Fire fighter who is working in putting the systems in place and two fire fighter positions will be advertised shortly. In addition to providing fire services BCRM also ensures that fire-awareness campaigns are also conducted at schools each quarter as a preventative measure.

The dry and hot climate experienced in BCRM means that the area is particularly vulnerable to veld and other kinds of fires which can easily become dangerous and thus pose a threat to the inhabitants. BCRM has already taken pro-active steps to protect its residents by taking on this function despite the fact that it is primarily a district function. BCRM has gone further and is currently conducting fire awareness workshops at schools in the area. Another benefit of the functions which BCRM undertakes is the fact that fire services employed and thus provided income for 59 people over the year in review.

Chapter 3

Employees: Fire Services					
Job Level	Year 2010/11		Year 2011/12		
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	1	1	0	0
					T 3.21.4
<i>Financial Performance Year 0: Fire Services</i>					

R'000

Details	Year 2010/11	Year 2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	8,014	383,014	196,953	96%
Expenditure:					
Fire fighters					
Other employees	172,157	257,772	206,920	178,366	-45%
Repairs and Maintenance	15,066	153,206	113,185	44,321	-246%
Other	138,913	499,092	747,106	379,761	-31%
Total Operational Expenditure	326,136	910,070	1,067,211	602,448	-51%
Net Operational Expenditure	326,136	902,056	684,197	405,495	-122%

T 3.21.5

Capital Expenditure Year 2011/12: Fire Services					
R' 000					
Capital Projects	Year 2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
T 3.21.6					

Chapter 3

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

Blue Crane Route Municipality – Annual Performance Report for the year ended 30 June 2012

1. Performance Reporting

Introduction

The purpose of this report is to review and report on the performance of the Blue Crane Route Local Municipality (the Municipality) for the 2011/2012 financial year. The Municipality's performance is measured against the key performance indicators (KPI's) and performance targets as set out in the Service Delivery and Budget Implementation Plan (SDBIP), which is aligned to the targets emanating from the Integrated Development Plan (IDP).

The tables attached hereto as annexures, reflect the organisational performance targets and achievements, and in certain instances, the corrective measures to be taken in the 2012/2013 financial year to remedy under achievement.

Legislative requirements

As per section 40 of the Municipal Systems Act of 2000 (MSA), a Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee level.

Section 34 of the MSA stipulates that the IDP of the Municipality has to be reviewed on an annual basis and that during this review process the key performance areas (KPA's), the KPI's and the performance targets are also to be reviewed. These KPA's, KPI's and targets form the basis of the organisational performance review and the individual performance review for each of the S57 Managers.

Section 46 of the Municipal Systems Act (MSA) stipulates that the Municipality must prepare a performance report for each financial year and that this report must form part of the Municipality's annual report, in terms of Chapter 12 of the Municipal Finance Management Act (MFMA).

Section 41 of the MSA requires a Municipality to set appropriate KPI's as a yardstick for measuring performance as well as measurable performance targets, with regard to each of the Municipality's development priorities and objectives as set out in the IDP. With regard to these KPI's and targets, S41 (1)(c) requires that the Municipality monitor performance and that it measures and reviews this performance at least annually.

Section 45 of the MSA requires that the performance measurements as contemplated in S41 (1)(c), be audited as part of the Municipality's internal audit processes and annually by the Auditor-General (AG).
Performance Management Framework

The Performance Management Framework was developed by PwC, in conjunction with the Municipality, during the 2008/2009 financial year. The Framework was adopted by Council in the same financial year, but has not since been reviewed.

The performance management function is the responsibility of the Accounting Officer / Municipal Manager (MM).

Performance Audit Committee

The Municipality has not established a separate, dedicated Performance Audit Committee (PAC). The functions of the PAC are however included as part of the Audit Committee's mandate. The Audit Committee is comprised of the following members:

- R. Botha
- Professor Rosenberg
- R. Bignaut

As per legislation, the Audit Committee met bi-annually to consider performance issues.

Auditing of Performance Information

Section 45 of the MSA requires that the performance measurements as contemplated in S41 (1)(c), be audited as part of the Municipality's internal audit processes and annually by the Auditor-General (AG). All auditing must comply with S14 of the Municipal Planning and Performance Management Regulations, 2001 (regulation 796).

KPMG were appointed by the Municipality to perform the internal audit function.

2. Priority Areas and Objectives

In keeping with the requirements of the MSA, the KPI's of the Municipality have been set to act as a yardstick for measuring performance of the Municipality's priorities and objectives. These priority areas are also referred to as the key performance areas (KPA's) and are in line with the National indicators as set out in the 5-year Local Government Strategic Agenda.

As per the SDBIP, the Municipality's priority areas and objectives can be summarised as follows:

Infrastructure

- Households in urban areas will have access to adequate potable water and adequate sanitation by 2012
- Reliable and affordable electricity will be available to 80% of consumers by 2012
- Gravel roads will be maintained and 5% of roads/streets and storm water infrastructure in the Municipality will be improved per annum
- The facilitation of an efficient and effective public transport system

Community Services

- Sufficient land will be available in the Municipality for development purposes by 2012
- Necessary resources will be in place to ensure effective waste management (in compliance with DWAF and DEAT standards) by 2012

- Through collaboration with the Cacadu District Municipality, people will have access to improved municipal health services in the Municipality by 2012
- All families in the Municipality will live in adequate housing by 2012
- The Municipality will comply with environmental by-laws and Local Agenda 21 by 2012
- Effective protection services will be provided to residents of the Municipality by 2012
- Improved and accessible primary health care core packages will be available to residents of the Municipality by 2012
- Communities in priority nodes will have access to new and improved social facilities by 2012

Local Economic Development

- Investor confidence in the Municipality will be promoted through the provision of sound infrastructure
- Establishment of the Municipal region as the premier bureau of aeronautics in South Africa
- SMME's will be promoted and supported to increase employment opportunities in the Municipality by 2011
- Growth of the agricultural sector will be encouraged through diversification and value adding to primary products
- Outdoor-activity based tourism destination
- Responsible development of alternative energy opportunities

Financial Management

- The Municipality will be compliant with the Municipal Finance Management Act (MFMA) and Generally Recognised Accounting Practice (GRAP) financial management requirements by 2012
- All affected communities will have access to free basic services by 2012
- Municipal revenue generation will be more effective by December 2012

Governance & Institutional Transformation

- The Municipality will have an effective and efficient information management system
- The Municipality will have increased institutional capacity and strengthened good governance
- The Municipality will have effective and efficient intergovernmental relations with sector departments, district and neighbouring municipalities by December 2011
- Skills development levels in the Municipality will be increased by 2012 through targeted training programmes

3. Summary of Performance per Priority Area

The purpose of this section is to not only highlight the instances where KPA performance targets were either fully met or exceeded, but to also note the challenges the Municipality is facing that are currently hampering its ability to achieve its performance objectives and targets. The summary below must be read in conjunction with the SDBIP for the 2011/2012 financial year and the tables presented in the annexures to this report.

3.1 Infrastructure

Key achievements

The Municipality has made strides in implementing some of the key developmental priorities relating to Infrastructure. Overall 57% of the annual performance targets relating to Infrastructure were achieved in the current year. Some of the key highlights include:

- Increased confidence level of water quality for monthly test results
- Percentage of standpipes and Municipal premises metered according to Budget allocation
- Number of household connections installed
- Number of kilometers of overhead lines refurbished and extended
- Number of kilometers of unpaved roads paved
- Number of kilometers of roads resurfaced
- Number kilometers of minor drainage infrastructure cleaned
- Percentage of Municipal buildings maintained as per available budget.

Challenges

Some of the challenges experienced that hampered performance within Infrastructure related to:

- Target relating to installation of household water and sewer connections was not met as water and sewer connections also included households that were newly built by the Department of Human Settlements
- Number of new bulk water meters installed
- Number of kilometers of AC water piping refurbished target was not met as the refurbishment is only undertaken if pipe bursts occur
- Percentage reduction in electrical losses in comparison with audited financial statements
- Number of speedhumps constructed

3.2 Community Services

Key achievements

The Municipality continued to focus on the key imperative of Community Services during the financial year under review. Overall 38% of the annual performance targets relating to Community Services were achieved. The achievements included the following:

- Number of hectares of Spoornet land acquired for development
- Average period of waste removal per ward
- Number of water samples taken for bacteriological analysis
- Number of inspections and evaluations of facilities
- Number of food samples taken for bacteriological analysis
- Number of wards cleaned in refuse clean-up campaigns
- Number of business licenses issued on a yearly basis
- Number of towns: upgrading and improving road signs and markings
- Number of towns with erected street names
- Number of new members registered
- Percentage user satisfaction

Challenges

Service delivery is the key focus of the Municipality; however the following challenges were experienced by the Municipality resulting in the non-achievement of certain targets:

- Number of hectares of land acquired for cemetery extension and commonage
- Landfill site fence installation was delayed due to delays with procurement. A strategy for in-house erection has been put in place for implementation
- Number of landfill sites completing Phase 1 of upgrade (Cookhouse, Pearston and Somerset East) did not meet its target due to no response relating to the MIG funding application
- Spatial Development Framework (SDF) target was partially met. The SDF review process was completed although approval by Council is currently outstanding
- A new cemetery in Aeroville was delayed in order to sort out engineering flaws that included stormwater drainage and alternative access roads
- Number of sites transferred and registered in the name of the home owner; target was not met as the transfer process was delayed by conveyancers
- Number of housing units built in Pearston; target was not met due to disputes with the contractor
- Number of housing units built in Cookhouse
- Number of housing units built in Aeroville target was not met due to disputes with the contractor
- Environmental Management Plan target was not met as more service providers are to be approached to ensure a competitive tendering process i.e. pricing
- Number of alien and encroaching trees to be removed; target was not met due to delays with the delivery of material
- Percentage decrease in incidence of fires by monthly comparison year on year
- Number of schools received fire awareness visits
- Number of schools receiving Road Safety Educational Programmes target was not met due to the non-appointment of critical staff
- Number of traffic road blocks with SAPS; target was not met due to a shortage of staff
- Percentage reduction in traffic accidents year on year target was not met (36% of the target was met) due to situations beyond the control of the Municipality
- A library in Aeroville
- Number of parks and sportsfields upgraded; target was not met. Pearston and Cookhouse were however upgraded (Cookhouse vandalized; Aeroville delayed due to unforeseen request)

3.3 Local Economic Development

Key achievements

The Municipality has achieved 40% of its overall Local Economic Development (LED) goals. Key achievements included:

- Number of online viewers
- BCDA Annual Report on progress of Eastern Cape Centre of National Aerospace
- Phase completion of Tourism Hub development
- Outdoor activity centre
- Number of tourism enquiries at BCRM Tourism Office
- Service level agreement signed for a Hydro project

Challenges

Challenges relating to the implementation of LED included:

- Number of brochures distributed
- Number of advertisements placed in national publications
- Memorandum of Understanding (MOU) for a flying school target was not met as the flying school has yet to sign the MOU
- Number of new SMMEs trained
- Percentage of participating SMMEs assisted; target was not met although SMME's have been registered and funding applications have been submitted
- Number hectares of emerging farmers' crops planted
- Power purchase agreement for a solar project; target was not met as developers have yet to submit bids

3.4 Financial Management

Key achievements

The Municipality has achieved an overall 71% of its financial management goals. Key achievements included:

- Percentage of accounts balanced for Annual Financial Statements
- Compilation of GRAP compliant Asset Register
- Number of financial reports prepared monthly and quarterly
- Percentage of control accounts balanced
- Percentage of municipal revenue still with debtors
- Phases of valuation roll completed (2 phases over multiple years)
- Preparation of municipal budget 2012/13
- Indigent register maintained and updated
- Percentage of BCRM households earning less than R2 280 per month with access to free basic services increased
- Percentage collection rate improved

Challenges

Challenges relating to the implementation of financial management targets included:

- Percentage of budgeted capital expenditure not achieved. Not all projects that were budgeted for were implemented. VAT on MIG projects to the value of R1 million claimed from SARS against grant income resulted in a 5% underspend
- Percentage of budgeted operating expenditure; target not met due to cost efficient measures being implemented on other expenditure items
- Percentage of operating expenditure spent on maintenance; target was not met due to a lack of planned maintenance plans. Maintenance budget therefore not fully spent
- Percentage of Municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP. This target was not met due to underperformance in the Capital Budget

3.5 Governance and Institutional Transformation

Key achievements

The Municipality has achieved an overall 53% of its Governance and Institutional Transformation goals. Key achievements included:

- Percentage of budgeted vacancies filled

- Average turnaround time to appointment
- Number of Managers trained to conduct disciplinary hearings
- Number of fully functional ward committees
- Average amount of funding per ward committee
- Number of senior and middle managers benefitting from Workplace Skills training
- Number of supervisors benefitting from Workplace Skills training
- Number of learnerships completed

Challenges

Challenges experienced, included:

- Archiving Information Policy; target was not met as the policy will only be adopted in the new year
- Record Keeping Information Policy; target was not met as the policy will only be adopted in the new year
- Average number of days absent per year per employee; target was not met. A workshop has however been arranged to address this, but absenteeism is still a problem
- Review and strengthen legislative framework for Ward Committees and community participation
- Employment Equity Plan; target was partially met, as the plan has been completed but not adopted by Council
- Number of appointments in line with Employment Equity Act and regulations; target was not met as the Department/Municipality has no control over the process
- Number of people from employment equity target groups employed in the three highest levels of management in compliance with an approved employment equity plan; target was not met as the Department/Municipality has no control over the process.

4. Organisational Performance Information

The performance information relating to the 2011/2012 financial year is presented in a table format and detailed in the annexures that follow. Performance is reported on per priority area.

The following annexures are attached hereto:

- Annexure 1 - Infrastructure*
- Annexure 2 - Community Services*
- Annexure 3 - Local Economic Development*
- Annexure 4 - Financial Management*
- Annexure 5 - Governance and Institutional Transformation*
- Annexure 6 - Municipal Manager's Office*

Chapter 3

Annexure 1 – Infrastructure

Priority Area 1: Infrastructure																
Development Strategy	Key Performance Indicator	Baseline	Milestones Quarterly								Annual Target	Responsible Person(s)	Budget	Source of Funding	Projects	Comments
			Quarter 1	Quarter 1 Actuals	Quarter 2	Quarter 2 Actuals	Quarter 3	Quarter 3 Actuals	Quarter 4	Quarter 4 Actuals						
IDP Objective 1.1 To provide access to potable water and adequate sanitation to all urban households by 2012																
80% of (350) water and sewer connections to be installed by 2011 / 2012	Number of household water and sewer connections installed	50 household connections installed previously	70 housing connections installed in Q1	15 connections installed	70 housing connections installed in Q2	35 connections installed	70 housing connections installed in Q3	40 connections installed	70 housing connections installed in Q4	47 connections installed	280 households will be installed with water and sewer connections	Manager Technical	R 1 200 000	BCRM	N / A	Target not met. Water and sewer connections also include households that were newly built by the Department of Human Settlements
Provision of bulk water supply	Percentage Confidence Level of water quality for monthly test results	90% Confidence Level	92% Confidence Level	93 % achieved	94% Confidence Level	95 % achieved	96% Confidence Level	92 % achieved	98% Confidence Level	95 % achieved	98% Confidence Level of water quality for the year	Manager Technical	R 200 000	BCRM	N / A	Target met
Construction, upgrading and maintenance of water works	Number of new bulk water meters installed	Water balance exercise completed with inconclusive results due to poor or nonexistent metering	Water demand zones identified (0 bulk water meters)	Target met	Reconfiguring of water piping initiated (0 bulk water meters)	Target met	Reconfiguring of water piping completed (0 bulk water meters)	Target met	5 new bulk water meters installed	3 Bulk meters installed	5 new bulk water meters installed	Manager Technical	R 200 000	BCRM	N / A	Target not met
	Percentage of standpipes and Municipal premises metered according to Budget allocation	No baseline exists (0%)	Identification of all unmetered standpipes and premises initiated (0%)	Target met	All unmetered standpipes and premises identified (0%)	Target met	Findings and costing of needed meters approved by Council (0%)	Target met	25% of standpipes and Municipal premises metered	Target met	25% of standpipes and Municipal premises metered according to Budget allocation	Manager Technical	R 1 200 000	BCRM	N / A	Target met
	Number of km's of AC water piping refurbished	0.5 km was previously refurbished in the abattoir line	Critical areas needing AC water piping refurbishment identified in proposal (0 km's)	Target met	Funding sourced based on the Maintenance Backlog study presented to Council (0 km's)	Target met	2 km's of AC water piping refurbished in Q3	80m water piping refurbished	3 km's of AC water piping refurbished in Q4	200m water piping refurbished	5 km's of AC water piping refurbished	Manager Technical	R 5 000 000	BCRM	N / A	Target not met Refurbishment is only done during maintenance as pipe bursts occur
IDP Objective 1.2 Reliable and affordable electricity will be available to 80% of consumers by 2012.A27																
To increase the current grid capacity by 2 MVA for local development	Number MVA of the current electrical grid	18 MVA of current electrical grid capacity	Await Eskom approval (18 MVA)	Target not met	Eskom approval received (18MVA)	Target not met	18MVA electrical grid capacity increase initiated	Target not met	Completion of capacity upgrade of electrical grid to 20MVA	Target not met	20MVA electrical grid capacity	Manager Technical / Eskom	R 200 000	BCRM	N / A	Target not met
Upgrading of electricity network	Number of household connections installed	67 housing connections in 2010 / 11	70 housing connections installed in Q1	Target met	70 housing connections installed in Q2	Target met	70 housing connections installed in Q3	Target met	70 housing connections installed in Q4	Target met	280 of households will be installed with electrical connections	Manager Technical	R 1 300 000	BCRM	N / A	Target met
	Number of km's of overhead lines refurbished and extended	15 km's on the Pearson line were refurbished in 2010 / 11	2 km of overhead lines refurbished and extended in Q1	Target met	4 km of overhead lines refurbished and extended in Q2	Target met	3 km of overhead lines refurbished and extended in Q3	Target met	6 km of overhead lines refurbished and extended in Q4	Target met	15 km's of overhead lines refurbished and extended	Manager Technical	R 200 000	BCRM	N / A	Target met
	Percentage reduction in electrical losses in comparison with audited financial statements	0.1 % reduction in electrical losses at present	0.5 % reduction in electrical losses in comparison with audited financial statements	Target not met	0.5 % reduction in electrical losses in comparison with audited financial statements	Target not met	0.5 % reduction in electrical losses in comparison with audited financial statements	Target not met	0.5 % reduction in electrical losses in comparison with audited financial statements	Target not met	0.5% reduction in electrical losses in comparison with audited financial statements for the year	Manager Finance / Technical Services	N / A	BCRM	N / A	Target not met

IDP Objective 1.3 Gravel roads will be maintained and 5% of roads/streets and storm water infrastructure in BCRM will be improved per annum.																
20% of(60 km) all unpaved roads to be paved by 2011 / 2012	Number of km's of unpaved roads paved	2 km's of unpaved roads were paved in 2010 / 11	3 km's of unpaved roads to be paved in Q1	Target met	3 km's of unpaved roads to be paved in Q2	Target met	3 km's of unpaved roads to be paved in Q3	Target met	3 km's of unpaved roads to be paved in Q4	Target met	12 km's of unpaved roads will be paved	Manager Technical	R 12 000 000	MIG/ CDM	N / A	Target met
	Number of km's of roads resurfaced	No baseline data available	Roads condition assessment completed (0 km's)		1 km of road resurfaced in Q2	Target met	1 km of road resurfaced in Q3	Target met	1 km of road resurfaced in Q4	Target met	3 km's of roads resurfaced	Manager Technical	R 200 000	BCRM	N / A	Target met
Maintenance of streets and roads	Number km's of minor drainage infrastructure cleaned	3 km of minor drainage infrastructure cleaned in 2010 / 11	1 km of minor drainage infrastructure cleaned in Q1	Target met	1 km of minor drainage infrastructure cleaned in Q2	Target met	1 km of minor drainage infrastructure cleaned in Q3	Target met	2 km's of minor drainage infrastructure cleaned in Q4	Target met	5 km's of minor drainage infrastructure cleaned	Manager Technical	R 200 000	BCRM	N / A	Target met
To provide effective protection services in BCRM	Number of speedhumps constructed	No baseline data available	8 speedhumps completed in Q1 (Somerset East)	Target met	8 speed humps completed in Q2 (Cookhouse and Pearston)	Target met	7 speedhumps completed in Q3(Somerset East)	Target not Met	N / A		23 speedbumps constructed in BCRM	Manager Community Services / Technical Services	N / A	BCRM	N / A	Target not met
Maintenance of all priority municipal buildings	Percentage of Municipal buildings maintained as available in Municipal Budget	12 % of Municipal buildings maintained in 2010 / 11	All Municipal building identified and assessed for costing and resource allocations (0%)	Target met	33% of Municipal buildings maintained based on available Budget in Q2	Target met	33% of Municipal buildings maintained based on available Budget in Q3	Target met	34% of Municipal buildings maintained based on available Budget in Q4	Target met	100% of Municipal buildings maintained based on available Budget allocation	Manager Corporate Services / Technical Services	N / A	BCRM	N / A	Target met Vandalism is however the major challenge
IDP Objective 1.4 The facilitation of an efficient and effective public transport system																
No quarterly projections of service delivery targets set for this objective at this time.																

Annexure 2 – Community Services

Priority Area 2: Community Services																
Development Strategy	Key Performance Indicator	Baseline	Milestones Quarterly								Annual Target	Responsible Person(s)	Budget	Source of Funding	Projects	Comments
			Quarter 1	Quarter 1 Actuals	Quarter 2	Quarter 2 Actuals	Quarter 3	Quarter 3 Actuals	Quarter 4	Quarter 4 Actuals						
IDP Objective 2.1: Sufficient land will be available in BCRM for development purposes by 2012																
To acquire Spoornet land in Cookhouse for development purposes	Number of hectares of Spoornet land acquired for development	0 hectares of Municipal land available for development	Servcon transferred Spoornet land to Department Human Settlements (0 ha acquired)	Target met Servcon confirmed that it is in the process to transfer Spoornet land in Cookhouse, in extent of approximately 36 hectares, to Department of Human Settlements	N / A	The Department of Human Settlements confirmed that it will transfer the Spoornet land in Cookhouse to Council free of charge once the transfer from Servcon has been concluded. Discussions renewed with communication forwarded to Department of Human Settlements	29.4 ha land acquired from Department Human Settlements	The Department of Human Settlements confirmed that it will transfer the Spoornet land in Cookhouse to Council free of charge once the transfer from Servcon has been concluded. Discussions renewed with communication forwarded to Department of Human Settlements	N / A	Target met, Renewed discussions with Department of Human Settlements	29.4 hectares of Municipal land acquired from Spoornet	H Hendricks	External funding	DHS	N / A	Target met, Renewed discussions with Department of Human Settlements
To have a reviewed SDF which provides a basis for economic growth in both Somerset East, Cookhouse and Pearston	Spatial Development Framework (SDF)	Existing SDF lacks detail on surrounding towns and an economic development orientation	Funding secured from DLGTA	Target met	Service provider appointed	Target met, Service Provider appointed. Review Process to commence within January 2012	1st draft SDF	Review process commenced and is scheduled to be completed end April 2012	Updated SDF approved by Council	The SDF review process completed Approval by Council is still outstanding	Updated SDF for entire BCRM	H Hendricks	External funding	DLGTA	N / A	Target partially met, The SDF review process completed Approval by Council is still outstanding
To extend Mhandi and Bongweni cemeteries in order to provide adequate cemetery sites	Number of hectares of land acquired for cemetery extension and commonage	No available land for cemetery extension	Surveyor appointed and 1 farm acquired (0 ha acquired)	Target not met	Offer to purchase submitted to Department Land Reform and Rural Development (0 ha acquired)	Target not met, Discussions renewed with communication forwarded to the Department of Rural Development and Land Reform	N / A (0 ha acquired)	Target not met, Surveyor appointed for planning and surveying of portion of Prinsloo farm adjacent to Mhandi	800 ha of land transferred to Municipality for cemetery extension and commonage	Target not met	800 hectares of land acquired for cemetery extension (10 ha) and commonage (790 ha)	H Hendricks and Q. Siyaya	External funding	DLRRD	N / A	Target not met

IDP Objective 2.2: Necessary resources will be in place to ensure effective waste management by 2012																
Fencing of landfill site	Landfill site fence	No fencing currently, landfill site not compliant to Waste Management Act	Tender advertised	Target met	Service provider appointed	Tender withdrawn. To be re-advertised due to lack of funds	Fencing of landfill site completed	Tender re-advertised but tender amount exceeded budget	N / A	In-house implementation through job creation strategy. Procurement of material	Landfill site fenced in compliance with Waste Management Act	Miss N. Ngcipe	R680 000	BCRM Operational Expenditure	Fencing of refuse site	Fencing delayed due to delays with procurement Strategy for in-house erection in place for implementation
Beautification project for BCRM (sustainable operation clean up and job creation)	Average period of waste removal per ward	52 removals for each ward (1 x week) for the year in 2010-11	Average 1 waste removal cycle per week	Target met	Average 1 waste removal cycle per week	Target met	Average 1 waste removal cycle per week	Target met	Average 1 waste removal cycle per week	Target met	Average of 1 waste removal cycle per ward	Mr. P Dreyer	R 11 859 506	BCRM Operational Expenditure	Effective refuse removal	Target met
Establishment and upgrading of Landfill sites	Number of Landfill sites completing Phase 1 of upgrade (Cookhouse, Pearston and Somerset East)	3 existing landfill sites identified in need of upgrade	Funding application submitted to Provincial and National Government (0 sites)	MIG application submitted	Terms of Reference finalised and funding secured (0 sites)	Acknowledgement from Province and National that application is received	Service provider appointed (0 sites)	MIG request the project to be divided in phases due to the amount requested	3 landfill sites completed Phase 1 of upgrade	Service provider appointed to technically assist with phasing process	3 Landfill sites completed Phase 1 of upgrade	Mr. P. Dreyer and Miss N. Ngcipe	R10 000 000 subject to approval of MIG	MIG	Establishment of regional landfill site Establishment for transfer station in Cookhouse and establishment of landfill site in Pearston	Target not met due to non response on MIG funding application
IDP Objective 2.3: Provide improved Municipal health services in BCRM																
Improve water quality management	Number of water samples taken for bacteriological analysis	168 samples taken in 2010-11	42 water samples analysed in Q1 (14 samples taken monthly)	Target met	42 water samples analysed in Q2 (14 samples taken monthly)	Target met	42 water samples analysed in Q3 (14 samples taken monthly)	Target met	42 water samples analysed in Q4 (14 samples taken monthly)	Target met	168 water samples analysed bacteriologically for the year (14 samples taken monthly)	Nomsa Ngcipe	R15 000	CDM	Water quality management	Target met
Prevent the spread communicable diseases	Number of inspections and evaluations of facilities	600 inspections carried out in 2010-11	150 inspections in Q1 (50 per month)	Target met	150 inspections in Q2 (50 per month)	Target met	150 inspections in Q3 (50 per month)	Target met	150 inspections in Q4 (50 per month)	Target met	600 inspections and evaluations of facilities conducted	Mr. Triegaardt and Miss Qolo	N / A	BCRM Operational Expenditure	Monitoring and evaluation for compliance	Target met
Development of new Aeroville cemetery	A new cemetery in Aeroville	Currently no available space for burial in Aeroville	Service provider appointed	Target met	Cemetery design completed	Target met	Construction of cemetery begun	Funding not sufficient	Construction of cemetery completed	Engineering flaw identified by technical department	A new cemetery in Aeroville completed	Miss Nomsa Ngcipe	External funding	MIG funding and BCRM Operational Expenditure	New Aeroville cemetery	Project delayed in order to sort out engineering flaw ie stormwater drainage and alternative excess road
Improve management of food control	Number of food samples taken for bacteriological analysis	16 samples taken in 2010-11	4 samples taken in Q1	Target met	4 samples taken in Q2	Target met	4 samples taken in Q3	Target met	4 samples taken in Q4	Target met	16 food samples taken for bacteriological analysis	M Triegaardt and Miss Qolo	R5000	CDM	Food Safety control	Target met
IDP Objective 2.4: All families in the BCRM will live in adequate housing in 2012																
To provide for the needs of the homeless by providing safe and integrated human settlements	Number of sites transferred and registered in names of home owners	165 homes registered in names of home owners in 2010-11	100 new transfers registered in names of home owners in Q1	Target not met	100 new transfers registered in names of home owners in Q2	Target not met. Discussions arranged with the Department of Human Settlements to address the challenges with regard to payments of contractors which cause delay to current housing projects. Town establishment in areas affecting R7500 Capital discount scheme also to be addressed with Department of Human Settlements and State Attorney	100 new transfers registered in names of home owners in Q3	Target not met. Town establishment in areas affecting R7500 Capital discount scheme also to be addressed with Department of Human Settlements and State Attorney	100 new transfers registered in names of home owners in Q4	Target not met. Transfer process delayed by conveyancers	400 new transfers registered in names of home owners for the year	H. Hendricks and Q. Siyaya	External funding	DHS	N / A	Target not met Transfer process delayed by conveyancers

IDP Objective 2.4: All families in the BCRM will live in adequate housing in 2012																	
To provide for the needs of the homeless by providing safe and integrated human settlements	Number of housing units built in Pearston	Housing backlog of 3200 units	Construction begun (0 units)	Target not met. Only Show house has been constructed. Technical Information on foundation is still to be confirmed	10 housing units completed in Q2	Target not met. Funding and Capacity challenges to be addressed during discussions planned with Department of Human Settlements and Contractors	15 housing units completed in Q3	Target not met. Project behind schedule. Funding and Capacity challenges to be addressed during discussions planned with Department of Human Settlements and Contractors	25 housing units completed in Q4	Target not met. Challenges with Contractor.	50 housing units built in Pearston						Target not met Challenges with Contractor
	Number of housing units built in Cookhouse	Housing backlog of 3200 units	Construction begun (0 units)	Target not met. Construction of houses in Bhongweni not started with	Construction continued (0 units)	Target not met. Construction of houses in Bhongweni not started with. Housing Project not approved by Department of Human Settlements. Discussions planned with the Department of Human Settlements.	10 housing units completed in Q3	Target not met. Construction of houses in Bhongweni not started with. Housing Project not approved by Department of Human Settlements. Discussions planned with the Department of Human Settlements.	N / A	Target not met. Application submission submitted to Department of Human Settlements Approval of Project Awaited	10 housing units built in Cookhouse	External funding	DHS	N / A			Target not met
	Number of housing units built in Aeroville	Housing backlog of 3200 units	Construction begun (0 units)	Target met. Construction begun.	33 housing units completed in Q2	Target not met. Funding and Capacity challenges to be addressed during discussions planned with Department of Human Settlements and Contractors	N / A	Target not met. Project behind schedule. Funding and Capacity challenges to be addressed during discussions planned with Department of Human Settlements and Contractors	N / A	Target not met. Challenges with Contractor	33 housing units built in Aeroville						
IDP Objective 2.5: BCRM will comply with environmental by-laws and Local Agenda 21 by 2012																	
Development of environmental management plan	Environmental Management Plan	No plan currently exists	R300 000 funding secured and T.O.R. developed	Tender advertised	Service provider appointed	Tender amount exceeded budget	Draft Environmental Management Plan	Tender re advertised	Environmental Management Plan approved by Council	Only one tender to the value of R 500 000 received	An approved Environmental Management Plan	Mr. P Dreyer	External funding	CDM and BCRM Operational Expenditure	Environmental Management Plan	More service providers to be approached for competitive tendering process i.e. pricing	
To provide effective environmental health services in BCRM	Number of alien and encroaching trees to be removed	1 year since previous removal of alien and encroaching trees	Service provider appointed (0 trees)	Tender price exceeded budget	40 trees removed in Q2	Tender re advertised	40 trees removed in Q3	Tender withdrawn. In-house approach coupled with job creation strategy	20 trees removed in Q4	Material procured and service provider appointed	100 problematic trees removed	Mr. Dreyer	R600 000	BCRM Operational Expenditure	Removal of problematic trees	Implementation delayed due to delays with delivery of material Strategy still in place for implementation	
	Percentage decrease in incidence of fires by monthly comparison year on year	31 fires in 2010-11	1% decrease	Target not met	2% decrease	Target not met	3% decrease	Target not met	5% decrease	Target not met	5% decrease in incidence of fires by monthly comparison year on year	P. Dreyer and Chief Protection Services	External funding	CDM	Fire Safety	Target not met	
	Number of schools received fire awareness visits	Awareness programmes were not conducted in previous year	4 schools received fire awareness visits in Q1 (Cookhouse)	Target not met	3 schools received fire awareness visits in Q2 (Pearston)	Target not met	6 schools received fire awareness visits in Q3 (Somerset East)	Target not met	5 schools received fire awareness visits in Q4 (Somerset)	Target not met	18 schools received fire awareness visits	P. Dreyer and Chief Protection Services	External funding	CDM	Fire Safety	Target not met	
	Number of wards cleaned in refuse clean-up campaigns	6 wards cleaned twice	3 wards benefit from refuse clean-up campaigns in Q1	Target met	3 wards benefit from refuse clean-up campaigns in Q1	Target met	3 wards benefit from refuse clean-up campaigns in Q1	Target met	3 wards benefit from refuse clean-up campaigns in Q1	Target met	12 wards benefit from refuse clean-up campaigns	P. Dreyer and Nomsa Ncipe	N / A	BCRM Budget Adjustment	Effective refuse removal	Target met	
Registration of new business owners	Number of business licenses issued on a yearly basis	48 licensed businesses	12 business licenses issued	Target met	12 business licenses issued	Target met	13 business licenses issued	Target met	13 business licenses issued	Target met	50 businesses licensed	Mr. Triegaardt and Mss Qolo	R1890	BCRM Operational Expenditure	Licensing of business	Target met	

IDP Objective 2.6: Provide effective protection services to BCRM residents																
To provide effective protection services in BCRM	Number of towns upgrading and improving road signs and markings	Previous upgrade and improvement in 2010-11	Labour appointed for Somerset East (0)	Target met	Roadmarking in Somerset East upgraded and improved (1) Labour appointed for Cookhouse	Target met	Roadmarking in Cookhouse upgraded and improved (2) Labour appointed for Pearston	Target met	Roadmarking in Pearston upgraded and improved (3)	Target met	3 towns' roadmarking upgraded and improved (Somerset East, Cookhouse, and Pearston)	Mr Rooi	N / A	BCRM Operational Expenditure	Street names	Target met
	Number of towns with erected street names	Previously limited or no existing erected street signs	Somerset East street names completed (1)	Somerset East completed	Cookhouse street names completed (2)	Cookhouse completed	Pearston street names completed (3)	Pearston completed	N / A	Damaged and missing signs erected and replaced	3 towns with erected street names (Somerset East, Cookhouse, and Pearston)	Mr Rooi and Ms Ngcobisa	R200 000	BCRM Operational Expenditure	Street names	Target met
	Number of schools receiving Road Safety Educational Programmes	No school programmes conducted previously	2 schools in Cookhouse received Road Safety Educational Programmes	No road safety programme was done due to shortage of staff	3 schools in Pearston received Road Safety Educational Programmes	No road safety programme was done due to shortage of staff	5 schools in rural areas received Road Safety Educational Programmes	4 schools received training	6 schools in Somerset East received Road Safety Educational Programmes	7 schools received educational programmes	16 schools in BCRM received Road Safety Educational Programmes	Mr Hulkie with the assistance of the Department of Transport	External Funding	DT	School Road Traffic Safety programmes	Non appointment of critical staff prevented the said target to be fully met
	Number of Traffic Road Blocks with SAPS	24 Road blocks with SAPS held 2010-11	5 Road Blocks held in Q1	Target met	10 Road Blocks held in Q2	Only 5 roadblocks held due to shortage of staff	5 Road Blocks held in Q3	Target met	10 Road Blocks held in Q4	Only 5 roadblocks could be attended too	30 Traffic Road Blocks with SAPS held for the year	Mr Rooi	N / A	BCRM Operational Expenditure	Law enforcement and visible policing	Shortage of staff prevented the said target to be fully met
	Percentage reduction in traffic accidents year on year	287 traffic accidents in 2010-11	3% reduction in traffic accidents	Target not met	5% reduction in traffic accidents	Target not met	8% reduction in traffic accidents	Target not met	10% reduction in traffic accidents	Target not met	10% reduction in traffic accidents year on year				Law enforcement and visible policing	36% of the target was met due to uncontrolled situations
IDP Objective 2.7: Improved and accessible primary health care core packages will be available to residents of BCRM by 2012																
No quarterly projections of service delivery targets set for this objective at this time.																
IDP Objective 2.8: Communities will have access to new and improved social facilities																
Access to improved social facilities	A library in Aeroville	Aeroville has a temporary library and no other social facilities	Funding secured and service provider appointed	Adverts for tenders has been placed	Construction begun on library	Procurement delayed due to technical issues	Construction continued	Cacadu not in favour of multiple center which includes library	Construction completed and Library officially opened	Construction still on hold	Aeroville library completed and Opened (1st phase of Multi-purpose center)	H Hendricks and S M Majali, F Scott	R800 000	DSRAC	New Aeroville Library	Target not met
	Number of new members registered	736 members at year end 2010-11	75 new members in Q1	Target met	75 new members in Q2	Target met	100 new members in Q3	Target met	200 new members in Q4	Target met	450 new library members for 2011-12	Mr Dreyer (Mrs. S. Scheepers)	N / A	BCRM	For a better Library service for the Community	Target met
	Percentage user satisfaction	No user satisfaction data exists	Questionnaire s placed in libraries (No baseline)	Questionnaire drafted	Questionnaire s compiled and analysed (No baseline)	Questionnaire consulted with stakeholders	50% user satisfaction of libraries	Questionnaire completed in three languages	50% user satisfaction of libraries	Questionnaire placed at all libraries	50% user satisfaction of libraries	Mr Dreyer (Mrs. S. Scheepers)	N / A	DSRAC	Satisfaction for the community in all 3 towns	Satisfaction (Target met)
Upgrading of parks and sportsfields	Number of parks and sportsfields upgraded	5 existing parks and 6 sportsfields	Parks and sportsfields identified (0)	Application for MIG funding	Upgrading parks and sportsfields initiated (0)	Application not registered	5 or more parks and sportsfields upgraded	R650 000 available on budget	N / A	Three parks upgraded	At least 5 parks and sportsfield upgraded in BCRM	Mr P Dreyer assisted by Technical Services	R128 000	MIG	Upgrading of children's parks	Three parks, Pearston, Cookhouse upgraded (Cookhouse vandalised, Aeroville delayed due to unforeseen request)

Annexure 3 – Local Economic Development

Priority Area 3: Local Economic Development																
Development Strategy	Key Performance Indicator	Baseline	Milestones Quarterly								Annual Target	Responsible Person(s)	Budget	Source of Funding	Projects	Comments
			Quarter 1	Quarter 1 Actuals	Quarter 2	Quarter 2 Actuals	Quarter 3	Quarter 3 Actuals	Quarter 4	Quarter 4 Actuals						
IDP Objective 3.1 Investor confidence in BCRM will be promoted through the provision of sound infrastructure																
Marketing BCRM as an Investment destination	Number of brochures distributed	No baseline available	Service provider appointed (0 brochures)	Target not met	Final design approved and printed (0 brochures)	Target not met	5000 brochures distributed in Q3	Target not met	5000 brochures distributed in Q4	Target not met	10 000 brochures distributed	Joseph Ntshudu	R 25 000	BCRM Operational Expenditure	Marketing	Target not met
	Number of advertisements placed in national publications	No baseline available	Magazines for advertisements identified (0 ads)	Target not met	Space for the ads procured (0 ads)	Target not met	6 advertisements placed in magazines in Q3	Target not met	6 advertisements placed in magazines in Q4	Target not met	12 advertisements in publications	Joseph Ntshudu	R50 000	BCRM Operational Expenditure	Marketing	Target not met
	Number of online viewers	No baseline data available	Investment information uploaded to Tourism and Municipal website (0 online hits)	Target not met	Investment opportunities uploaded to Social Networks and Online viewers tracked (0 online hits)	Target met	500 online viewer hits	Target met	1000 online viewer hits	Target met	1000 or more Online viewers in 2011-12	Joseph Ntshudu, Bathabile	R15 000	BCRM Operational Expenditure	Marketing	Target met New website being developed and communication is currently being done via our social media pages.
IDP Objective 3.2 Establishment of the BCRM region as the premier bureau of aeronautics in South Africa																
Establishment of the BCRM region as the premier bureau of aeronautics in South Africa	Memorandum of Understanding for a flying school	Previous flying school closed	Potential flying school institution identified	Target met, Flying School Sourced	Draft contract prepared	Target met	Flying school site preparation begun	Target met, Planning complete	Final MoU with investor signed by BCDA	Target not met, waiting for flying school to sign agreement	MoU in place with investor	Rob Beach	External funding	BCDA	Aviation: Flying school	Target not met Waiting for flying school to sign agreement
	Prototyping a LSA	Prototype design exists	Funding agreement for prototyping signed	Target met	Development contract signed	Target not met, waiting for DTI response	Phase 1 Development: Contract completed	Target not met	Complete prototyping	Target not met, No Funding available	Prototyping a LSA completed	Rob Beach	External funding	BCDA	SkyWake	Target not met No Funding available
	BCDA Annual Report on progress of Eastern Cape Centre of National Aerospace	Annual Report for 2010-11	Sign MoU with NAC	Target met	Marketing / educational plan developed	Target met	Phase 1 of Contract completed	Target met	Phase 2 of Contract completed	Target met	Annual Report on East Cape Centre of National Aerospace	Rob Beach	External funding	BCDA	ECNAC	Target met
IDP Objective 3.3 SMME's will be promoted and supported to increase employment opportunities																
Profiling and building capacity in SMMEs	Number of new SMMEs trained	16 SMMEs trained in 2010-11	Completed skills audit to identify training needs (0 SMMEs)	Target not met	Trained 4 SMMEs in Q2 (Tourism)	Target not met	Trained 4 SMMEs in Q3 (Agriculture)	Target not met	Trained 4 SMMEs in Q4 (Business)	Target not met	12 new SMMEs trained	Bongozi Tito	External funding	BCDA	SMME Assistance program	Target not met
	% of participating SMMEs assisted	National average of 15% of SMMEs are successful	80% (8) of identified SMMEs participate in interventions	Target met, SMME's identified	60% (6) of identified SMMEs participate in interventions	Target not met, Still registering SMME's	40% (4) of identified SMMEs participate in interventions	Target not met	20% (2) of established SMMEs are assisted	Target not met	2 established SMMEs assisted throughout 2011-12	Bongozi Tito	External funding	BCDA	SMME development program	Target not met Have registered SMME's and submitted funding applications
IDP Objective 3.4: Growth of the agricultural sector will be encouraged through diversification and value adding to primary																
Growth of the Agricultural sector will be encouraged through diversification and value adding to primary products	Number hectares of emerging farmers' crops planted	0 hectares of emerging farmers' crops planted at present	At least 2 sites for crop production identified (0 ha)	Target met, Properties identified and beneficiaries.	40 ha of crops planting facilitated in Q2	Target not met	30 ha of crops planting facilitated in Q3	Target not met	30 ha of crops planting facilitated in Q4	Target not met	100 ha of emerging farmers' crops planted in BCRM	Nico Lombard	External funding	BCDA	Agriculture: Crop Production	Target not met
	SLA for Agro processing center	None	Potential commercial partner identified	Target not met	Contract negotiated	Target not met	SLA signed	Target not met	N / A	Target not met	SLA signed with Agro business investor	Nico Lombard	External funding	BCDA	Agriculture: Vale Adding	Target not met

DP Objective 3.5: Deliver an outdoor activity based tourism destination																
Outdoor activity based Tourism destination	Phase completion of Tourism Hub development	Phase 1 of Tourism Hub completed	Business plan completed	Target met	Funding secured	Target met	Construction of Phase 2 of Tourism Hub	Target met	Construction completed and Phase 2 of Tourism Hub launched	Target met	Phase 2 completion of Tourism Hub completed and launched	Chris Wilken	External funding	BCDA	Tourism Hub: Phase 2	Target met Received funding and completed construction.
	Outdoor Activity Centre	No Outdoor Activity Centre for Tourism currently exists	Complete a business plan to enable fund sourcing	Target met	Complete negotiations and agreements with funders	Target met	Commence with construction of Outdoor Activity Centre	Target met	Complete and launch Outdoor Activity Centre	Target met	Construction and launch of Outdoor Activity Centre	Chris Wilken	External funding	BCDA	Tourism Hub: Outdoor Activity Centre	Target met Received funding and completed construction.
10% increase in Tourism to BCRM	Number of Tourism enquiries at BCRM Tourism Office	1286 Tourism enquiries for 2010-11	419 or more Tourism enquiries for Q1	Target met	256 or more Tourism enquiries for Q2	Target met	373 or more Tourism enquiries for Q3	Target met	367 or more Tourism enquiries for Q4	Target met	1415 or more Tourism enquiries for 2011-12	Alan Hobson	R186 000	BCRM Operational Expenditure	Tourism Office	Target met
DP Objective 3.6: Responsible development of alternative energy opportunities.																
Facilitate the development of renewable energy projects in the BCRM region	Service Level Agreement for a Hydro project	No Hydro projects currently in existence	PPP registered with National Treasury	Target met	Transaction Manager secured	Target met	Service Level Agreement drafted	Target met	SLA for Hydro project signed	Target met	SLA for Hydro project	Nico Lombard	External funding	BCDA	Renewable Energy: Hydro Project	Target met, but cannot commence until authorization from DWAF has been received
	PPA for a Solar project	No Solar projects currently in existence	Environment Impact Assessment completed	Target met	Developer secured	Target not met, waiting for developers to submit bids	Developer received positive ROD from EIA	Target not met, waiting for developers to submit bids	Signed a PPA with Eskom	Target not met, waiting for developers to submit bids	PPA for a Solar project completed	Nico Lombard	External funding	BCDA	Renewable Energy: Solar Project	Target not met Waiting for developers to submit bids

Annexure 4 – Financial Management

Priority Area 4: Financial Management																
Development Strategy	Key Performance Indicator	Baseline	Milestones Quarterly								Annual Target	Responsible Person(s)	Budget	Source of Funding	Projects	Comments
			Quarter 1	Quarter 1 Actuals	Quarter 2	Quarter 2 Actuals	Quarter 3	Quarter 3 Actuals	Quarter 4	Quarter 4 Actuals						
IDP Objective 4.1: BCRM will be compliant with MFMA and GAMAP/GARP financial management requirements by 2012																
Implement a fully integrated GRAP compliant financial system by June 2012	Percentage of accounts balanced for Annual Financial Statement	A Qualified Audit Opinion for 2009-10	100% of control and suspense accounts balanced monthly	100%	100% of control and suspense accounts balanced monthly	100%	100% of control and suspense accounts balanced monthly	100%	100% of control and suspense accounts balanced monthly	100%	100% of accounts balanced compliant with GRAP requirements	Chief Financial Officer / Chief Accountant: Expenditure	R790,000	FMG, MSIG	N/A	Target met All Accounts were balanced monthly within GRAP requirements
	Asset Register	A Qualified Audit Opinion for 2009-10	All purchases captured and updated on Asset Register in Q1	100%	All purchases captured and updated on Asset Register in Q2	100%	All purchases captured and updated on Asset Register in Q3	100%	All purchases captured and updated on Asset Register in Q4	100%	Asset Register compliant to GRAP standards	Chief Financial Officer / Chief Accountant: Expenditure	R660,000	DWA, FMG, MSIG	N/A	Target met Asset Register has been updated in a GRAP compliant asset register
	Number of Financial Reports monthly and quarterly	A Qualified Audit Opinion for 2009-10	3 monthly and 1 quarterly financial reports	3 monthly and 1 Quarterly Report submitted	3 monthly and 1 quarterly financial reports	3 monthly and 1 Quarterly Report submitted	3 monthly and 1 quarterly financial reports	3 monthly and 1 Quarterly Report submitted	3 monthly and 1 quarterly financial reports	3 monthly and 1 Quarterly Report submitted	12 monthly and 4 quarterly financial reports	Chief Financial Officer / Chief Accountant: Expenditure	N/A	N/A	N/A	Target met All reporting requirements to Council and Treasuries have been fulfilled
	Percentage of control accounts balanced	A Qualified Audit Opinion for 2009-10	100% control accounts balanced to register monthly	100%	100% control accounts balanced to register monthly	100%	100% control accounts balanced to register monthly	100%	100% control accounts balanced to register monthly	100%	100% of control accounts for year balanced to registers.	Chief Financial Officer / Chief Accountant: Expenditure	N/A	N/A	N/A	Target met All control accounts have been balanced to registers
	Percentage CAPEX of budget spent	80% of 2010/11	45%	27%	70%	54%	85%	78%	100%	80%	100%	Chief Financial Officer / Chief Accountant: Expenditure	R21.9m	MIG, NER, LOAN, BCRM	N/A	Target not met Not all projects that were budgeted for were implemented. IT, electricity, new office building, sewerage pipeline, fencing and cemetery projects were all not implemented by 30 June 2012. VAT on MIG projects to the value of R1 million claimed from SARS against grant income result in a 5 % under expenditure.
	Percentage of OPEX of budget spent	82% of 2010/11	30%	26%	55%	50%	75%	74%	100%	96%	100%	Chief Financial Officer / Chief Accountant: Expenditure	R138.7m	CDM, DH, FMG, MSIG, EQUITABLE SHARE, BCRM	N/A	Target not met due to cost efficient measures being implemented on other expenditure items.
	Percentage of OPEX spent on maintenance	3.6%	1.125%	3.45%	2.25%	2.26%	3.375%	2.42%	4.5%	2.21%	4.5%	Chief Financial Officer / Chief Accountant: Expenditure	R6,1m	BCRM	N/A	Target not met A lack of planned maintenance plans resulted in the maintenance budget not being fully spent.
	Percentage of municipal revenue still with debtors	18% for year 2010/11	18%	8.6%	17%	13.09	16%	13.74%	15%	11.88%	15%	Chief Financial Officer / Chief Accountant: Revenue	N/A	BCRM	N/A	Target met. Increased efforts in revenue collection resulted in an improved revenue collection percentage which means less revenue is Debtors' hands

IDP Objective 4.1: BCRM will be compliant with MFMA and GAMAP/GARP financial management requirements by 2012																
Implement a fully integrated GRAP compliant financial system by June 2012	Phases of Valuation Roll completed (2 Phases over multiple years)	Valuation Roll not updated since 2007	Tenders advertised	Tender Document Prepared but reserve price was R2.5million. Application submitted to DLGTA for funding or exemption.	Service provider appointed	We are awaiting response from DLGTA for our request for financial assistance of R2.5 million. Looking at adjustments budget as currently have no funds available.	Valuation Roll Phase 1 commenced	Meetings Held with DLGTA to have Valuation Roll updated by way of section 139 (1)(b) intervention due to insufficient budget availability	Valuation Roll Phase 1 completed	Valuation Roll Updated	Phase 1 of Valuation Roll completed	Chief Financial Officer / Chief Accountant: Revenue	R2.5m	BCRM (Adjustment Budget)	General Valuation Roll Update	Target met General Valuation Roll was updated by 31 May 2012
	Municipal Budget 2012/13	Municipal Budget 2011/12	Business process plan completed	Target met	Needs analysis completed	Target met	Draft budget aligned to IDP priorities	Draft Budget and IDP tabled to Council 30 March 2012	Municipal Budget 2012/13 MTRF approved	MTREF Budget Approved 28 June 2012	Municipal Budget 2012/13	Chief Financial Officer	N/A	N/A	N/A	Target met Budget was approved prior to commencement of 2012/13 financial year
	Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's Integrated Development Plan.	31.39% for 2010/11	14.12%	8.48%	21.97%	15.70%	26.68%	24.48%	31.39%	25.11%	31.39%	Chief Financial Officer	N/A	MIG, NER, LOAN, BCRM	N/A	Target not met due to underperformance in the Capital Budget
IDP Objective 4.2: All affected communities will have access to free basic services by 2012																
Establish & implement an Indigent Register	Indigent Register	3757 Indigents registered at year end 2010-11	Door to door survey of indigents completed	Target met, Door to door surveys has been completed. Verification of forms currently underway	Indigent Register updated	Target met, Verification has been completed and Indigent Register has been updated	New applications added to Indigent Register	Door to door survey of indigents completed, new applications have been processed. The Register is however being updated on a daily basis	New applications added to Indigent Register	Door to door survey of indigents completed, new applications have been processed. The Register is however being updated on a daily basis	Updated Indigent Register for 2012/13	Chief Financial Officer / Chief Accountant: Revenue	N/A	BCRM	Indigent Register Implementation	Target met Indigent Register was successfully updated during the year and resulted in a reduction of qualifying beneficiaries
	Percentage of BCRM households earning less than R2 280 per month with access to free basic services	48% of BCRM households (3757 of 7824 households)	48% or less of BCRM households	48%	48% or less of BCRM households	30%	48% or less of BCRM households	41%	48% or less of BCRM households	44%	48% or less of BCRM households	Chief Financial Officer / Chief Accountant: Revenue	N/A	BCRM	Indigent Register Implementation	Target met Strict controls on indigent application approvals resulted in consumers deemed able to pay their accounts being removed from the Indigent register
IDP Objective 4.3: Municipal revenue generation will be more effective by December 2012																
4.3.1 To extend & enhance revenue raising strategies towards financial viability	Percentage Collection Rate	82% Collection Rate at year end 2010-11	82% Collection Rate	91.4%	83% Collection Rate	86.91%	84% Collection Rate	86.26%	85% Collection Rate	88.12%	85% Collection Rate for 2011-12	Chief Financial Officer / Chief Accountant: Revenue	N/A	BCRM	N/A	Target met Increased efforts in revenue collection resulted in an improved revenue collection percentage

Annexure 5 – Governance and Institutional Transformation

Priority Area 5: Governance & Institutional Transformation																
Development Strategy	Key Performance Indicator	Baseline	Milestones Quarterly								Annual Target	Responsible Person(s)	Budget	Source of Funding	Projects	Comments
			Quarter 1	Quarter 1 Actuals	Quarter 2	Quarter 2 Actuals	Quarter 3	Quarter 3 Actuals	Quarter 4	Quarter 4 Actuals						
IDP Objective 51 BCRM will have an effective & efficient information management system by June 2012																
To oversee the implementation of all council policies and procedures	Archiving Information Policy	No existing local policy	First draft tabled for review by Management	Target not met, First Draft not yet tabled to management for review Draft Record Keeping Information Policy has been developed which also covers the Archiving Information Policy meaning there is 1 policy instead of 2	Consultations concluded in 2nd draft policy	Target not met, Consultations have not been undertaken	Archiving Information policy tabled to Council	Target not met	Archiving Policy adopted by Council	Target not met	An adopted Archiving Information Policy	H Hendricks and M Blouw	N/A	BCRM Operational Expenditure	N/A	Target not met Policy will be adopted in the new year
	Record Keeping Information Policy	No existing local policy	First draft tabled for review by Management	Target not met, First Draft not yet tabled to management for review. Draft Record Keeping Information Policy has been developed which also covers the Archiving Information Policy meaning there is 1 policy instead of 2	Consultations concluded in 2nd draft policy	Target not met, Consultations have not been undertaken	Record Keeping Information Policy tabled to Council	Target not met	Record Keeping Policy adopted by Council	Target not met	An adopted Record Keeping Information Policy	H Hendricks and M Blouw				Target not met Policy will be adopted in the new year

IDP Objective 52: BCRM will have increased institutional capacity and strengthened good governance by June 2012

To regularly assess the organisational structure of BCRM	Percentage of budgeted vacancies filled	86% (311 of 360 budgeted posts currently filled)	86% filled (Key vacant positions identified per department)	Target met except for 1 key position still vacant, namely that of Chief: Protection Services	87% filled (Vacant posts advertised)	Target met: Appointment made for vacant post of Manager: Technical Services; vacant position of Librarian advertised; vacant position of Chief: Protection Services re-advertised	88% filled (New staff appointed)	Target met except for 1 key position still vacant, namely that of Chief: Protection Services Shortlisting Meeting has been held Interview Meeting scheduled for April 2012	90% of budgeted vacancies filled	Target met Chief: Protection Services appointed	90% of budgeted vacancies filled	H Hendricks and P January	N/A	BCRM Operational Expenditure	N/A	Target met Critical vacancies filled and limited vacancies exist	
	Average number days absent per year per employee	Staff averaged 18 days of absenteeism for 2010-11	Average absenteeism rate consistent with 18 days per year	Target not met	Average absenteeism rate consistent with 15 days per year	Target not met, 4 key employees in middle management sent on an employee wellness training programme. Baseline information on absenteeism to be gathered	Average absenteeism rate consistent with 12 days per year	Target not met, 4 key employees in middle management sent on an employee wellness training programme. Baseline information on absenteeism to be gathered	Average absenteeism rate consistent with 9 days per year	Target not met, Workshop / Training on how to handle absenteeism arranged for 40 employees	Staff average 9 days absent per year per employee	H Hendricks and P January		N/A	BCRM Operational Expenditure	N/A	Target not met Workshop has been arranged, but absenteeism still a problem
	Average Turnaround time to appointment	Appointments currently average 3 months or more	Draft plan for scheduled shortlisting and interview monthly meetings (3 months or more)	Target not met	Implement plan (3 months or more)	Target met, Plan drafted and implemented	Average appointment Turnaround time finalised in 3 months or less	Target met, Plan drafted and implemented	Average appointment Turnaround time finalised in 3 months or less	Target met, Plan implemented	Average of 3 months or less to appoint staff	H Hendricks and P January					N/A
	Number of Managers trained to conduct disciplinary hearings	Disciplinary hearings take 3 months or more to finalise due to limited staff trained in disciplinary matters	Train 10 or more Senior and Middle Managers to conduct disciplinary hearings in Q1	Target not met	Train 15 Supervisors to conduct disciplinary hearings in Q2	Target met, Shop stewards and Union Reps were included	Train 10 or more Senior and Middle Managers to conduct disciplinary hearings in Q3	Target met, Shop stewards and Union Reps were included	Train 15 or more Supervisors to conduct disciplinary hearings in Q4	Target met, Middle management staff trained	50 Senior, Middle Managers and Supervisors able to conduct disciplinary hearings	H Hendricks and P January		R100 000	BCRM Operational Expenditure	N/A	

IDP Objective 52: BCRM will have increased institutional capacity and strengthened good governance by June 2012																
To have legally compliant and functional ward committees and CDWs	Number of fully functional ward committees	6 partially functional ward committees term ending	6 new ward committees elected	Target met	6 new ward committees training begun	Target not met, Training of Ward Committees is delayed and will only begin once the appeal process involving the election of Ward committee members has been finalised in January/ February 2012	6 new ward committees training continued	Target met, Appeals dealt with, Mayor ready to report to Council	6 new ward committees trained and fully functional	Target met, Ward committees fully functional	6 fully functional ward committees	H Hendricks and MBlouw	External Funding	CoGTA	N/A	Target met Ward Committees functional
	Review and strengthen legislative framework for Ward Committees and community participation	Council approved Rules of Order for Ward Committees end of 2010-11 Year	N/A	Policy for Ward Committees and Community Development Workers to be developed	N/A	Appeal process to be initialised in February 2012 and induction to rolled out in March 2012. Operational Plan and Policy for Ward Committees to be developed and implemented in March 2012	N/A	Target not met	Newly trained Ward Committees begin review of legislative framework	Target not met	New review of Ward Committee legislative framework begun	H Hendricks and MBlouw	N/A	BCRM Operational Expenditure	N/A	Target not met
	Average Amount of funding per ward (6) committee	R60 000 per ward committee (R300 000 across 5 wards for year 2010-11)	R10 000 per ward committee in Q1	Target met, Stipends paid	R10 000 per ward committee in Q2	Target met, Stipends paid	R15 000 per ward committee in Q3	Target met, Stipends paid	R15 000 per ward committee in Q4	Target met, Stipends paid	R50 000 per ward committee (R300 000 across 6 wards for the year)	H Hendricks and MBlouw	R300 000	BCRM Operational Expenditure	N/A	Target met Stipends paid to all ward committee members

IDP Objective 53: BCRM will have effective & efficient intergovernmental relations with sector departments, district and neighbouring municipalities																
No quarterly projections of service delivery targets set for this objective at this time																
IDP Objective 54: Skills development levels in the BCRM will be increased by 2012 through targeted training programmes																
To assess & improve skills level within BCRM	Number Senior and Middle Managers benefiting from Workplace Skills trainings	15 Senior and Middle Managers identified for training in 2011-12 Workplace Skills Plan	15 Senior and Middle Managers completed Integrated Development Plan training	Target not met, Only 3 middle managers began training	15 Senior and Middle Managers completed Labour Relations training	Target met, Shop Stewards and Union Reps were included	15 Senior and Middle Managers completed Computer Literacy training	Target met, Shop Stewards and Union Reps were included	15 Senior and Middle Managers complete Legal training	Target met	15 Senior and Middle Managers benefited from Workplace Skills trainings	H Hendricks and P January	R80 000	BCRM Operational Expenditure	N/A	Target met Training completed
	Number of Supervisors and benefiting from Workplace Skills trainings	All Supervisors identified for training in 2011-12 Workplace Skills Plan	10 or more Supervisors completed Integrated HIV/AIDS and TB Management training	Target met and Exceeded 20 employees were trained	10 or more Supervisors completed Occupational Health training	Target not met, Training has been included in WSP 2011/12 and will be rolled out soon. A plan is to be put in place	10 or more Supervisors completed Supervisor Capacity Building training	Target not met, Training has been included in WSP 2011/12 and will be rolled out soon. Logistics for training arrangements currently in motion	15 or more Supervisors completed Vehicle Care training	Target met, Included in recent training conducted	At least 15 Supervisors benefited from Workplace Skills trainings	H Hendricks and P January	R200 955	BCRM Operational Expenditure; SETAs	N/A	Target met Training completed
	Number of Learnerships completed through Phase 2 of 18 month cycle (Civil Engineering, Electrical Engineering, Municipal Finance Management, Water Reticulation and Purification, ABET, and Roads & Stormwater in 18 month, 3 phase learnership cycle)	All Learnerships areas based on needs of Skills Audit and Workplace Skills Plan 2011-12	60 or more Learnerships initiated spread across all areas	The annual target is 60 and the quarterly target should be 15. Target of 15 Met Water Purification Learnership Completed	60 or more Learnerships completed through Phase 1	The annual target is 60 and the quarterly target should be 15. Target of 15 Met Water Purification Learnership Completed	N/A	Target met, Another Learnership for 20 learners for Road Maintenance and repairs has been adjudicated and about to be rolled out	60 or more Learnerships completed through Phase 2	Target met, Number not correct, should be 15 or more individuals	60 or more Learnerships completed through Phase 2 spread across all Learnership areas	H Hendricks and P January	External funding	SETAs	N/A	Target met Learnerships completed
To have in place an Employment Equity Plan in order to adequately accommodate designated groups	Employment Equity Plan	No existing Employment Equity Plan for BCRM	Service provider appointed to facilitate development of Employment Equity Plan	Target not met, A service provider has not yet been appointed to facilitate and develop an Employment Equity Plan	Draft Employment Equity Plan	Target not met, No draft Equity Plan produced as no service provider has been appointed. Corporate Services has developed a terms of reference for advertising for quotations	Employment equity plan is finalized and approved by Council	Target not met, Quotations for the appointment of Service Provider have closed and is about to be evaluated and adjudicated	N/A	Target met, Plan ready to be submitted to LLF / EEC before being approved by Council	Employment Equity Plan for 2012-16	H Hendricks and P January	External funding	CDM	N/A	Target partially met Plan has been completed but not adopted by Council
	Number of appointments in line with Employment Equity Act and regulations	Female Africans underrepresented in first three levels of Management (0 Senior Managers)	1 African female appointed as Senior Manager in Q1	Target not met, Proposed that target be re-looked at	1 African female appointed to second level of Management in Q2	Target not met, Proposed that target be re-looked at	1 African female appointed to third level of Management in Q3	Target not met, Proposed that target be re-looked at	1 African female appointed to third level of Management (Disabled inclusive) in Q4	Target not met, Not having control over process	4 African females (Disabled inclusive) appointed across Management tiers	H Hendricks and P January	N/A	BCRM Operational Expenditure	N/A	Target not met Not having control over process
	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;	7 black males, 5 black females, 4 white males, 1 white female	7 black males, 6 black females, 4 white males, and 1 white female	Target not met, Proposed that target be re-looked at	7 black males, 7 black females, 4 white males, and 1 white female	Target not met, Proposed that target be re-looked at	7 black males, 8 black females, 4 white males, and 1 white female	Target not met, Proposed that target be re-looked at	7 black males, 9 black females, 4 white males, and 1 white female (Disabled inclusive)	Target not met, Not having control over process	7 black males, 9 black females, 4 white males, and 1 white female (Disabled inclusive) across three highest levels of management					Target not met Not having control over process

Annexure 6 – Municipal Manager's Office

DEPARTMENT: MUNICIPAL MANAGER				KPA: Local Economic Development			
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
To combat and reduce the spread of HIV/Aids by 2014	Strategically manage the establishment of PAC and prepare ToR. Appoint Service Provider. Preparation and implementation of HIV/Aids Strategy	50%	Completed HIV/AIDS Strategy Quarterly Reports Reports from Department of Health/CHDM	HIV prevalence % unknown/PAC not established, literature reviews and ToR Consultation with stakeholders	0%	The HIV/ AIDS committee was not functional during 2011/2012 financial year due to resignation of Chairperson	The Municipality plans to appoint a full time employee to facilitate the HIV/AIDS committee
To promote and monitor the effective and efficient functioning of the SPU	Policy on mainstreaming of special programmes (women, youth and disabled) includes HIV/AIDS Programmes	90%	Policy on mainstreaming developed, includes HIV/AIDS programmes	No Policy	0%	The HIV/ AIDS committee (including special programmes) was not functional during 2011/2012 financial year due to resignation of the Chairperson	The Municipality plans to appoint a full time employee to facilitate the HIV/AIDS committee
To alleviate poverty and promote massive food production	Strategically manage the implementation of LED Strategy and set ToR	80%	Implementation of LED strategy / Alleviation programs -ToR	Weak LED strategy / Capacity issues	100% LED strategy developed	Not applicable	Not applicable
DEPARTMENT: MUNICIPAL MANAGER				KPA: Local Economic Development			
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
To ensure that the LED Strategy Plan is developed by 2010	Strategically manage the improvement in LED, and LED Sector Plans. Strategic Planning Workshop held. ToR developed and strategy for fundraising for LED. Implementation and review/monitoring of LED related projects and programmes (Greening and Charcoal projects) as per plan	80%	Improved LED strategy, sector plans, fundraising strategy, workshop attendance/implementation reports	Weak LED strategy	100%	Not applicable	Not applicable
To ensure that the Tourism Sector Plan is in place	Strategically manage the establishment of Tourism through development of Tourism Implementation Plan, implementation report and reviews	80%	Tourism plan and implementation report	Tourism established / Limited funding - outsourced	0%	The Municipality is having a challenge with the service provider appointed to develop the Tourism Sector Plan	The Municipality plans to develop a Tourism Sector Plan with 2012/2013 financial year
To create an economic vibrant environment that is conducive to promote SMME's development to halve unemployment by 2014	Strategically manage the co-ordination of different programmes from all spheres of government to promote EPWP	100%	Report on participation	In progress	100% EPWP projects were promoted	Not applicable	Not applicable
NDGP (2016)	Strategically manage the generation of the creation of employment opportunities and potential income as per strategy	100%	Participation Report	Limited funding	100% 30 general workers were appointed during 2011/2012 financial year	Not applicable	Not applicable

DEPARTMENT: MUNICIPAL MANAGER		KPA: Service Delivery					
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
Focus on the improvement of delivery of core powers and functions of local government	Strategically manage and monitor KPA's of service delivery units within the Municipality (IPED, Technical, Budget and Treasury and Community Services functions) in order to ensure that their service delivery targets are met	100%	Monthly Departmental progress reports aligned to targets set per IDP/SDBIP, SDBIP reporting quarterly to Council	Available SDBIP Monthly reporting	100% Mid term SDBIP report prepared	Not applicable	Not applicable
To provide free basic services to the indigent by 2014	Ensures the review and implementation of a fully functional Indigent Policy and Register	90%	Indigent Policy reviewed / Indigent Register updated	Reviewed Indigent Policy and register/effective Indigent Policy and access to basic service delivery	100% Indigent register was reviewed	Not applicable	Not applicable
To provide sustainable functional internal access and proclaimed road network by 2011	Strategically manage and monitor to ensure Technical Services puts a Roads Master Plan in place	100%	Roads Master Plan approved	Absence of Roads Master Plan	0% Roads Master Plan was not approved	Roads Master Plan forms part of the Infrastructure Master Plan, which is not yet developed	An Infrastructure Master Plan will be developed for 2012/2013 financial year

DEPARTMENT: MUNICIPAL MANAGER		KPA: Service Delivery					
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
That all communities have access to appropriate and adequate sanitation and Water by 2014	Strategically manage and monitor and ensure IPED/COMM develop and implement a Waste Management Plan	100%	Implementation of Waste Management Plan/Council approved /Quarterly report	Non implementation of Waste Management Plan	100% Waste management plan developed	Not applicable	Not applicable
	Strategically monitor ongoing maintenance, repair work and continuous treatment in respect of Bulk Water Supply, Water treatment, Sewerage maintenance and reticulation, in order to ensure acceptable standards are met and a continuous supply of potable water is available	100%	Performance as per maintenance programme targets, water and sewerage report, treatment reports, faults and repair statistics report, quarterly reports	Poor, ageing infrastructure / Lack of qualified operators	100%	Not applicable	Not applicable
To ensure that all Sakhisizwe communities have access to adequate housing by 2014	Strategically monitor the development of Housing Sector Plan and submissions of funding applications to Department of Housing / Ensure that funding opportunities are sourced and Public Private Partnerships (PPP) promoted	100%	Housing Sector Plans / Funding applications to DoH or top up funding. Monthly/quarterly reports, letters, funding applications. Reports from DoH and PPP reports	No Housing Sector Plan. No alignment of future housing projects to community needs	100% Housing sector Plan developed	Not applicable	Not applicable

DEPARTMENT: MUNICIPAL MANAGER		KPA: Service Delivery					
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
To ensure that all public amenities and communities have access to electricity	Strategically monitor electrical reliability and sustainability in order to ensure that a quality service is provided	100%	Quarterly reports / Maintenance and operational reports	Ageing infrastructure / Limited funding - reliant on Eskom	100%	Not applicable	Not applicable
Ensure the establishment of sufficient social and recreational facilities for our community by 2014	Strategically manage all planned social and recreational projects as planned	100%	Implementation reports and quarterly reports	Ongoing Financial limitations	100%	Not applicable	Not applicable
To provide comprehensive and integrated health services	To strategically manage the provision of an integrated PHC as per Project Plan	100%	Quarterly reporting	In progress	0%	No longer a core function of the Municipality - moved to Province	No longer a core function of the Municipality - remove from SDBIP
Promote, implement and maintain safety and security in all communities at Sakhisizwe	Strategically manage the crime prevention campaigns and street lighting initiative to support this process	100%	Quarterly reporting	In progress	100%	Not applicable	Not applicable
Facilitate quality education provision	Strategically manage and support all efforts to improve education provision as per project	100%	Quarterly reporting	In progress	0%	Education is not the core function of the municipality, however the Municipality deliberates on education matters at IGR forums	IGR forum will support all efforts to improve education provision

DEPARTMENT: MUNICIPAL MANAGER		KPA: Service Delivery					
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
To create a safe and healthy environment by ensuring that land, natural resources and atmosphere are not contaminated	Strategically manage all efforts re: land environmental management such as: Environmental Waste Management Plan, Greening projects and Business/Hawkers Forums	100%	Quarterly reporting	Ongoing	67% Waste management plan was developed and greening projects were completed during 2011/2012	The solid waste site plan has been developed; approved by MIG and is in the process of being developed	Business/Hawker forums will be established during 2012/2013 financial year
To ensure the implementation of functional and efficient structures and mechanisms to deal with disasters effectively	Strategically manage the Disaster Management Planning Process	100%	Quarterly reporting	In progress / ongoing	0%	Disaster management planning process is the Chris Hani District Municipality's core function. The Municipality acts as implementing agent	Disaster management planning process is the Chris Hani District Municipality's core function
DEPARTMENT: MUNICIPAL MANAGER		KPA: Municipal Transformation and Institutional Development					
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
Good governance and effective administration, Improved human resource of local government by 2011	Organisational performance managed through application of approved Performance Management Framework and System	100%	Institutional scorecard approved by Council PMS Framework / approved Quarterly Performance Reporting	PMS only applicable to S57 staff / No framework	0% Performance management framework and system not developed	Performance Management System (PMS) was not populated as there is no approved guide/framework on performance management system	The CoGTA has been requested to facilitate development of policies including PMS. This will take place in the first quarter 2012/2013
	PMS rolled out to middle management from S57 level	50%	PMS reports/evaluations/ PMS Policy/quarterly reports to SC on PMS target progress as per SDBIP (each department) PDP and 25% progress to M and E Policy	functional at S57 level - roll out to middle managers in 2010	0% PMS was not rolled out to middle management	Performance Management System was not populated as there is no approved guide/framework on performance management system	The CoGTA has been requested to facilitate the policies including PMS. This will take place in the first quarter 2012/2013
	Monitoring and evaluation policy to be developed and put in place	70%	Policy developed and implemented	None	0% M&E Policy was not developed	Reason not given	Remedial action not provided
	HR Development: Implementation of WSP with 70% expenditure of the training/skills budget spent on training interventions	70%	Quarterly Reports; Training Implementation Reports	70%	91% Training budget spent on training	Not applicable	Not applicable
	EE: % compliance with the Employment Equity Plan in the 2 highest levels of management	90%	Quarterly Reports	90% compliant in 2 highest categories	100% The EE Plan was developed and EE Policy was developed and approved. EE reports were submitted to the Department of Labour	Not applicable	Not applicable

DEPARTMENT: MUNICIPAL MANAGER				KPA: Municipal Transformation and Institutional Development			
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
	Ensures Compliance with EE reporting in legislated format to EE Registry by October each year	100%	EE Report submitted timeously in legislated format	EE Reporting underway!	100% The EE Plan was developed and EE Policy was developed and approved EE reports were submitted to the Department of Labour	Not applicable	Not applicable
	Local Labour Forum (LLF) Meeting attendance and reporting occurs as per schedule (one per quarter)	100%	Ensures LLF meetings one per quarter and LLF Quarterly reports	Functional LLF	100% LLF meetings were held each quarter	Not applicable	Not applicable
DEPARTMENT: MUNICIPAL MANAGER				KPA: Financial Viability			
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
Ensure sound financial management and governance linked with coordination of all departments within the institution	% of allocated operating budget spent year to date, excluding staff costs	100%	Quarterly report	Regular reporting	0%	Financial information is not presented in a format to enable reporting against KPI	Accounting system to be reconfigured to meet with performance reporting requirements
	% of allocated capital budget spent year to date	100%	Quarterly report	100%	0%	Financial information is not presented in a format to enable reporting against KPI	Accounting system to be reconfigured to meet with performance reporting requirements
	The percentage of households earning less than R1600 per month with access to free basic services	100%	Report to Council	Effective Indigent Management / Access to free basic services	100%	Not applicable	Not applicable
	Ensures that the budget is developed in a compliant and consistent manner	100%	Council approved Budget / Public participation / Council resolution / budget / minutes / public participation outreach	Full compliance	100% The budget was developed	Not applicable	Not applicable
	Implementation of the SCM Policy	100%	Compliance report submitted to Council (quarterly)	SCM Policy in place	100% Implementation of the SCM policy	Not applicable	Not applicable
	GRAP compliance and implementation of the asset management policy	100%	Compliance report submitted to Council (quarterly)	Unknown	100%	Not applicable	Not applicable
	Manages the submission of AFS	100%	Timeous submission of AFS	Timeous submission	100% 2010/2011 AFS were submitted on the 31st August 2011	Not applicable	Not applicable

DEPARTMENT: MUNICIPAL MANAGER				KPA: Financial Viability			
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
	Compliance with MFMA No 56 of 2003	100%	Compliance with statutory requirements	Progress to full compliance	100%	Not applicable	Not applicable
	Ensures that revenue is managed according to sound financial principles	100%	Strategically manages operational efficiency and fiscal control	Debt Collection and Credit Control Policy in place and implemented	100%	Not applicable	Not applicable
	Ensures that the M&E of Budget and Treasury is applied through formal reporting	100%	Quarterly Report/Budget reports/SDBIP/reports on expenditure	M&E through formal reporting and financial reporting	100% Monitoring and Evaluation of budget and treasury was done through quarterly reporting	Not applicable	Not applicable
DEPARTMENT: MUNICIPAL MANAGER				KPA: Good Governance and Public Participation			
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
Accountable and transparent programmes that lead to good governance and public participation, strengthening of Good Governance, Community Participation and Ward Committee Systems in local government	IDP reviewed annually and adoption of Process Plan	100%	Council approval	Approved on an annual basis	100% The IDP was reviewed and the process plan was adopted	Not applicable	Not applicable
	Ensures finalisation of Annual Report by having S57's submit inputs by 30 November	100%	Departmental submissions received timeously / Annual Report approved by Council	Submissions not submitted timeously	100% All S57 managers have signed performance agreements	Not applicable	Not applicable
	Oversight Committee established, Oversight ToR, Oversight meetings (deliberate on AG finding); Oversight reports compiled	100%	Oversight Report/Council Approval	Oversight reporting Committee established	100% Oversight committee was established and the committee is functional	Not applicable	Not applicable
	Delegation Framework established/updated and applied	100%	Delegation Framework implementation/workshopped	Developed/implemented/workshopped	100% Delegation framework adopted and workshopped	Not applicable	Not applicable

DEPARTMENT: MUNICIPAL MANAGER				KPA: Good Governance and Public Participation			
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
	Community participation plan and strategy developed / Allocation of budget to public participation	90%	Development of Community Participation Plan and Strategy / Implementation of strategy. Report on implementation / Quarterly Report	Developed - requires implementation	0% The community participation plan was not established	The community participation is addressed through IDP road shows and Mayoral Imbizo's	Not applicable
	Communication Strategy approved Implementation Strategy approved	100%	Council approval/ Implementation of Communication Strategy Report on Implementation/ Quarterly report	Not functional/ developed	0%	The Municipality did not have a dedicated person for this function but has since appointed a Communication Officer	Addressed
	Improved ward participation 75% expenditure of funding set aside for ward committee development	75%	Ward Committee meetings	Partially operating ward committee	0%	The Municipality has full participating ward committees, IGR, IDP rep forum. The Municipality involves the public through public meetings, Mayoral Imbizo's and IDP road shows.	Not applicable
Local Government to obtain clean audit reports by 2011	Strategy/Action Plan developed to support Sakhisizwe - Audit Plan		Report on implementation/response to audit outcomes/audit investigations/Council approval/quarterly report	In progress	100% Audit action plan developed	Not applicable	Not applicable
	Compliance with MFMA/ Development of Risk Management profile and system and % of implementation of risk assessment		Report on implementation/response to audit outcomes/audit investigations/Council approval	In progress	100% Sakhisizwe risk assessment/profile was performed for 2011/2012 financial year	Not applicable	Not applicable
	Audit response to Auditor Generals Report		AG response	AG response annually	100%	Not applicable	Not applicable
DEPARTMENT: MUNICIPAL MANAGER				KPA: Good Governance and Public Participation			
Planned objective per SDBIP	Planned indicators/measures per the SDBIP	Annual target	Measurement source	Baseline	Actual performance	Reason for variance	Remedial action
	PMS Audit committee to be established to meet % of scheduled meetings of the performance audit committee sitting		Minutes of Audit Committee/Schedule of Meetings	Audit Committee established/functional challenges	0% PMS audit committee was not established	Budgetary constraints was a hindering factor and as such the PMS audit committee is shared	Not applicable
Strengthening Good Governance and effective administration	Attendance at all Council meetings		Attendance registers of meetings attended Meeting minutes	Schedule of meetings available annually	100% All Council meetings were attended by the MM	Not applicable	Not applicable

Chapter 4

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

INTRODUCTION

Delete Directive note once comment is completed - Provide a brief introduction to your municipality's organisational development function.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	25	25	24	1	4%
Waste Water (Sanitation)	18	18	17	1	6%
Electricity	30	32	30	2	6%
Waste Management	66	69	66	3	4%
Housing	24	25	24	1	4%
Waste Water (Stormwater Drainage)	0	0	0	0	0%
Roads	38	39	38	1	3%
Transport	0	0	0	0	0%
Planning	0	0	0	0	0%
Local Economic Development	10	10	10	0	0%
Planning (Strategic & Regulatory)	0	0	0	0	0%
Financial Services	36	37	36	1	3%
Community & Social Services	35	41	34	7	17%
Environmental Protection	0	0	0	0	0%
Health	2	2	2	0	0%
Security and Safety	8	13	8	5	38%
Sport and Recreation	0	0	0	0	0%
Corporate Services and Other	26	30	25	5	17%
Totals	318	341	314	27	8%
<i>Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.</i>					T 4.1.1

Chapter 4

Vacancy Rate: 2011/2012			
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)	3	0	0.00
Other S57 Managers (Finance posts)	0	0	0.00
Traffic officers	4	2	50.00
Fire fighters	1	0	0.00
Senior management Levels 12-15 (excluding Finance Posts)	21	2	9.52
Senior management Levels 12-15 (Finance posts)	4	1	25.00
Highly skilled supervision: Above TK15 (excluding Finance	1	0	0.00
Highly skilled supervision: Above TK15 (Finance posts)	2	0	0.00
Total	38	5	13.16

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

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2009/2010	323	5	2%
2010/2011	318	23	7%
2011/2012	314	19	6%

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

T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

The total number of approved posts is 341 of which 27 posts are currently vacant per the table above which equates to a vacancy rate of 8%.

There were no key vacancies in any of the key section 57 Manager posts during the year, thus top management has been stable during the period adding to the overall strategic direction of the municipality.

Chapter 4

The Municipality has embarked on an extensive campaign to fill its funded and critical vacant post so as to ensure the optimisation of service delivery.

It should be noted however that due to the process of natural attrition (Turnover in the labour market) there will be at times vacancies in the organisation.

In this regard the Municipality has maintained a very low turnover rate of between 2%-7% over the last three financial periods.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

Managing expenditure is governed by section 66 of the Municipal Finance Management Act 56 of 2003.

The Economic challenges faced by the Municipality include optimising productivity and rand value, balancing compensation for performance results, providing healthcare and wellness programmes, hiring and retention of staff.

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	19	5	26%	4	60
Temporary total disablement					
Permanent disablement					
Fatal					
Total	19	5	26%	4	60

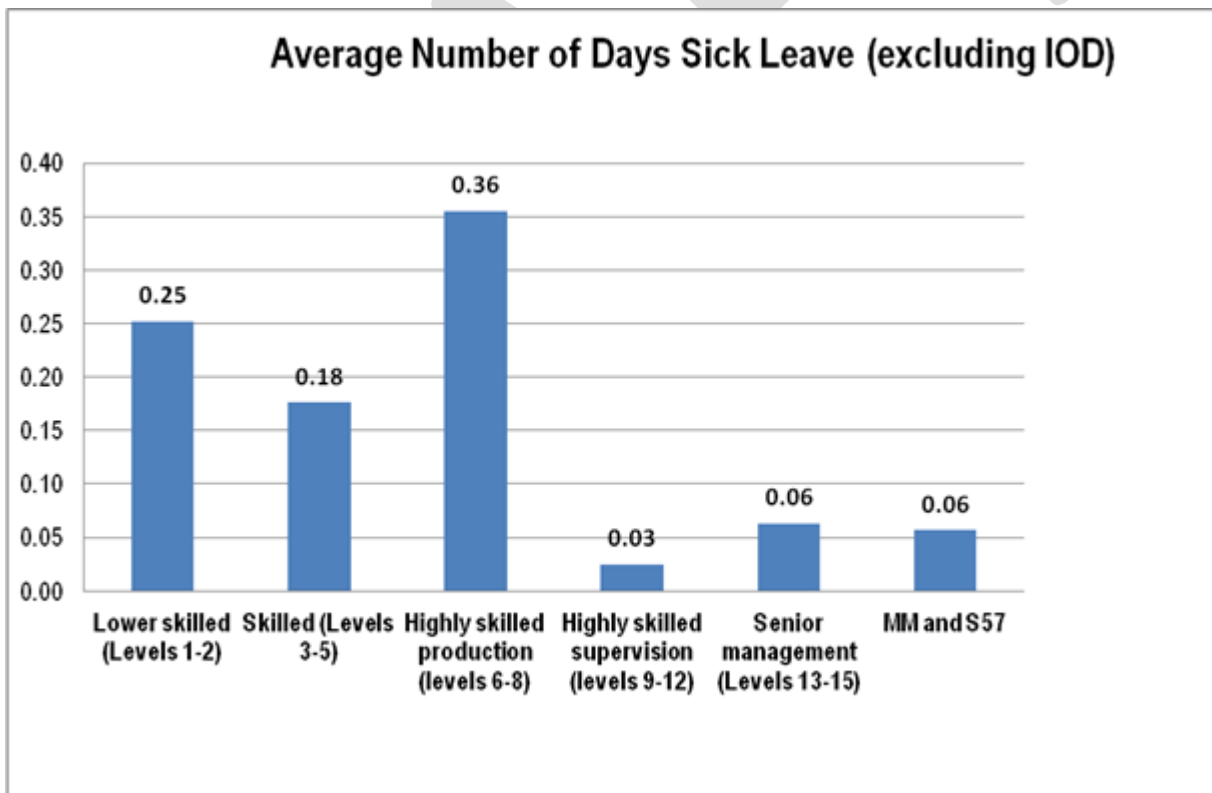
T 4.3.1

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	80	90%	101	89	0.25	30
Skilled (Levels 3-5)	56			111	0.18	
Highly skilled production (levels 6-8)	113			88	0.36	
Highly skilled supervision (levels 9-12)	8	95%	2	3	0.03	31
Senior management (Levels 13-15)	20			22	0.06	
MM and S57	18			5	0.06	
Total	295	93%	103	318	0.93	61

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

T 4.3.2



Injuries on duty at 19 days is relatively low for the municipality, however the municipality strives to reduce such incidents to an absolute minimum.

Chapter 4

Sick leave at 295 days during the year over 318 employees is relatively low, ie on average less than 1 day per year per employee.

The Municipality is focused on keeping sick leave and injuries and the related cost to an absolute minimum.

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
No Suspensions were recorded for the year 2011/2012				
				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
No Financial Misconduct cases were recorded for the year 2011/2012			
			T 4.3.6

The Municipality had no instances of suspensions or disciplinary action related to financial misconduct

Chapter 4

4.4 PERFORMANCE REWARDS

The municipality made no performance reward payments during the year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

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

The Municipality has a number of key capacity and development initiatives and courses to develop and train staff

- Introduction to computers
- Water purification
- Certificate programme in Municipal Development
- Certificate programme in Municipal Finance

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2012	Number of skilled employees required and actual as at 30 June 2012											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of 2011	Actual: End of 2012	Year 0 Target	Actual: End of 2012	Actual: End of 2012	Year 0 Target	Actual: End of 2011	Actual: End of 2012	Year 0 Target	Actual: End of 2011	Actual: End of 2012
MM and s57	Female						0	0		0	0		0	0
	Male						4	4		0	0		0	0
Councillors, senior officials and managers	Female						5	11		0	0		0	0
	Male						10	11		0	0		0	0
Technicians and associate professionals*	Female						0	0		0	0		0	0
	Male			0	0		0	0		0	0		0	0
Professionals	Female			2	2		10	15		0	0		0	0
	Male			3	3		6	24		0	0		0	0
Sub total	Female			2	2		0	26		0	0		0	0
	Male			3	3		0	39		0	0		0	0
Total		0	0	10	10	0	35	130	0	0	0	0	0	0

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

T4.5.1

Chapter 5

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	1	2	0	1	0
<i>Chief financial officer</i>	1	1	2	1	1	0
<i>Senior managers</i>	3	2	5	2	3	0
<i>Any other financial officials</i>	35	0	35	5	0	0
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	0	1	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL	41	4	45	8	5	0

T 4.5.2

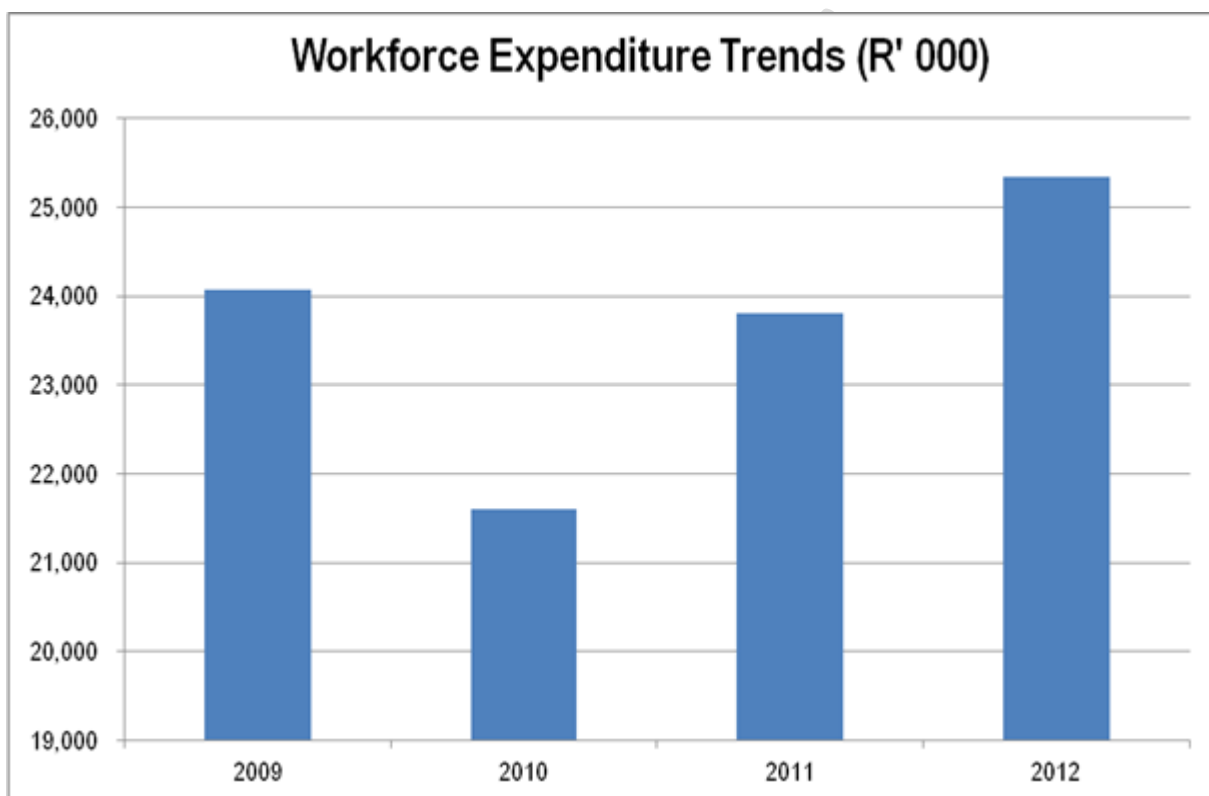
Chapter 4

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female							0	0	
	Male							0	0	
Legislators, senior officials and managers	Female				130000	116440	6150	4554	136150	120994
	Male				130000	126726	6330	3946	136330	130672
Professionals	Female									
	Male									
Technicians and associate professionals	Female									
	Male									
Clerks	Female		10000	9110	12000	10260	28200	20589	50200	39959
	Male		10000	9110	12000	11104	44550	32522	66550	52736
Service and sales workers	Female		139850	102095					139850	102095
	Male		139850	102095					139850	102095
Plant and machine operators and assemblers	Female									
	Male									
Elementary occupations	Female									
	Male									
Sub total	Female		149850	111205	142000	126700	34350	25143	326200	263048
	Male		149850	111205	142000	137830	50880	36468	342730	285503
Total		0	299700	222410	284000	264530	85230	61611	668930	548551
									%*	*R
										T4.5.3

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T 4.6.1

Chapter 4

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	4
	Male	2
Highly skilled production (Levels 6-8)	Female	
	Male	
Highly skilled supervision (Levels 9-12)	Female	
	Male	
Senior management (Levels 13-16)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		6

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	None	None	None	None

T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
There were no instances of the employees being appointed to unapproved positions				

T 4.6.4

Chapter 4

No such variances to normal practice were noted during the period under review.

T 4.6.5

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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

The Municipality sought to control inflationary pressures during the year by implementing budgetary control measures. Despite these measures the municipality still recorded unauthorized expenditure (where actual expenditure exceeded that of budget) of R 13 million per the report of the Auditor General due to items such as depreciation and impairment of assets which were not budgeted for. It must however be noted that these items are not cash flow items, thus the Municipality controlled actual cash flows within the prescribed budgetary framework.

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

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

Blue Crane Route Municipality recorded a deficit of R 4million of the 2011/2012 Financial year which represents a significant decline from the R 24million surplus posted for the 2010/2011 Financial year. The performance of the Municipality must however be considered in the following context.

Revenue:

Revenue for the period 2011/2012 under review declined marginally to R 130 million from R 131 million for the prior period ended 30 June 2011, but was well below budgeted revenue of R 142 million. This was due to the following:

- Rates revenue of R 7.5 million was well above that of the prior year period of R 5.9 million as a result of additional rates revenue billed on farms transferred to the Cacadu District.
- Revenue from service charges and other revenue sources were below that of the prior year, thus reducing the effect of the additional revenue from rates.

Expenditure:

Expenditure of R 149 million was well above that of the budgeted R 142 million as the prior year's R 126 million thus resulting in the recorded deficit.

Chapter 5

The higher than expected expenditure was largely due to a charge of R 19million in the Statement of Financial Performance for depreciation and impairment of assets. As this was the first year that the Municipality had to correctly account for depreciation in terms of the provisions GRAP 17 – Property , Plant and equipment due to the expiration of the transitional provisions of directive 4. No such expenditure would thus have been recorded in 2010/2011.

In addition to the above Material and bulk purchases were 26% above that of the prior financial period , this is largely attributed to increased cost of electricity purchases due to increases made by Eskom.

Sustainability:

Although the Municipality recorded a deficit of R 4 million as indicated above this is largely due to depreciation and impairment of R 19 million and is not cash flow related.

The Municipality has Net Assets of R 355 million with assets comfortably exceeding liabilities and with R 19million in cash and cash equivalents at year end has significant resources to continue functioning into the foreseeable future.

T 5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Reconciliation of Table A1 Budget Summary										
Description	2012									2011
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousands	1	2	3	6	7	8	9	10	11	15
Financial Performance										
Property rates	6,735	785	7,520	7,520	7,557		37	100.49%	112.20%	5,943
Service charges	84,354	(7,268)	77,086	77,086	68,634		(8,452)	305.83%	297.97%	71,232
Investment revenue	1,179	(0)	1,179	1,179	1,419		240	120.36%	120.32%	1,645
Transfers recognised - operational	38,931	5,385	44,316	44,316	44,687		371	100.84%	114.78%	41,334
Other own revenue	9,018	3,396	12,414	12,414	7,806		(4,608)	407.52%	332.24%	10,594
Total Revenue (excluding capital transfers and contributions)	140,217	2,297	142,514	142,514	130,102		(12,413)	91.29%	92.79%	130,749
Employee costs	43,681	1,775	45,456	45,456	46,923	1,467	(1,467)	103.23%	107.42%	43,081
Remuneration of councillors	2,826	(405)	2,421	2,421	2,462	41	(41)	101.70%	87.11%	2,191
Debt impairment	4,944	(0)	4,944	4,944	10,189	5,245	(5,245)	206.09%	206.09%	10,482
Depreciation & asset impairment	2,932	(0)	2,932	2,932	19,347	16,415	(16,415)	659.88%	659.86%	–
Finance charges	159	0	159	159	1,198	1,038	(1,038)	752.26%	753.17%	2,089
Materials and bulk purchases	40,579	(541)	40,038	40,038	41,377	1,339	(1,339)	103.35%	101.97%	32,922
Transfers and grants	–	–	–	–	3,037	–	(3,037)	0.00%	0.00%	2,906
Other expenditure	43,585	2,751	46,336	46,336	24,746	–	21,590	145.94%	156.73%	28,005
Total Expenditure	138,706	3,580	142,286	142,286	149,278	25,546	6,993	104.91%	107.62%	121,676
Surplus/(Deficit)	1,511	(1,282)	229	229	(19,177)		(19,406)	-8377.31%	-1269.13%	9,073
Transfers recognised - capital	15,963	(63)	15,900	15,900	15,165		(735)	95.38%	95.00%	15,436
Contributions recognised - capital & contributed assets	–	–	–	–	–		0	0	0	–
Surplus/(Deficit) after capital transfers & contributions	17,474	(1,345)	16,129	16,129	(4,012)	–	(20,141)	-24.87%	-22.96%	24,509
Share of surplus/ (deficit) of associate			–							
Surplus/(Deficit) for the year	17,474	(1,345)	16,129	16,129	(4,012)	–	(20,141)	-24.87%	-22.96%	24,509
Capital expenditure & funds sources										
Capital expenditure	21,963	2,275	24,238	24,238	19,646	(3)	4,592	81.06%	89.45%	20,138
Transfers recognised - capital	15,963	(63)	15,900	15,900	13,285		2,614	83.56%	83.23%	16,739
Public contributions & donations			–	–	–					
Borrowing	3,861	(1,361)	2,500	2,500	2,500		–	100.00%	64.74%	1,000
Internally generated funds	2,139	3,699	5,838	5,838	3,861		1,977	66.13%	180.50%	2,399
Total sources of capital funds	21,963	2,275	24,238	24,238	19,646	–	4,592	81.06%	89.45%	20,138
Cash flows										
Net cash from (used) operating	12,962	(1,133)	11,829	11,829	14,461		(2,633)	122.26%	111.57%	20,681
Net cash from (used) investing	(18,463)	391	(18,072)	(18,072)	(19,155)		1,082	105.99%	103.75%	(17,521)
Net cash from (used) financing	3,000	(1,361)	1,639	1,639	1,435		204	87.54%	47.83%	(167)
Cash/cash equivalents at the year end	20,605	(2,105)	18,500	18,500	19,847		(1,347)	107.28%	96.32%	23,106

T 5.1.1

Chapter 5

Financial Performance of Operational Services							R '000
Description	2011	2012		Year 0 Variance			
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	11,778	9,077	10,299	10,696	15.14%	3.71%	
Waste Water (Sanitation)	5,633	5,147	5,072	3,919	-31.34%	-29.41%	
Electricity	40,522	49,996	49,592	63,255	20.96%	21.60%	
Waste Management	12,253	11,802	12,063	10,666	-10.65%	-13.09%	
Housing	3,962	4,435	7,138	5,296	16.26%	-34.78%	
Component A: sub-total	74,147	80,458	84,163	93,833	14.25%	10.30%	
Waste Water (Stormwater Drainage)	-	-	-	-	0.00%	0.00%	
Roads	6,943	10,481	8,734	6,970	-50.36%	-25.30%	
Transport	-	-	-	-	0.00%	0.00%	
Component B: sub-total	6,943	10,481	8,734	6,970	-50.36%	-25.30%	
Planning	-	-	-	-	0.00%	0.00%	
Local Economic Development	-	-	-	-	0.00%	0.00%	
Component B: sub-total	-	-	-	-	0.00%	0.00%	
Planning (Strategic & Regulatory)	-	-	-	-	0.00%	0.00%	
Local Economic Development	-	-	-	-	0.00%	0.00%	
Component C: sub-total	-	-	-	-	0.00%	0.00%	
Community & Social Services	3,849	6,042	5,309	4,402	-37.27%	-20.60%	
Environmental Protection	-	-	-	-	0.00%	0.00%	
Health	2,365	841	831	809	-4.00%	-2.73%	
Security and Safety	1,255	3,158	3,420	2,345	-34.69%	-45.82%	
Sport and Recreation	-	-	-	-	0.00%	0.00%	
Corporate Services and Other	33,117	37,726	39,828	40,919	7.80%	2.67%	
Component D: sub-total	40,587	47,768	49,388	48,475	1.46%	-1.88%	
Total Expenditure	121,676	138,706	142,286	149,278	7.08%	4.68%	
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						7.5.1.2	

Chapter 5

5.2 GRANTS

Grant Performance							R' 000
Description	2011	2012		Year 0 Variance			
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	33,441	38,077	38,077	37,804	-0.72%	-0.72%	
Equitable share	31,051	34,998	34,998	34,998	0.00%	0.00%	
Municipal Systems Improvement	750	790	790	790	0.00%	0.00%	
Financial management Grant	1,200	1,450	1,450	1,450	0.00%	0.00%	
PMU (MIG)	440	839	839	566	-0.04%	-48.14%	
Other transfers/grants [insert description]							
Provincial Government:	2,090	85	2,638	2,234	96.19%	-18.08%	
Health	1,677	85	–	–	0.00%	0.00%	
EPWP Incentive Grant	–	–	357	177	100.00%	-101.98%	
Housing Grant	325	–	2,167	1,943	100.00%	-11.51%	
Cond Grant: Valuation	89	–	111	111	100.00%	0.00%	
Matric outreach	–	–	2	2	100.00%	0.00%	
District Municipality:	1,108	769	490	482	-59.59%	-1.69%	
Cacadu Grant: Biltong Festival	251	–	–	–	0.00%	0.00%	
Cacadu Library	–	–	15	24	100.00%	36.63%	
Cacadu Arts & Culture	–	–	100	32	100.00%	-212.50%	
Cacadu PMS	–	–	–	229	100.00%	100.00%	
Cacadu:Fire ServicesGrant	–	–	375	197	100.00%	-90.40%	
Environmental Health	858	769	–	–	0.00%	0.00%	
Other grant providers:	1,551	–	2,343	2,093	100.00%	-11.93%	
LED-ZAMA Ukuphila Trust	18	–	102	59	100.00%	-71.43%	
SETA	507	–	362	366	100.00%	1.09%	
Other Grants	764	–	624	307	100.00%	-103.31%	
DWAF	–	–	679	786	100.00%	13.72%	
Rainwater Harvesting	262	–	576	574	100.00%	-0.37%	
[insert description]							
Total Operating Transfers and Grants	38,191	38,931	43,547	42,613			
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>							
<i>Full list of provincial and national grants available from published gazettes.</i>							
						T 5.2.1	

The Municipality receives a number of grants in terms of the Division of Revenue Act, the purpose of these grants is to assist the municipality in delivering its mandate to provide services to within its demarcated Municipal area.

Conditional grants:

These grants are received for specific purposes, and cannot be utilised for means other than for its intended purpose.

Chapter 5

At the Start of the year ended 30 June 2012 the municipality had an opening balance relating to conditional grants and receipts of R 3.5 million, a further R 19 million was received during the year.

As the Municipality had only R 1.7 million outstanding in terms of conditional grants at the yearend it is utilising its grants for their intended purposes and successfully managing its obligation to the providers or funders of the grant.

This is reflected in the table above.

Equitable share

Equitable share received of R 34 million was per the Division of Revenue Act , again reflecting that the municipality is successfully managing it obligations to grant funders as no amounts were with held from National Treasury.

T 5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2011	Actual Grant 2012	2012 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
DWAF Masibambane		1,207,058	-	31-Mar-12	-	Grants received for specific Water and Sewerage Reticulation upgrades
Vuna Awards		40,000	-	30-Jun-12	-	Good Governance Grant award to be ploughed back into improving governance.
Rainwater Harvesting	377,785	314,549	-	30-Jun-12	-	Installation of Rainwater harvesting tanks for qualifying residents in Pearston
Interim / General Valuations	200,000	-	-	30-Jun-12	-	Grant from ECLGTA to assist in conduction Interim and General Valuations
Foreign Governments/Development Aid Agencies						
Not applicable						
Private Sector / Organisations						
Not applicable						
<i>Provide a comprehensive response to this schedule</i>						T 5.2.3

Chapter 5

The grants detailed above were provided to assist the municipality in providing services to the community and enhance service delivery in the area.

R 40 000 was received for the VUNA awards, the conditions of this grant have yet to be discharged at year end 30 June 2012.

R 1 207 058 was received from DWAF of which R 239 000 is unspent as at 30 June 2012 in terms of which the municipality must still meet the outstanding conditions of the grant.

R 314 549 was received for the installation of Rainwater harvesting for qualifying residents in Pearston, the municipality has met its obligation relating to this grant with only an immaterial amount of R 2000 remaining unspent as at 30 June 2012.

5.3 INTRODUCTION TO ASSET MANAGEMENT

The asset base of the Municipality is integral to the Municipality's ability to provide services to the community in terms of its constitutional Mandate such as the, the provision of water, electricity, sanitation and maintenance of roads.

It is the duty of the Municipality in terms of its asset management policy to ensure that assets are safeguarded and maintained so that they are operating in the manner intended for its use, and are not unproductive or idle.

Assets that are unproductive, idle or not operating in the manner intended or to sufficient capacity are assessed on an ongoing basis for impairment, and written off and replaced if where applicable.

While the above is in accordance with the approved asset management policy there are no formal asset management plans in place for the 2011/2012 Financial year.

T 5.3.1

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2012				
Asset 1				
Name	Bestershoek New Bulk Water			
Description	New Bulk Water pipeline from Bestershoek to supply Somerset East with additional water			
Asset Type	Bulk water pipeline			
Key Staff Involved	Manager: Technical Services; PMU Manager; Water Services middle management			
Staff Responsibilities	To Manage Asset by ensuring correct use in supplying the town with water and obtaining maximum economical use out of the asset.			
Asset Value	2009	2010	2011	2012
			9,122,472.38	8,538,428.29
Capital Implications	Total Cost on Capital is Year 2011 and 2012 combined and equals R 17,660,900			
Future Purpose of Asset	To supply Somerset East with a sustainable source of water.			
Describe Key Issues	Technical expertise to manage and maintain the pipeline			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Replacement of Fleet			
Description	The Bakkie and Truck fleet of Technical and Community Services Departments were old and required replacement			
Asset Type	Vehicles			
Key Staff Involved	All Vehicles users; Management to Monitor and control.			
Staff Responsibilities	To ensure effective and efficient use of fleet and to obtain maximum economic benefits from vehicles.			
Asset Value	2009	2010	2011	2012
	3,404,808.75	1,501,676.70	1,049,051.28	5,359,275.11
Capital Implications	Total cost of fleet replacement over the reporting period is R 11,314,811.84			
Future Purpose of Asset	Rendering Service Delivery			
Describe Key Issues	Safe operation of fleet			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Upgrade Gravel Roads			
Description	To upgrade existing Gravel Roads to Paved Roads in the Blue Crane Route Area			
Asset Type	Paved Roads			
Key Staff Involved	Manager: Technical Services; PMU Manager ; Roads Middle management			
Staff Responsibilities	To supervise the construction of the road, quality control and ensure effective maintenance			
Asset Value	2009	2010	2011	2012
	2,808,710.06	5,969,182.97	3,675,835.90	3,166,769.50
Capital Implications	Total cost on Capital for all years is R 15,620,498.43			
Future Purpose of Asset	Improved Roads for public use.			
Describe Key Issues	Technical expertise to manage and maintain the road network.			
Policies in Place to Manage Asset	Asset Management Policy			
				T 5.3.2

Chapter 5

The above assets are key to the municipality's ability to render basic services and generate revenue.

Bulk Water :

Somerset East experienced a drought in recent years , but there were however alternative sources of water in the area that the municipality could not extract from due to a lack of specialized infrastructure, this necessitated the need to commission the project so as to ensure that basic water services could be provided as per the constitutional mandate.

Replacement of Fleet:

The average age of the fleet was 20 years , which resulted meant that the municipality was incurring excessive costs to maintain the fleet and ensure that it was operating as intended. This resulted in significant downtime which negatively impacted service delivery.

Upgrade of Gravel Roads:

The Municipality received Municipal Infrastructure granting funding though MIG, and as a result has an obligation to upgrade its road infrastructure in terms of the requirement of the grant. The Municipality purchases materials and makes use of available labour for paving the gravel road.

T 5.3.3

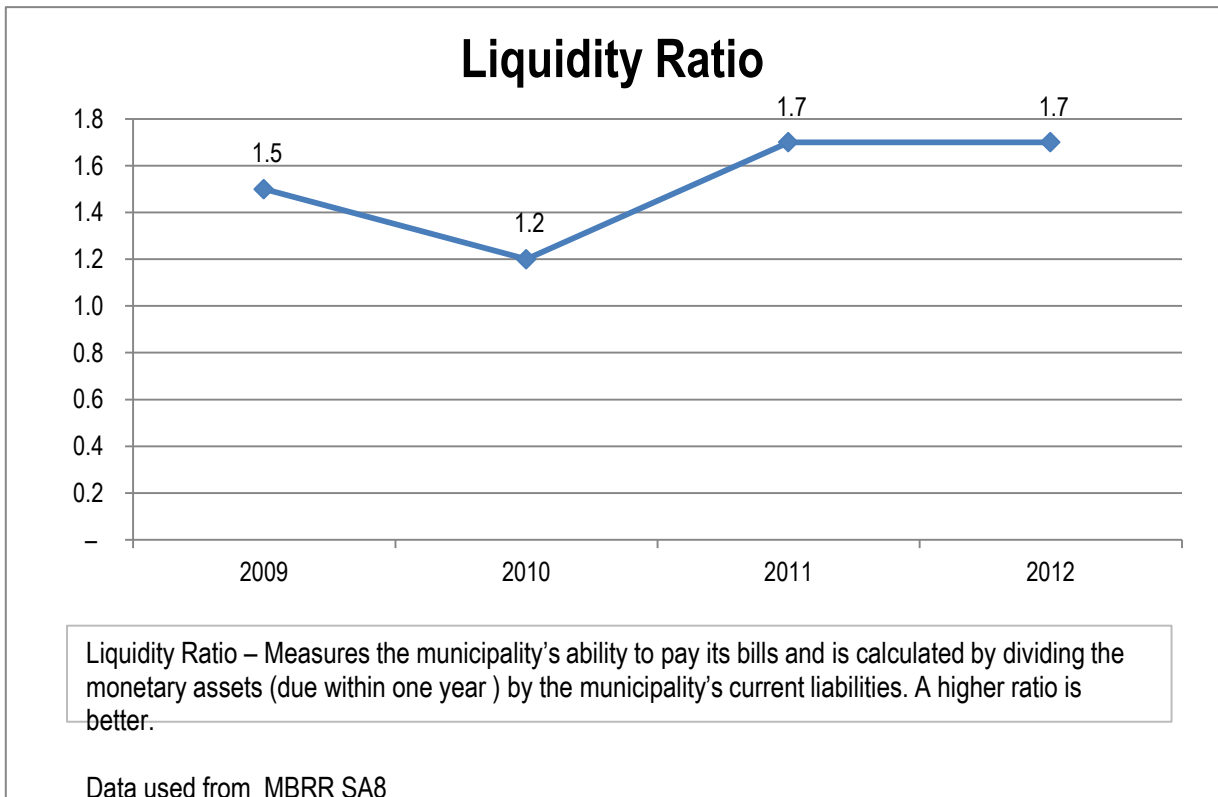
Repair and Maintenance Expenditure: 2011/2012				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	6,139	4,802	3,044	50%
T 5.3.4				

Repairs and maintenance was significantly under budget for the year ended 30 June 2012 by 50% due to fact that there are no existing planned maintenance schedules.

T 5.3.4.1

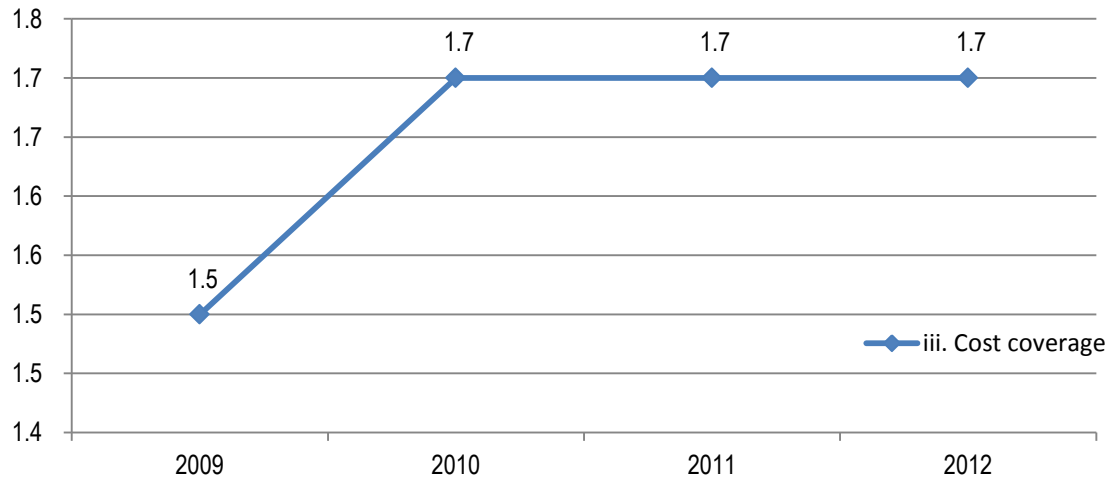
Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Chapter 5

Cost Coverage



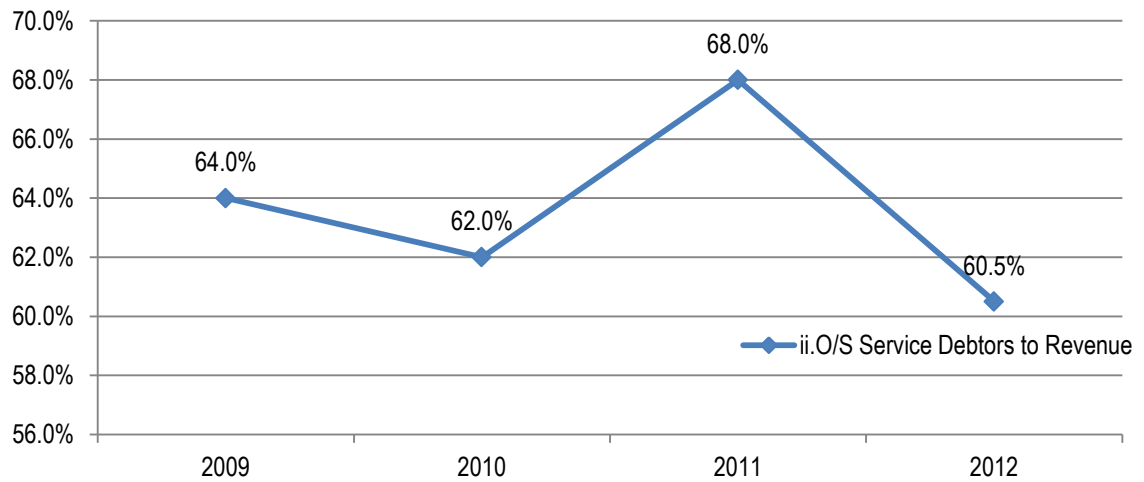
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

Chapter 5

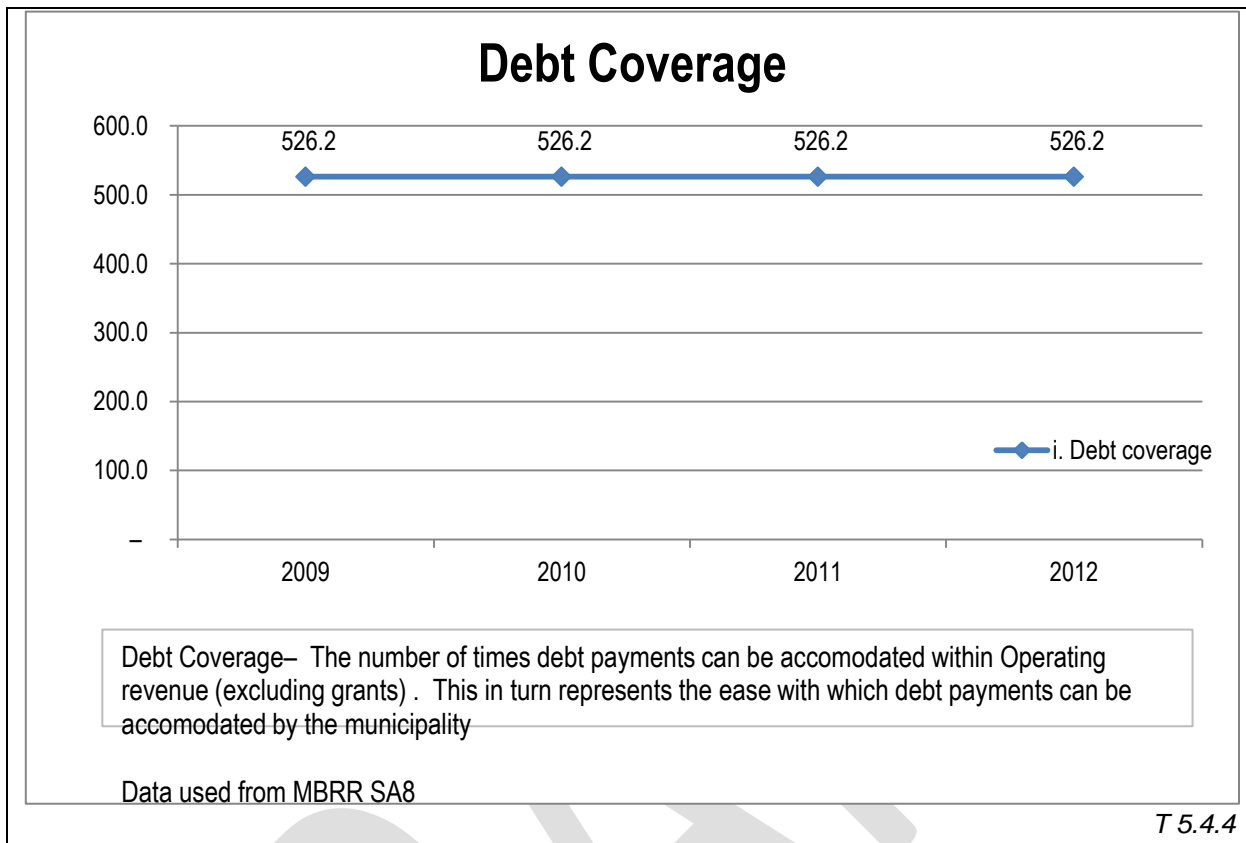
Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

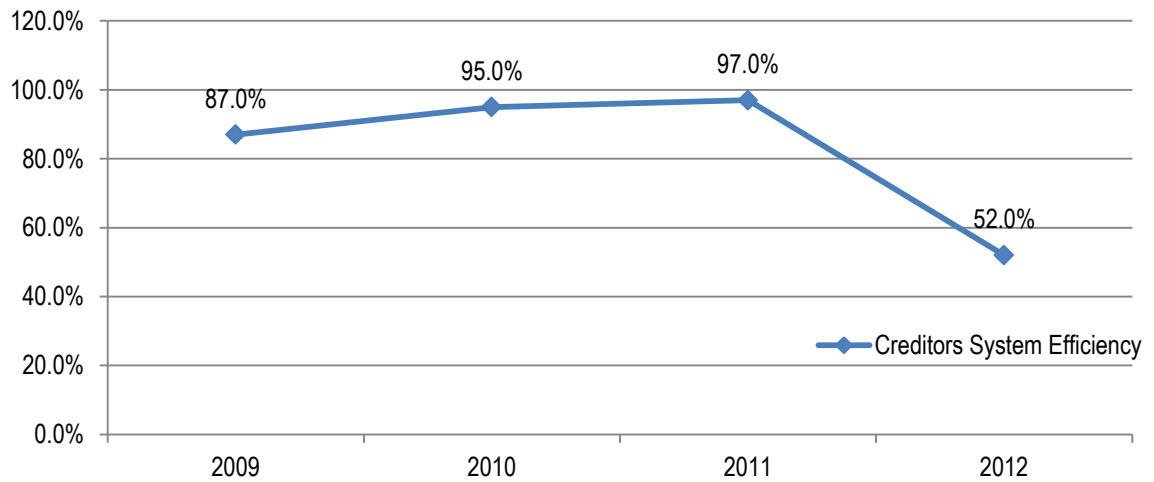
T 5.4.3

Chapter 5



Chapter 5

Creditors System Efficiency



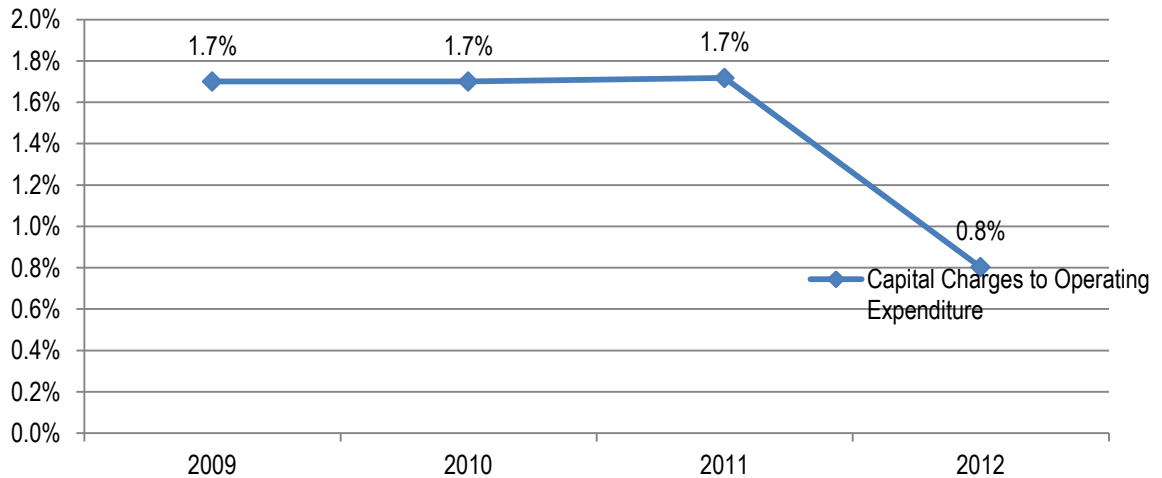
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

Chapter 5

Capital Charges to Operating Expenditure



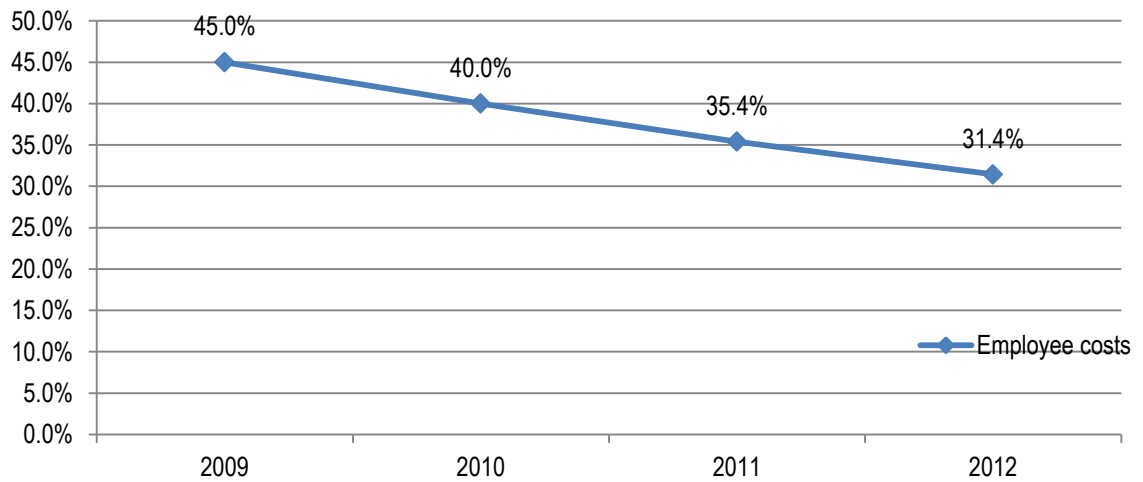
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Chapter 5

Employee Costs

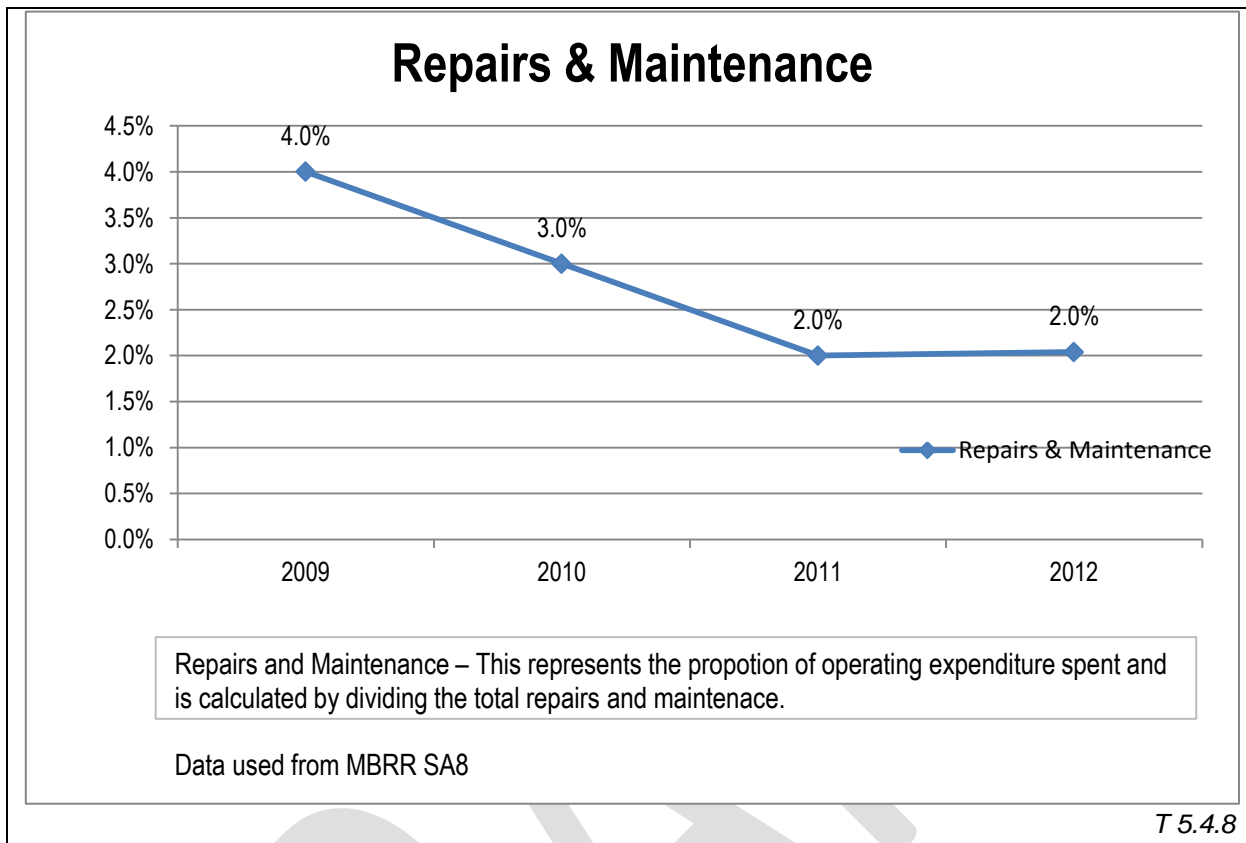


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

Chapter 5



Liquidity Ratio:

The liquidity ratio is a measure of the municipality's ability to meet its short term obligations as they fall due, usually over the next 12 months.

The liquidity ratio provided above has taken into account the fact that a large percentage of the municipalities current assets relates to debtors, and as a result has removed those aged above 90 days.

The municipalities liquidity is above the 1:1, this indicates that the municipality can meet its obligations under severe conditions due to the high level of receivables.

The municipality is continually focused on improving collections and as a result liquidity.

Cost Coverage:

Cost coverage represents the ability of the Municipality to cover its cost with its current available cash resources.

The Ratio of 1.7 achieved for the 2011/2012 financial year indicates that the municipality is currently able to cover its monthly costs, however emphasis should be placed on increasing its available funds.

Chapter 5

The municipality is currently looking at ways to reduce expenditure and improve cash balances through better collections.

Total outstanding service debtors:

This ratio indicates that out of every rand of revenue generated, the municipality is currently only collecting about 40% from the debtors. As indicated above the municipality is focused on improving these collections.

Debt coverage:

The ratio indicates that the Municipality has a low level of debt and can meet its repayment and interest obligations.

Employee costs:

Employee costs represent between 30% and 40% of total expenditure for the period, which is considered to be the norm.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

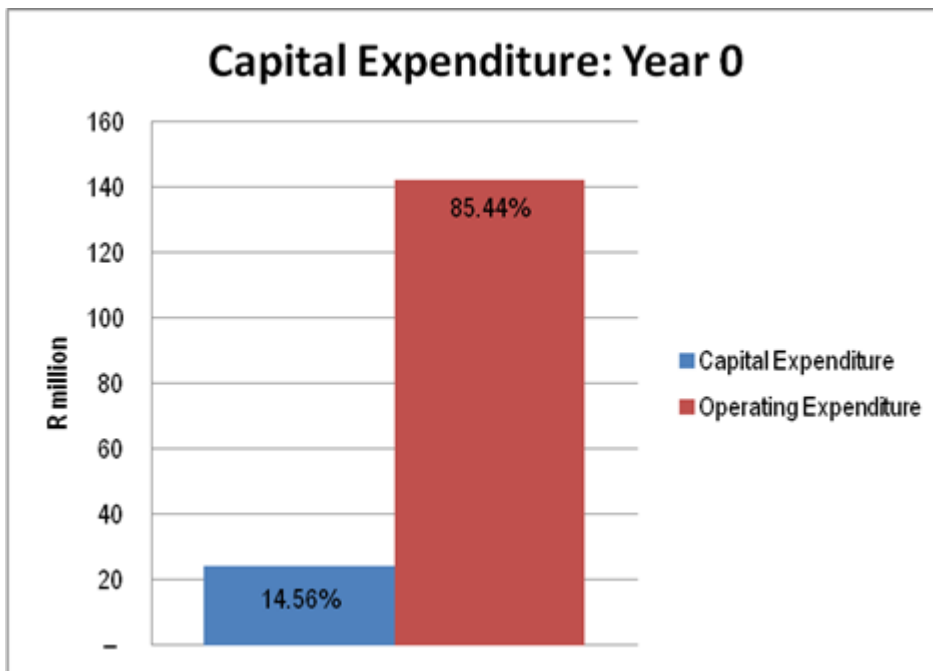
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure for the year was below the planned budgeted level, this is due to lack of key skills in implementing planned infrastructure projects due to capacity constraints and limited number of key quality suppliers and service providers.

T 5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE



T5.5.1

Chapter 5

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2010/2011 to 2011/2012						
R' 000						
Details	2011	2012				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	1,000	3,861	2,500	2,500	-35.26%	-35.26%
Public contributions and donations	-	-	-	-	0.00%	0.00%
Grants and subsidies	16,739	15,963	15,900	13,285	-0.40%	-16.77%
Other	2,399	2,139	5,838	3,861	172.95%	80.50%
Total	20,138	21,963	24,238	19,646	10.36%	-10.55%
<i>Percentage of finance</i>						
External loans	5.0%	17.6%	10.3%	12.7%	-340.4%	334.2%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	83.1%	72.7%	65.6%	67.6%	-3.8%	159.0%
Other	11.9%	9.7%	24.1%	19.7%	1669.9%	-763.0%
Capital expenditure						
Water and sanitation	9,959	1,302	1,275	756	-2.07%	-41.97%
Electricity	3,614	2,743	2,475	1,792	-9.76%	-34.66%
Housing	-	-	-	-	0.00%	0.00%
Roads and storm water	4,220	15,959	17,020	15,578	6.65%	-2.38%
Other	2,346	1,959	3,467	1,520	76.97%	-22.43%
Total	20,138	21,963	24,238	19,646	10.36%	-10.55%
<i>Percentage of expenditure</i>						
Water and sanitation	49.5%	5.9%	5.3%	3.8%	-20.0%	397.8%
Electricity	17.9%	12.5%	10.2%	9.1%	-94.2%	328.5%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	21.0%	72.7%	70.2%	79.3%	64.2%	22.6%
Other	11.7%	8.9%	14.3%	7.7%	743.1%	212.6%

The majority of capital expenditure (68%) (is funded from government grants such as the Municipal Infrastructure Grant (MIG) , the Municipal Systems Improvement Grant (MSIG) and other grants in terms of the Division of Revenue Act (DoRA).

The balance is funded from a combination of external parties and other sources such as Bank Loans from ABSA and internally generated funds.

Grant funding was 17% lower than anticipated budget amount, while all grants were received in terms of DoRA there was a lower level of grants received not related to DoRA.

Chapter 5

Internally generated funding was significantly below the anticipated amount this is due to the fact that the municipality currently has a low level of collections compared to revenue generated, which means that there is a lower level of internally generated cash to finance capital expenditure.

T 5.6.1.1

DRAFT

Chapter 5

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2012			Variance: 2012	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Bestershoek New Bulk Water pipeline	15,093,083	9,370,000	8,538,428	-43%	-9%
B - Vehicles and LDVs	0	3,200,000	3,197,722	100%	0%
C - Upgrade Gravel Roads	0	3,200,441	3,166,770	100%	-1%
D - Electricity Vehicles and Cherry Picker	1,520,000	1,420,000	1,319,601	-13%	-7%
E - Water network and Pumping Equipment	242,000	548,448	361,448	49%	-34%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	Bestershoek New Bulk Water pipeline				
Objective of Project	To supply Somerset East with a sustainable water source				
Delays	None				
Future Challenges	Huge Maintenance requirement and reliable plant operators				
Anticipated citizen benefits	Sustainable water source				
Name of Project - B	Vehicles and LDVs				
Objective of Project	Effective and efficient service delivery through reliable fleet				
Delays	Lack of Funding availability				
Future Challenges	Lack of Funding availability				
Anticipated citizen benefits	Service Delivery				
Name of Project - C	Upgrade Gravel Roads				
Objective of Project	Upgrading of existing Gravel Roads to Paved Roads				
Delays	Lack of Funding availability				
Future Challenges	Lack of Funding availability				
Anticipated citizen benefits	Improved Roads for Public use				
Name of Project - D	Electricity Vehicles and Cherry Picker				
Objective of Project	Effective and efficient service delivery through reliable fleet				
Delays	Lack of Funding availability				
Future Challenges	Lack of Funding availability				
Anticipated citizen benefits	Service Delivery				
Name of Project - E	Water network and Pumping Equipment				
Objective of Project	To supply Blue Crane Route with a sustainable water reticulation network				
Delays	None				
Future Challenges	Ageing infrastructure needs replacement				
Anticipated citizen benefits	Reliable water Reticulation network				
T 5.7.1					

Project E was 34% below budgeted costs, this is due to a dispute with the contractor onsite due issues regarding the quality of the service provided. The contractor was dismissed from the site and a new contractor appointed to complete the project post year end.

T 5.7.1.1

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5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Municipal Infrastructure Grant (MIG)* Expenditure 2012 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
<i>Roads, Pavements & Bridges</i>		3,200	3,167	100%	-1%	R12 million approval to upgrade gravel roads to paved roads.
<i>Storm water</i>				%	%	
Infrastructure - Electricity				%	%	
<i>Generation</i>				%	%	
<i>Transmission & Reticulation</i>				%	%	
<i>Street Lighting</i>				%	%	
Infrastructure - Water				%	%	
<i>Dams & Reservoirs</i>				%	%	
<i>Water purification</i>		550	450	100%	-22%	Project specific approval with a set budget and project scope
<i>Reticulation</i>	15,093	9,370	8,538	-77%	-10%	Project specific approval with a set budget and project scope
Infrastructure - Sanitation				%	%	
<i>Reticulation</i>				%	%	
<i>Sewerage purification</i>		100	66	100%	-51%	Project specific approval with a set budget and project scope
Infrastructure - Other				%	%	
<i>Waste Management</i>				%	%	
<i>Transportation</i>				%	%	
<i>Gas</i>				%	%	
Other Specify:				%	%	
Aeroville Multi-Purpose Hall	841			%	%	Project specific approval with a set budget and project scope
				%	%	
				%	%	
Total	15,934	13,220	12,222	-30%	-8%	

Backlogs relating to capital expenditure are due to the specialised nature of infrastructure projects and limited number of available service providers able to implement such projects.

T 5.8.4

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2011	2012		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	84,390	96,663	92,720	85,141
Government - operating	40,036	38,931	44,316	42,391
Government - capital	12,722	15,963	15,900	15,165
Interest	1,645	1,179	1,179	1,419
Dividends	–	–	–	–
Payments				
Suppliers and employees	(116,329)	(137,375)	(142,126)	(127,648)
Finance charges	(1,783)	(159)	(159)	(2,006)
Transfers and Grants	–	(2,240)	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	20,681	12,962	11,829	14,461
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	–	4,300	1,035
Decrease (Increase) in non-current debtors	–	–	4	1
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	2,617	3,500	1,917	(544)
Payments				
Capital assets	(20,138)	(21,963)	(24,293)	(19,646)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(17,521)	(18,463)	(18,072)	(19,155)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	3,861	2,500	2,325
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Repayment of borrowing	(167)	(861)	(861)	(890)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(167)	3,000	1,639	1,435
NET INCREASE/ (DECREASE) IN CASH HELD	2,994	(2,501)	(4,605)	(3,259)
Cash/cash equivalents at the year begin:	20,112	23,106	23,105	23,106
Cash/cash equivalents at the year end:	23,106	20,605	18,500	19,847

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Cash and Cash equivalents declined by R 3.2 million for the period to R 19.4 million but is above the budgeted cash balance of R18.5 million due to lower than expected capital expenditure as a result of infrastructure backlogs.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

Actual Borrowings: Year 2010 to Year 2012			
	R' 000		
Instrument	2010	2011	2012
Municipality			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)	–	813	2,500
Local registered stock			
Instalment Credit			
Financial Leases	2,538	1,752	1,059
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	2,538	2,565	3,559
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0

T 5.10.2

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Municipal and Entity Investments			
Investment* type	2010	2011	2012
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	16,338	22,091	18,555
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	16,338	22,091	18,555
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	1,357	4	-
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	1,357	4	-
Consolidated total:	17,695	22,095	18,555
			<i>T 5.10.4</i>

Borrowings:

Borrowing relate to an ABSA bank loan of R 3.5 million. This loan bears interest at 9.75% over 5 years and repayments of R 125 114 semi annually.

Investments:

Investments relate to bank deposits with ABSA, Nedbank and First National bank in Money market and interest bearing accounts.

T 5.10.5

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5.11 PUBLIC PRIVATE PARTNERSHIPS

The Municipality is not involved in any Public Private Partnerships

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

The Municipality has a supply chain management policy in place, The objective of this policy is to provide a policy framework within which the Municipal Manager and Chief Financial Officer can institute and maintain a supply chain management system which is transparent, efficient, equitable, competitive, which ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development. By adopting this policy the council further pledges itself and the municipal administration, to the full support of the Proudly South African campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act. No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- Where applicable, the council also pledges itself to observe the requirements of the Construction Industry Development Board Act No. 38 of 2000 and its regulations.
- The following financial policies were also adopted by council and implemented:
 - Investment Policy
 - Financial Reporting Framework Policy
 - Asset Management Policy
 - Cost Estimation Policy
 - Cash Management, Payment of Creditors Policy
 - Cash Receipt and Banking Policy

T5.12

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5.13 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful 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.

The Municipality is fully compliant with GRAP except for qualification items as noted in the Auditor-General's report refer to chapter 6 for further details.

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T 5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Municipality received a qualified opinion for the 2011/2012 Financial year from the office of the Auditor General.

Details of the qualifications and planned actions to remedy this situation are included below.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2010/11

6.1 AUDITOR GENERAL REPORTS YEAR 2010/11 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: 2010/2011	
Audit Report Status*:	
Non-Compliance Issues	Remedial Action Taken
As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2010 have been restated. This restatement was due to prior period errors that were identified and corrected during the year under review.	No corrective action needed.
Disclosed in note 19 to the financial statements are details of a landfill site that is operated by the municipality in Pearston. The municipality is still in the process of obtaining a permit to operate this site.	Application for a permit at the Pearston site is linked to the proposed upgrading of the site as per the Integrated Waste Management Plan and the availability of MIG funding.
As disclosed in note 48 to the financial statements, irregular expenditure of R 1,7 million was incurred due to contraventions of the Supply Chain Management (SCM) regulations. In addition, the municipal entity incurred further irregular expenditure of R72,663 due to salary increases and leave that was not authorised.	The Blue Crane Development Agency will strictly follow the Supply Chain Policy of the Blue Crane Route Municipality for procurement processes as they do not have an approved policy of their own.
<p><i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i></p>	

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Auditor-General Report on Service Delivery Performance: 2010/2011	
Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
No Specific reference to service delivery made in the Auditor General Report	
T 6.1.2	

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2011/12 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 2011/12



Audit Report **Blue Crane Route Municipality** FOR THE YEAR ENDING 30 JUNE 2012

Auditing to build public confidence



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REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL OF BLUE CRANE ROUTE MUNICIPALITY

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

1. I have audited the consolidated financial statements of the Blue Crane Route Municipality, which comprise the consolidated statement of financial position as at 30 June 2012, the consolidated statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the consolidated financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (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, 2010 (Act No. 1 of 2010 as amended) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and 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 consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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

Property, plant and equipment

6. Property, plant and equipment of R331 million (2011: R331 million) are disclosed in note 5 to the consolidated financial statements.
7. The municipality applied Directive 7: the application of deemed cost on the adoption of Standards of GRAP and made use of deemed costs to value property, plant and

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equipment. Sufficient appropriate audit evidence was not available to support the cost, accumulated depreciation and related depreciation expense of R19 million (2011: R27 million) and carrying values of these assets as disclosed in note 5 to the consolidated financial statements.

8. I was unable to confirm these amounts by alternative means. Consequently, I was unable to determine whether any further adjustment to property, plant and equipment was necessary.

Distribution losses

9. The municipality did not disclose material losses for water and electricity in the consolidated financial statements as required by section 125(2)(d)(i) of the MFMA.
10. Distribution losses for electricity have not been disclosed in the consolidated financial statements. This resulted in the distribution losses for electricity disclosure of the consolidated financial statements to be understated by R18 million.
11. The municipality did not calculate distribution losses for water and no documentation could be provided to substantiate an amount. It was therefore impracticable to determine the full extent of the understatement of water loss disclosure.
12. I was unable to confirm the distribution losses by alternative means. Consequently, I was unable to determine the amount required to be disclosed as distribution losses.

Unauthorised expenditure

13. The municipality did not have adequate systems in place to identify and disclose all unauthorised expenditure as required by section 125(2)(d)(i) of the MFMA. Consequently, the unauthorised expenditure of R13 million was not identified and disclosed in the consolidated financial statements.

Provision for landfill site

14. Provisions of R2,8 million (2011: R1,6 million) are disclosed in note 18 to the consolidated financial statements, R1,5 million (2011: R1,4 million) of which relates to provision for landfill sites.
15. Sufficient appropriate audit evidence was not available to support the carrying value of the provision for landfill sites. Consequently, I was unable to determine whether any adjustment relating to provisions in the consolidated financial statements was necessary.

Contingent liability

16. Contingent liabilities of R5,4 million are disclosed in note 39 to the consolidated financial statements. The municipality disclosed contingent liabilities that did not meet the definition of a contingent liability in GRAP 19: *Provisions, contingent liabilities and contingent assets*. This resulted in contingent liability disclosure being overstated by R4,1 million. The municipality recognised, as contingent liabilities, amounts that meet the definition of a liability in accordance with GRAP 1: *Presentation of consolidated financial statements*. This resulted in the contingent liability being overstated, with a corresponding understatement of general expenditure and trade payables from exchange transactions of R1 million.

Investment property

17. Investment property of R26 million (2011: R26 million) is disclosed in note 4 to the consolidated financial statements.

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18. The municipality uses the fair value model as described in GRAP 16: *Investment property* to value investment property. The municipality did not perform a fair value calculation for all financial periods disclosed in the annual consolidated financial statements. Sufficient appropriate audit evidence could not be provided to support the carrying value of these assets in the prior year and the movement in the current and prior year statement of financial performance.
19. I was unable to confirm these amounts by alternative means. Consequently, I was unable to determine whether any further adjustments to investment property and fair value gain were necessary.

Irregular expenditure

20. The irregular expenditure of R3,6 million was disclosed in note 47 to the consolidated financial statements. The municipality did not include irregular expenditure of R2,7 million, which was not incurred in accordance with the supply chain management requirements. This note is contingently understated by R2,7 million.

Qualified opinion

21. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of the Blue Crane Route Municipality as at 30 June 2012 and their financial performance and cash flows for the year then ended, in accordance with GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding figures

23. As disclosed in the consolidated financial statements, the corresponding figures for 30 June 2011 have been restated as a result of an error discovered during the current financial period in the consolidated financial statements of the municipality at, and for the year ended, 30 June 2011.
24. The following restatements to corresponding figures were processed:
 - Other receivables from non-exchange transactions as disclosed in note 12
 - Finance lease obligation as disclosed in note 16
 - Provisions as disclosed in note 18
 - Payables from exchange transactions as disclosed in note 19
 - VAT payable as disclosed in note 21
 - Statement of financial performance as disclosed in note 41

Impairments

25. As disclosed in notes 12, 13 and 32 to the consolidated financial statements, material losses to the amount of R178 572, R2 409 983 and R3 296 139 were incurred as a result of a write-off of irrecoverable trade debtors.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

26. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

27. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out in the annual report.

28. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information* (FMPPPI).

29. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

30. The material findings are as follows:

Usefulness of information

Presentation

Measures taken to improve performance not disclosed

31. Improvement measures taken to the annual performance report for all of the planned targets not achieved were not disclosed in the annual performance report as required by section 46 of the MSA. This was due to inadequate internal policies and procedures over the processes pertaining to the reporting of performance information.

Relevance

Performance indicators not relevant

32. The FMPPPI requires that the indicator should relate logically and directly to an aspect of the institution's mandate, the realisation of strategic goals and objectives. A total of 56% of indicators did not relate logically and directly to an aspect of the institution's mandate and realisation of strategic goals and objectives as per the five-year integrated development plan (IDP). This was due to the lack of development and implementation of proper performance planning and management practices to provide for the development of performance indicators and targets included in the annual performance report. The details of the relevant indicators are as follows:

- Number of household water and sewer connections installed
- Percentage confidence level of water quality for monthly test results
- Number of new bulk water meters installed
- Percentage of standpipes and municipal premises metered according to budget allocation

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- Number of kilometres of AC water piping refurbished
- Number MVA of the current electrical grid
- Number of household connections installed
- Number of kilometres of overhead lines refurbished and extended
- Percentage reduction in electrical losses in comparison with audited consolidated financial statements
- Number of kilometres of unpaved roads paved
- Number of kilometres of roads resurfaced
- Number kilometres of minor drainage infrastructure cleaned
- Number of speed humps constructed
- Percentage of municipal buildings maintained as available in municipal budget
- The facilitation of an efficient and effective public transport system
- Landfill site fence
- Average period of waste removal per ward
- Number of Landfill sites completing phase 1 of upgrade (Cookhouse, Pearston and Somerset East)

Reliability of selected development priorities in the annual performance report

Reported performance not valid

33. The FMPPI requires that processes and systems which produce the indicator should be verifiable. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity of the actual reported performance relevant to 100% of development objective 1; 100% of development objective 2; 100% of development objective 3; 100% of development objective 4; 100% of development objective 5; and 27% of development objective 6.
34. This was due to limitations placed on the scope of my work due to the absence of information systems and institution's records not permitting the application of alternative audit procedures.

Reported performance not accurate

35. The FMPPI requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the accuracy of the actual reported performance relevant to 100% of development objective 1; 100% of development objective 2; 100% of development objective 3; 100% of development objective 4; 100% of development objective 5; and 27% of development objective 6.
36. This was due to limitations placed on the scope of my work due to the absence of information systems and institution's records not permitting the application of alternative audit procedures.

Reported performance not complete

37. The FMPPI requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained.

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I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant to 100% of development objective 1; 100% of development objective 2; 100% of development objective 3; 100% of development objective 4; 100% of development objective 5; and 27% of development objective 6.

38. This was due to limitations placed on the scope of my work due to the absence of information systems and institution's records not permitting the application of alternative audit procedures.

Additional matters

39. I draw attention to the matter below. My conclusion is not modified in respect of this matter.

Achievement of planned targets

40. Of the total number of 90 planned targets, 45 were not achieved during the year under review. This represents 50% of total planned targets that were not achieved during the year under review. This was as a result of the institution not considering relevant systems and evidential requirements during the annual strategic planning process.

Compliance with laws and regulations

41. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Strategic and performance management

42. The municipality did not set key performance indicators, including input indicators, output indicators and outcome indicators, in respect of each of the development priorities and objectives set out in the IDP as required by regulations 1 and regulation 9(1)(a) of the Local Government: Municipal Planning and Performance Management Regulations.
43. The municipality did not afford the local community at least 21 days to comment on the final draft of its IDP before the plan was submitted to the council for adoption, as required by regulation 15(3) of the municipal planning and performance management regulations.
44. The municipality did not give notice to the public within 14 days after the adoption of the IDP.

Budgets

45. 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 MFMA.
46. Due to scope limitations we were unable to verify if quarterly reports were submitted to the council on the implementation of the budget or financial state of affairs of the municipality within 30 days after the end of each quarter, as required by section 52(d) of the MFMA.
47. Due to scope limitations we were unable to verify if expenditure was approved as unforeseen and unavoidable which was considered by the council but not included in the approved annual budget or contravened existing policies or was intended to ratify

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irregular or fruitless and wasteful expenditure, in contravention of Municipal Budget and Reporting Regulations 71(2) and 73(2).

Annual financial statements, performance and annual reports

48. 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, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected or the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
49. The municipality did not disclose corrective action as well as the reason for not taking disciplinary action for fruitless and wasteful and irregular expenditure as required by section 125 (2)(d) of the MFMA.
50. The municipal council did not adopt an oversight report, containing comments on the annual report, within two months from the date on which the 2010-11 annual report was tabled, as required by section 129(1) of the MFMA.
51. The annual report for the year under review was not prepared and presented to the auditors and therefore we are unable to determine if it includes the annual financial statements, an assessment by the accounting officer of any arrears on municipal taxes and service charges, the accounting officer's assessment of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each budget vote, an assessment by the accounting officer of the performance against measurable performance objectives set in terms the service delivery agreement or other agreement between the entity and its parent municipality and the report of the audit committee as required by section 121 of the MFMA.
52. The annual performance report for the year under review does not include measures taken to improve performance, as required by section 46 (1)(c) of the MSA.
53. The annual performance report for the year under review does not include the performance of the Blue Crane Development Agency as required by section 46 of the Municipal Systems Act and section 121(3)(c) of the MFMA.

Audit committees

54. The audit committee did not:
 - advise the council and management staff on matters relating to effective governance, performance management and performance evaluation as required by section 166(2)(a) of the MFMA
 - advise the council, the accounting officer and the management staff on matters relating to the adequacy, reliability and accuracy of financial reporting and information, as required by section 166(2)(a)(iv) of the MFMA
 - advise the council, the accounting officer and the management staff on matters relating to compliance with the MFMA, DoRA and other applicable legislation, as required by section 166(2)(a)(vii) of the MFMA
 - review the annual financial statements to provide the council with an authoritative and credible view of the financial position of the entity, its efficiency and effectiveness

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and its overall level of compliance with the MFMA, DoRA and other applicable legislation, as required by section 166(2)(b) of the MFMA

- review the municipality's performance management system, as required by Municipal Planning and Performance Management Regulation 14(4)(a)(ii)
- submit an audit report on the review of the performance management system to the council, as required by Municipal Planning and Performance Management Regulation 14(4)(a)(iii).

Procurement and contract management

55. 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) & (c).
56. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
57. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

Human resource management and compensation

58. Sufficient appropriate audit evidence could also not:
 - be obtained that newly appointed managers directly accountable to municipal managers submitted original/certified copies of academic and professional qualifications or proof of previous employment and disclosure of financial interests prior to appointment as per the requirements of regulation 4 of GNR 805.
 - be obtained to verify that the municipality appointed managers directly accountable to municipal managers who were not dismissed for financial misconduct in the past 10 years.
59. The competencies of financial and supply chain management officials were not assessed promptly in order to identify and address gaps in competency levels as required by the Municipal Regulations on Minimum Competency Levels Regulation 13.
60. The annual report for the year under review was not prepared and presented to the auditors and therefore we were unable to determine if it reflects information on compliance with prescribed minimum competencies as required by the Regulations on Minimum Competency Levels Regulation 14(2)(b).
61. A senior manager directly accountable to the municipal manager did not sign performance agreements, as required by section 57(2)(a) MSA.
62. The performance agreements of the municipal manager, chief financial officer, senior manager and head of supply chain who did not have the minimum competencies, did not include the attainment of minimum competencies as a performance target, as required by Municipal Regulations on Minimum Competency Levels Regulation 16(2).
63. The performance agreements of the financial official and supply chain management official who did not have the minimum competencies, did not include the attainment of minimum competencies as a performance target, as required by Municipal Regulations on Minimum Competency Levels Regulation 16(1).

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Expenditure management

64. An effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds, was not in place as required by section 65(2)(a) of the MFMA.
65. The accounting officer did not take effective steps to prevent irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
66. The accounting officer did not take effective steps to prevent unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
67. Unauthorised, irregular, and fruitless and wasteful expenditure was not recovered from the liable person, as required by section 32(2) of the MFMA.

Revenue management

68. Revenue received was not always reconciled on a weekly basis, as required by section 64(2)(h) of the MFMA.

Conditional grants

69. Due to scope limitations imposed by the municipality we were unable to determine if the municipality submitted quarterly performance reports to the transferring national officer, the provincial treasury and the National Treasury, within 30 days after the end of each quarter, as required by section 12(2)(c) of the DoRA.
70. The municipality did not:
 - evaluate its performance in respect of programmes funded by the allocation and submit the evaluation to the transferring national officer within two months after the end of the financial year, as required by section 12(6) of DoRA
 - not submit project implementation plans to the national department (CoGTA), as required by the Division of Revenue Grant Framework, Gazette No. 34280.
71. We could not determine whether the municipality registered its master plans for bulk infrastructure with the Integrated National Electrification Programme (INEP), as required by the Division of Revenue Grant Framework, Gazette No. 34280 due to scope limitations enforced by the municipality.
72. We were unable to determine if the municipality submitted its signed activity plan in the prescribed format to the national department (CoGTA), as required by the Division of Revenue Grant Framework, Gazette No. 34280 due to scope limitations enforced by the municipality.
73. The municipality did not disclose in its financial statements the purpose of grants received from public entities, as required by section 31 of the DoRA.

Asset management

74. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of MFMA.
75. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

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Liability management

76. Guarantees were issued that were not within the limits specified in the approved budget, in contravention of section 50(a) of the MFMA. They were also issued for the commitments or debts of two employees without a cash-backed reserve or policy of insurance which covers the full amount of the potential financial exposure as a result of the guarantee, in contravention of section 50(c) of the MFMA.

Internal control

77. I considered internal control relevant to my audit of the consolidated financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for a qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

78. Sufficient monitoring of and supervision over financial and performance reporting as well as compliance and related internal controls are not carried out by management. There was insufficient review of the accounting policies, amounts and disclosure notes reported in the consolidated financial statements.

Financial and performance management

79. Management does not review and monitor compliance with applicable laws and regulations. The municipal staff also have not received sufficient training on laws and regulations, which resulted in numerous material findings on non-compliance with MSA, MFMA, DoRA as well as the SCM regulations.
80. Accurate and complete financial and performance reports that are supported and evidenced by reliable information are not prepared on a regular basis. Furthermore, there is an over-reliance on the consultants to prepare financial reports. The work of consultants is also not always reviewed to ensure that it is sufficiently supported by documentation.

Governance

80. There is no evidence that the audit committee or the internal audit function reviewed the consolidated financial statements prior to submission for audit purposes. The audit committee also did not perform all the functions that are required by legislation.

Auditor-General

East London
14 December 2012



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

CHAPTER 6

REPORT OF THE AUDIT COMMITTEE OF THE BLUE CRANE MUNICIPALITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

AUDIT COMMITTEE MEMBERS

The Audit Committee has adopted appropriate terms of reference and consists of three independent members all of whom are chartered accountants and all of whom served for the full period under review.

The members comprise:

Professor D Rosenberg (Chairperson)
Ms R Blignaut
Mr R Botha

During the year, four audit committee meetings were held and the chairperson also attended the door to door visit which was made by the Auditor General Mr T Nombembe to Somerset East in mid 2012 with regards to the need for the municipality to obtain a clean audit in the 2013/4 financial year.

After every meeting the chairperson wrote a report which was sent to the Municipal Manager or Acting Municipal Manager drawing attention to internal control deficiencies and to major risks facing the municipality - regrettably management chose not to respond to any of these reports and very few of the recommendations made by the committee were implemented.

AUDIT COMMITTEE REPOSIBILITIES

The audit committee reports that it endeavored to the extent possible to exercise its oversight role in respect of the municipality but was hampered by constant vacancies amongst Section 57 employees including the Municipal Manager. The Auditor General wrote a very negative report on the performance of the audit committee with which we vehemently disagree including the fact that we did not review the annual financial statement prior to them being submitted to the auditor general for audit purposes - this is factually incorrect and a report of such a review having indeed taken place is available - we are currently in a dispute with the auditor general the outcome of which is at this time uncertain.

OVERALL COMMENTS

Both the municipality and the development agency received qualified audit reports - as far as the development agency is concerned we are astonished that an entity with only a handful of employees and which receives almost all its revenue from a single source and which engaged a service provider to audit all its disbursements during the financial year with the view of detecting fruitless and wasteful expenditure, can land up with a qualified audit opinion - we must assume that the agency does not have the appropriate financial and administrative skills in place to properly manage its affairs and that the oversight role of the municipality is inadequate.

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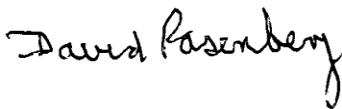
2

The reasons why the accounts of the municipality were qualified were mainly due to its failure to comply with complex technical accounting requirements, and another matter concerned the provision of monies for landfill sites which the auditor general was unable to verify - the auditor general also had serious reservations about the performance management systems in place at the municipality - we fully concur with this observation and urge the municipality to make every effort to rectify this matter - we doubt very much that anything meaningful can be done about this in the 2012/13 financial year because as of the time of writing this report the municipality is without a municipal manager and a chief financial officer.

Should the municipality want to avoid a qualification of its accounts going forward it needs to ensure that it appoints suitably qualified personnel whose integrity is beyond reproach and who possess the necessary leadership skills to rectify the deficiencies at the municipality and to take it forward - this is particularly important since the municipality appears to be on the verge of receiving significant investments from the private sector.

We take this opportunity to thank the management and staff of the municipality for their friendly co-operation during the year.

Sincerely



Professor D Rosenberg
Chairperson



CHAPTER 6

Auditor-General Report on Financial Performance Year 2011/2012	
Status of audit report:	
Non-Compliance Issues	Remedial Action Taken
PPE of R331 million are disclosed in note 5. Sufficient appropriate audit evidence was not available to support the cost, accumulated depreciation and related	Consultation required with service providers to rectify the matter as they were required to oversee all cost determination and unbundling of Assets. They would be responsible for obtaining supporting documentation.
The municipality did not disclose material losses for water and electricity as required by section 125(2)(d)(i). Distribution losses for electricity was not disclosed resulting in Electricity losses to be understated by R18 million. Water losses was not calculated ad the full extent of understatement is not known.	Telemetry to be in place on the entire network to measure water distribution losses. Water and Electricity Distribution losses to be disclosed.
The municipality did not have adequate systems in place to identify and disclose all unauthorised expenditure as required by section 125(2)(d)(i) of the MFMA. Consequently the unauthorised expenditure of R13 million was not identified and disclosed.	The Budget should be calculated in the adjustment budget process and if necessary at year end, any unauthorised expenditure to be approved by Council and disclosed in the AFS.
Contingent liabilities of R5.4 million are disclosed in note 39. The municipality disclosed contingent liabilities that did not meet the definition in GRAP 19. This resulted in an overstatement of R4.1 million. The municipality recognised, as contingent liabilities, amounts that meet the definition of a liability as per GRAP 1. This resulted in contingent liability being overstated, with a corresponding understatement of general expenditure and trade payables of R1 million.	Requests for information sent to Lawyers should request that they disclose separately Contingent Liabilities and actual claims payable.
Investment Property of R26 million is disclosed in note 4. The municipality uses the fair value model as described in GRAP16. The municipality did not perform a fair value calculation for all financial periods in the AFS. Sufficient appropriate audit evidence could not be provided to support the prior carrying value.	No action required as the reporting year will now be the prior year in the next AFS.
The irregular expenditure of R3.6 million was disclosed in note 47. The municipality did not include irregular expenditure of R2.7 million, which was not incurred in accordance with the supply chain management requirements. This note is contingently understated by R2.7 million.	SCM filing to be improved and a checklist for each file to be created as per the SCM regulations requirements. Deviation register to be compiled and reported to Council quarterly.
As disclosed in notes 12, 13 and 32, material losses to the amount of R178,572; R2,409,983 and R3,296,139 were incurred as a result of a write-off of irrecoverable trade debtors.	Calculation to be reviewed and impairments calculated monthly
<p><i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i></p>	

T 6.2.1

CHAPTER 6

Auditor-General Report on Service Delivery Performance: Year 2011 2012	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
No Specific reference to service delivery made in the Auditor General Report	
* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0	
** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.	
T 6.2.2	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 2011/12

The Municipality has noted the finding of the Auditor General's report and has put together a detailed action plan to address the issues that have been noted.

- With regards to property plant and equipment, the municipality will look at ensuring that valuations and fair values per GRAP 17, Property, Plant and equipment is correctly documented and supported and that the auditors will be provided with sufficient appropriate audit evidence.
- Telemetry to be in place on the entire network to measure water distribution losses. Water and Electricity Distribution losses to be disclosed.
- Appropriate systems will be put in place to monitor unauthorised expenditure and ensure that variances are addressed as part of the adjustments budget.
- Lawyers will be engaged to ensure that contingent liabilities are disclosed correctly.

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

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

Signed (Chief Financial Officer)



31/01/2013

Dated

T 6.2.5

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GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators	Key After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National	Key <ul style="list-style-type: none"> • Service delivery & infrastructure

CHAPTER 6

performance areas	<ul style="list-style-type: none"> • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided</i>

CHAPTER 6

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

DRAFT

APPENDICES

APPENDICES

APPENDIX A – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2011 to 30 June of 2012 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
Mayor	N.M. Scott	Pension - Department of Education
Member of MayCo / Exco		
None		
Councillors	M.K. Mali	Employment until End July 2011
	C.F.B. Du Preez	Member of Route 63 Internet CC - 34%; Partnership in Route 63 Internet CC; Owner of Callie Du Preez Professional Accountant, Self Employed; Owner of Erf 905 and Erf 906 Somerset East.
	R. Bradfield	Shares in Investec
	W.H. Greeff	Shares in BKB, Old Mutual, and Sanlam; Member of Middleton Producers Trust and Springvale Marketing Trust; Self-employed as a Farmer; Owner Springvale.
	Z. Funiselo	Nil
	B.A. Manxoweni	Interest in Property - Owns Erf - 413 Peter Street, Cookhouse
	N.G. Mjikelo	Interest in Property - 1008 Joe Slovo Street, Cookhouse
	M. Nontyi	Nil
	K.C. Brown	Shares in Investec, Old Mutual; Interest in Farming Enterprise; Self-employed as a Farmer; Interest in Property Holding Trust.
	N.P. Yantolo	Member of Nojoli Weavers (not in operation anymore); Spouse is a Building Contractor as well as Caterer.
Municipal Manager	M.A. Mene	Nil
Chief Financial Officer	D.R. Sauls	Nil
Other S57 Managers	P.J. Dreyer	Nil
	H. Hendricks	Nil
	L. Ntabezo	Nil

* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A

APPENDIX B: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX B (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							R' 000
Vote Description	Year -1	Current: Year 0			Year 0 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Vote 1 - MAYORAL EXECUTIVE	0	0	0	0			
Vote 2 - MUNICIPAL COUNCIL	758 887	774 000	795 444	795 444	3%	0%	
Vote 3 - ACCOUNTING OFFICER	937 566	672 763	939 130	1 159 287	42%	19%	
Vote 4 - BUDGET & TREASURY	18 958 505	16 501 452	17 321 437	18 714 203	12%	7%	
Vote 5 - TECHNICAL SERVICES	107 725 528	121 141 819	117 244 742	109 363 713	-11%	-7%	
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES	17 215 129	17 090 434	21 706 342	14 491 385	-18%	-50%	
Vote 7 - CORPORATE SERVICES	589 180	0	407 030	742 327	100%	45%	
Example 8 - Vote 8							
Example 9 - Vote 9							
Example 10 - Vote 10							
Example 11 - Vote 11							
Example 12 - Vote 12							
Example 13 - Vote 13							
Example 14 - Vote 14							
Example 15 - Vote 15							
Total Revenue by Vote	146 185	156 180	158 414	145 266	0	0	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						T K.1	

APPENDIX B (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	5 943	6 735	7 520	7 557	11%	0%	
Property rates - penalties & collection charges	-	-	-	-			
Service Charges - electricity revenue	49 580	62 539	54 986	52 630	-19%	-4%	
Service Charges - water revenue	10 056	9 991	9 991	7 893	-27%	-27%	
Service Charges - sanitation revenue	4 830	4 922	5 160	3 482	-41%	-48%	
Service Charges - refuse revenue	6 482	6 902	6 950	4 422	-56%	-57%	
Service Charges - other	284	-	-	206	100%	100%	
Rentals of facilities and equipment	84	-	-	158	100%	100%	
Interest earned - external investments	1 645	1 179	1 179	1 419	17%	17%	
Interest earned - outstanding debtors	2 480	2 162	1 994	2 075	-4%	4%	
Dividends received	-	-	-	-			
Fines	92	355	334	140	-154%	-139%	
Licences and permits	1 157	1 417	950	832	-70%	-14%	
Agency services	737	873	761	584	-50%	-30%	
Transfers recognised - operational	41 334	38 931	44 316	44 687	13%	1%	
Other revenue	6 044	4 211	4 075	3 001	-40%	-36%	
Gains on disposal of PPE	-	-	4 300	1 016	100%	-323%	
Environmental Protection							
Total Revenue (excluding capital transfers and contributions)	130 749	140 217	142 514	130 102	-7.77%	-9.54%	
<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	

APPENDIX C: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX C (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
Capital expenditure by Asset Class								
Infrastructure - Total	17 492	17 236	16 331	13 553	23 733	28 238	19 147	
Infrastructure: Road transport - Total	3 920	–	3 460	3 270	3 000	3 588	4 567	
Roads, Pavements & Bridges	3 920 117		3 460 270	3 269 930	3 000 000	3 588 000	4 567 000	
Storm water								
Infrastructure: Electricity - Total	3 614	17 236	1 025	473	532	200	80	
Generation								
Transmission & Reticulation	3 613 543	17 236 000	1 025 365	472 652	332 000			
Street Lighting					200 000	200 000	80 000	
Infrastructure: Water - Total	9 450	–	10 193	9 420	10 623	14 100	14 150	
Dams & Reservoirs					23 000			
Water purification					2 100 000	13 100 000	13 150 000	
Reticulation	9 449 842		10 193 448	9 420 072	8 500 000	1 000 000	1 000 000	
Infrastructure: Sanitation - Total	509	–	1 302	390	9 228	10 000	–	
Reticulation	148 796		651 552	196 379				
Sewerage purification	359 920		650 000	194 102	9 227 750	10 000 000		
Infrastructure: Other - Total	–	–	350	–	350	350	350	
Waste Management			350 000		350 000	350 000	350 000	
Transportation								
Gas								
Other								
Community - Total	344	–	374	34	4 768	5 820	3 870	
Parks & gardens								
Sportsfields & stadia	344 005		0	0	2 900 000	3 000 000	3 000 000	
Swimming pools			0					
Community halls			0		1 000 000	2 800 000		
Libraries			15 918	5 262	648 000			
Recreational facilities			82 000	15 945				
Fire, safety & emergency			0		20 000	20 000	20 000	
Security and policing			0					
Buses			0					
Clinics			0					
Museums & Art Galleries			0					
Cemeteries			276 543	13 163	200 000			
Social rental housing								
Other							850 000	
<i>Table continued next page</i>								

Capital Expenditure - New Assets Programme*							
Description	R '000						
	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	-	-	-	-	-	-	-
Buildings							
Other							
Investment properties - Total	-	-	-	-	-	-	-
Housing development							
Other							
Other assets	2 302	4 727	7 533	6 059	2 062	3 520	2 914
General vehicles	103 699	572 000	5 489 016	5 359 275		600 000	494 000
Specialised vehicles	1 076 217		0		0	250 000	0
Plant & equipment	206 510	3 241 400	249 642	240 026	168 000	1 625 000	1 575 000
Computers - hardware/equipment	160 750	464 000	918 339	309 092	173 500	360 000	500 000
Furniture and other office equipment	229 084		100 000		20 000	35 000	45 000
Abattoirs			0				
Markets			0				
Civic Land and Buildings			0				
Other Buildings	366 916	350 000	776 000	150 337	1 700 000	650 000	300 000
Other Land			0				
Surplus Assets - (Investment or Inventory)			0				
Other	158 810	100 000	0				
Agricultural assets	-	-	-	-	-	-	-
List sub-class							
Biological assets	-	-	-	-	-	-	-
List sub-class							
Intangibles	-	-	-	-	300	1 000	1 000
Computers - software & programming							
Other (list sub-class)					300 000	1 000 000	1 000 000
Total Capital Expenditure on new assets	20 138	21 963	24 238	19 646	30 862	38 578	26 931
Specialised vehicles	-	-	-	-	-	250	-
Refuse							
Fire						250 000	
Conservancy							
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

T M.1

APPENDIX C (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	955	2 300	1 171
Infrastructure: Road transport - Total	-	-		-	-	-	-
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	-		-	500	2 000	971
<i>Generation</i>					500 000	2 000 000	971 000
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-		-	300	300	200
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>					300 000	300 000	200 000
Infrastructure: Sanitation - Total	-	-		-	155	-	-
<i>Reticulation</i>					155 000		
<i>Sewerage purification</i>							
Infrastructure: Other - Total	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community	-	-		-	-	-	-
<i>Parks & gardens</i>							
<i>Sportsfields & stadia</i>							
<i>Swimming pools</i>							
<i>Community halls</i>							
<i>Libraries</i>							
<i>Recreational facilities</i>							
<i>Fire, safety & emergency</i>							
<i>Security and policing</i>							
<i>Buses</i>							
<i>Clinics</i>							
<i>Museums & Art Galleries</i>							
<i>Cemeteries</i>							
<i>Social rental housing</i>							
<i>Other</i>							
Heritage assets	-	-		-	-	-	-
<i>Buildings</i>							
<i>Other</i>							

Table continued next page

Capital Expenditure - Upgrade/Renewal Programme*							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	-		-	115	100	200
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment					50 000	100 000	150 000
Furniture and other office equipment					65 000		50 000
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
List sub-class							
Biological assets	-	-		-	-	-	-
List sub-class							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	-	-		-	1 070	2 400	1 371
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

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APPENDIX D – CAPITAL PROGRAMME BY PROJECT YEAR 2011/12

Capital Programme by Project: Year 2012					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
					R' 000
Water					
Water Equipment	75 000	61 000	56 130	-9%	-34%
Water Pump	-	14 000	13 786	-2%	100%
Water Network and Pumping Equipment	342 000	548 448	361 448	-52%	5%
Sanitation/Sewerage					
Sewer Pumps and Sewer Line Upgrade	-	451 552	176 907	-155%	100%
Gorman Rupp Pump motors	450 000	10 000	8 641	-16%	-5108%
Sewer Pumps	151 861	100 000	119 230	16%	-27%
Sewer Reticulation Pump	535 000	90 000	19 472	-362%	-2648%
Electricity					
Refurbishment of MV line Pearston / S. East	826 365	826 365	67 817	-1119%	-1119%
Farmworker Houses - Elect Connections	29 000	29 000	28 202	-3%	-3%
New Transformers	1 016 500	100 000	279 139	64%	-264%
30 Houses Electrification	177 510	20 000	50 645	61%	-250%
Elect Connections: Transformers	-	50 000	46 850	-7%	100%
Vehicles and Cherry Picker Truck	1 520 000	1 420 000	1 319 601	-8%	-15%
Housing					
Furniture / Equipment - Town Hall	101 100	100 000	94 708	-6%	-7%
Municipal Buildings - Various	248 800	620 000	-	#DIV/0!	#DIV/0!
Purchase of Erf 87/112 Cookhouse	-	56 000	55 630	-1%	100%
Refuse removal					
Fencing of Landfill Site	-	350 000	-	#DIV/0!	#DIV/0!
Technical Services: Roads and MIG					
Upgrade Building	104 110	104 110	103 160	-1%	-1%
Road Paving - Cacadu	355 719	355 719	-	#DIV/0!	#DIV/0!
Vehicle and LDV's	3 450 000	3 200 000	3 197 722	0%	-8%
Equipment	25 000	150 000	44 314	-238%	44%
Computer Equipment	-	20 000	11 575	-73%	100%
Upgrade WWTW - Cookhouse	-	100 000	66 231	-51%	100%
Water Treatment Works - Cookhouse	-	550 000	450 280	-22%	100%
Aeroville Hall	841 268	-	-	#DIV/0!	#DIV/0!
Upgrade Gravel Roads	-	3 200 441	3 166 770	-1%	100%
Bestershoek New Bulk Water	15 093 083	9 370 000	8 538 428	-10%	-77%
Corporate Services: Administration					
Vehicle	146 250	135 000	134 481	0%	-9%
Computers / Office Furniture	69 200	169 200	172 523	2%	60%
Sports, Arts & Culture					
Libraries - Laptop Computer	30 918	15 918	5 262	-203%	-488%
Bestershoek Furniture / Equipment	75 000	82 000	15 945	-414%	-370%
Cemetery Equipment / Tools	-	30 000	13 163	-128%	100%
Cemetery Upgrade / Planning	46 543	246 543	-	#DIV/0!	#DIV/0!
Commonage - Building of Trailor	152 000	25 200	25 154	0%	-504%
Commonage - Pound Kraals	120 000	-	-	#DIV/0!	#DIV/0!
Commonage - Computer Equipment	-	8 000	7 579	-6%	100%
Environment					
Nissan Hardbody	-	195 460	195 460	0%	100%
Finance					
Computer Equipment - Finance	-	50 000	45 697	-9%	100%
Vehicles	300 000	269 000	268 961	0%	-12%
Safety and Security					
Vehicle - Toyota Corolla 1.6GL	244 000	244 000	243 051	0%	0%
Phase 2 - Street Names	219 600	80 000	72 567	-10%	-203%
Traffic Equipment	63 087	135 000	97 991	-38%	36%
ICT and Other					
Computer Equipment - IT	410 500	600 000	14 638	-3999%	-2704%
Office Furniture / Computer Equipment	53 011	50 000	50 941	2%	-4%
IEC Computer Equipment	-	6 139	6 139	0%	100%

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APPENDIX E – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital Programme by Project by Ward: Year 2012		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
Water Equipment	All Wards	Yes
Water Pump	All Wards	Yes
Water Network and Pumping Equipment	All Wards	Yes
Sanitation/Sewerage		
Sewer Pumps and Sewer Line Upgrade	Wards 3 and 5	No
Gorman Rupp Pump motors	All Wards	Yes
Sewer Pumps	All Wards	Yes
Sewer Reticulation Pump	All Wards	Yes
Electricity		
Refurbishment of MV line Pearston / S. East	Ward 4	Yes
Farmworker Houses - Elect Connections		Yes
New Transformers	All Wards	Yes
30 Houses Electrification	Ward 2 and 4	No
Elect Connections: Transformers	All Wards	Yes
Vehicles and Cherry Picker Truck	All Wards	Yes
Housing		
Furniture / Equipment- Town Hall	Ward 2	Yes
Municipal Buildings - Various	All Wards	No
Purchase of Erf 87/112 Cookhouse	Ward 1	Yes
Refuse removal		
Fencing of Landfill Site	Ward 2	No
Technical Services: Roads and MIG		
Upgrade Building	All Wards	No
Road Paving - Cacadu	Ward 3	No
Vehicle and LDV's	All Wards	Yes
Equipment	All Wards	Yes
Computer Equipment	All Wards	Yes
Upgrade WWTW - Cookhouse	Ward 1 and 6	No
Water Treatment Works - Cookhouse	Ward 1 and 6	No
Aeroville Hall	Ward 2	No
Upgrade Gravel Roads	All Wards	No, Completed in phase
Bestershoek New Bulk Water	Ward 2, 3 and 5	Yes
Corporate Services: Administration		
Vehicle	All Wards	Yes
Computers / Office Furniture	All Wards	No
Sports, Arts & Culture		
Libraries - Laptop Computer	All Wards	Yes
Bestershoek Furniture / Equipment	Ward 2	No
Cemetery Equipment / Tools	All Wards	Yes
Cemetery Upgrade / Planning	Ward 2	No
Commonage - Building of Tractor	All Wards	Yes
Commonage - Pound Kraals	All Wards	No
Commonage - Computer Equipment	All Wards	Yes
Environment		
Nissan Hardbody	All Wards	Yes
Finance		
Computer Equipment - Finance	All Wards	Yes
Vehicles	All Wards	Yes
Safety and Security		
Vehicle - Toyota Corolla 1.6GL	All Wards	Yes
Phase 2 - Street Names	All Wards	Yes
Traffic Equipment	All Wards	Yes
ICT and Other		
Computer Equipment - IT	All Wards	No
Office Furniture / Computer Equipment	All Wards	Yes
IEC Computer Equipment	All Wards	Yes

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VOLUME II: ANNUAL FINANCIAL STATEMENTS

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

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