

ENGCOBO

2012/13

ANNUAL
REPORT

Volume I

January 2012



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PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

Preface

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

October 2009

DRAFT

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

a. Vision

A well capacitated clean, safe and friendly municipality characterised by vibrant agriculture and tourism sectors with skilled and empowered communities.

b. Key Policy Developments

The municipality’s IDP is aligned to National Development Plan, National Spatial Development Plan, Provincial Growth and Development Strategy, National and Provincial Outcomes which are included in the Service Delivery Budget Implementation Plan (SDBIP) for further alignment.

Key Service Delivery Improvements

SUCSESSES	CHALLENGES	SOLUTIONS
451 Hectors ploughed	Tractors regular break down	Engaged service provider on tractor maintenance
SMMEs support <ul style="list-style-type: none"> ✓ 25 Cooperatives were training ✓ 120 hawkers were assisted with environmental equipment such as umbrellas, gazebos, cooler boxes, water containers, chairs, stalls and tables ✓ Five (5) Cooperatives registered, ✓ Established office space and purchased equipment for formal business 	N/A	N/A
Tourism <ul style="list-style-type: none"> ✓ Hero’s Park 	<ul style="list-style-type: none"> ✓ Limited funding to 	<ul style="list-style-type: none"> ✓ Business plan

Chapter 1

<p>Infrastructure been developed with the assistance of Environmental Affairs</p> <ul style="list-style-type: none"> ✓ Training ✓ Local Tourism Organisation (LTO) established ✓ Assisted hotels and bed and breakfast with signage and training ✓ Tourism information centre established ✓ Service provider secured for the development of an EIA on Qoba Game Reserve 	<p>complete the project</p> <ul style="list-style-type: none"> ✓ ✓ Slow progress on the Qoba Game Reserve 	<p>submitted to DEA and DSRAC and funds were eventually secured</p> <ul style="list-style-type: none"> ✓ Eastern Cape Tourism Board intervened to assist with the progress of the project by making recommendations on the fast tracking and identification of gaps
Fire fighting unit was established	Limited human and operational resources	EPWP engaged to assist
One (1) Community Hall constructed in Ward four (4)	Limited skilled labour for brick making and the construction of the hall	Trained EPWP personnel
Clarkebury Library established	Lack of human resources	EPWP engaged to assist
<p>HIV/AIDS</p> <ul style="list-style-type: none"> ✓ Established Community Based Organisation in all wards ✓ Ward Aids Council established in all wards ✓ War rooms established in ward 3, 5, 13 and 17 ✓ HCT programme conducted ✓ Men as partners established ✓ Support Groups for People living with HIV/AIDS ✓ Food supplement available for people living 	N/A	N/A

Chapter 1

with HIV/AIDS ✓ Training of trainees		
Revamping of Land fill site	Lack of compacting equipment	Engaged service providers
Streets surfacing on 1.2 km	Delivery and supply of materials delayed; specialist constructors are not eager to engage in small projects and the project also delayed	Issuing of bulk tenders for construction materials prior commencement of work
Access roads construction of 38.5 km and maintenance of 18 km	Poor performance of some constructors; changing of road alignment during construction	Functionality has been included as part of procurement processes
Rural electrification of 296 households and 1898 is currently under construction and will be energised at various periods Installation of three (3) high mast lights in town	ESKOM delayed the projects as the implementers on behalf of municipality which resulted in the municipality taking over the implementation of rural electrification; constructor performance in some projects was poor ESKOM delayed connection of the high mast light into the National Grid.	Facilitation of meetings with ESKOM to ensure smooth running of projects; functionality scoring has been included as part of the procurement processes
Eight (8) water projects in ward 20, and 13	The municipality does not implement water projects and only does operations maintenance	Facilitate regular meetings with the District municipality and its service providers
Eight sanitation projects in ward 1, 3, 4, 6, 7, 11, 12 and 13	The municipality does not implement water projects and only does operations maintenance	Facilitate regular meetings with the District municipality and its service providers

c. Public Participation

Methods used for Public Participation

- ✓ IDP Road Shows
- ✓ IDP Representative Forum meetings (four)
- ✓ IGR Forum meetings (ten)

Chapter 1

- ✓ Newsletter
- ✓ Annual Report
- ✓ Council meetings
- ✓ Newspapers and Vukani Radio Interviews

d. Future Actions

Initiatives Committed for service delivery improvement

- ✓ Audit Action Plan
- ✓ Office Space Development
- ✓ Development of a New Mall
- ✓ Small town Revitalisation project with the assistance of SANRAL, DCI and LGTA
- ✓ IDC Forestry Development Project
- ✓ Construction of Community Halls
- ✓ Construction of Access Roads
- ✓ Surfacing of Streets in Engcobo town
- ✓ Rural Electrification
- ✓ Alternative Energy
- ✓ Further Development of Water Scheme in Caca

Chapter 1

e. Agreements / Partnerships

TYPE OF PARTNERSHIP	
PARTNERSHIP	TIME FRAME
LGTA –Small Town Revitalisation	Annual
Public Works – Mall Development and Rental Flats	2016
Nursery Project	Annual
Municipal Infrastructure Support Agency	2014
Chris Hani District Municipality – Water agreement	Annual
Chris Hani District Municipality - Emgwali Maize Fruit and Vegetable	Annual
TELKOM	5 Years
Local Tourism Organisation	Annual
Three (3) FETs on Skills Development	Annual

Chapter 1

f. Conclusion

COMPARATIVE PAST PERFORMANCE TO SERVICE DELIVERY AND COMMUNITY ENGAGEMENTS	
2011/12	2012/13
381 Hectors ploughed	451 Hectors ploughed
SMMEs Support <ul style="list-style-type: none"> ✓ Rented offices for business forum ✓ Hawkers never had stalls and the streets were not organised 	SMMEs support <ul style="list-style-type: none"> ✓ 25 Cooperatives were training ✓ 120 hawkers were assisted with environmental equipment such as umbrellas, gazebos, cooler boxes, water containers, chairs, stalls and tables ✓ Five (5) Cooperatives registered ✓ Established office space and purchased equipment for formal business
Tourism <ul style="list-style-type: none"> ✓ Business plan submitted to DEAT and Minerals and Energy ✓ There was no formal structure established on tourism matters ✓ Collation of information on the status of the hotels and bed and breakfast ✓ Tourism office assisted with information sharing ✓ Appointment of Qoba Game Reserve Service Provider for EIA 	Tourism <ul style="list-style-type: none"> ✓ Hero's Park Infrastructure been developed with the assistance of Environmental Affairs ✓ Training ✓ Local Tourism Organisation (LTO) established ✓ Assisted hotels and bed and breakfast with signage and training ✓ Tourism information centre established ✓ Service provider secured for the development of an EIA on Qoba Game Reserve
One (1) Community Hall built in Ward 13	One (1) Community Hall constructed in Ward four (4)

Chapter 1

Fire fighting Infrastructure established	Fire fighting unit was established
Prepared and submitted business plan for library assistance by DSRAC	Clarkbury Library established
HIV/AIDS <ul style="list-style-type: none"> ✓ Organising and mobilising communities for the establishment of HIV/AIDS structures 	HIV/AIDS <ul style="list-style-type: none"> ✓ Established Community Based Organisation in all wards ✓ Ward Aids Council established in all wards ✓ War rooms established in ward 3, 5, 13 and 17 ✓ HCT programme conducted ✓ Men as partners established ✓ Support Groups for People living with HIV/AIDS ✓ Food supplement available for people living with HIV/AIDS ✓ Training of trainees
Streets surfacing on 1.9 km	Streets surfacing on 1.2 km
Access roads construction of 68.1 km and maintenance of 16 km	Access roads construction of 38.5 km and maintenance of 18 km
Rural electrification of 2067 households and installation of four (4) high mast	Rural electrification of 296 households and 1898 is currently under construction and will be energised at various periods Installation of three (3) high mast lights in town
Four (4) water projects in ward 8, 13 and 17	Nine (9) water projects in ward 20, 12 and 13
No sanitation projects existed	Eight sanitation projects in ward 1, 3, 4, 6, 7, 11, 12 and 13
IGR held on quarterly basis	Conducted IGR meetings on monthly basis

Chapter 1

(Signed by:) _____

Mayor/Executive Mayor

Delete Directive note once comment is complete – The Mayor may wish to make brief mention of initiatives attempted that were not entirely successful in the interests of accountability and forming a closer, trusting relationship with the community T 1.0.1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

IDP Indicators	Council Priorities
Heroes Park Developed by 2013; At least 30 businesses assisted and Developed by 2013; 10 Tourism businesses trained on Business Attraction and Maintenance of 10 tractors to assist communities with ploughing by 2013	Enhance local economic development by adopting a coordinated & sustainable approach to agriculture, tourism and small business development.
Imparted skills as per conducted annual Skills Audit	Enhance skills development in line with the Skills Development Act No. 97 of 1998.
Staffed organogram as per identified needs by 2013	Correct the mismatch between the Organogram & the prevailing workplace environment.
Flighted, updated and monitored website on regular basis	Enhance information management & operational efficiency through provision of IT support (hardware & software and internet connectivity).
All Engcobo residents provided with access to basic levels of water (NKPI) by July 2013	Address service backlogs (water & sanitation, roads & bridges, storm-water & solid waste, electricity) needs to be addressed.
100m of storm-water drainage developed by 2013	Upgrading and maintenance of roads & storm water, sewer and purification networks.
Small town revitalisation Strategy developed for beautification and an upgrade of Engcobo town by 2013	Upgrading of the town precinct along the main road (to be done with SANRAL).
Collection rate improved by 2013	Improve revenue collection & broaden revenue base.
Two thousand (2000) indigent households provided	Enhance indigent provision.

Chapter 1

with free basic electricity	
10% Decrease in water loss by 2013	Introduce water loss management practices.
Unqualified audit opinion by 2013	Introduce better financial management practices for a better & improved audit outcome.
At least one ward community meeting per quarter in each ward	Improve all public participation practices and mechanisms.

(i) Service delivery performance

(ii) Financial sustainability as represented by the financial health ratios

(iii) the efforts the municipality is making to conserve power and water in its offices and other facilities to compliment the conservation measures its residents are being requested to adopt in their own housekeeping

(iv) Provide details of administrative policies made during the year reflecting the pressures from the world recession that impact on everyone (eg restrictions on conferences and other events outside your municipality and the use of meeting accommodation other than your municipality's own venues) (N/A)

(v) Shared service arrangements (eg sharing ICT; payroll, billing, revenue collection; or internal audit) your municipality has entered into with other municipalities (or other organisations). Give the reasons and the effects

Audit Committee shared with the District Municipality

T 1.1.1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The population of the municipality indicates an increase in female population in all the three years and high between the ages ten (10) to nineteen (19) in all the years. It is therefore implied that it is a population with the young and the youth who are not economically active. This puts the municipality under pressure to create job opportunities, economic development, access to socio-economic infrastructure such as libraries, local economic projects, housing supply schools for school going age and the youth.

T 1.2.1

Chapter 1

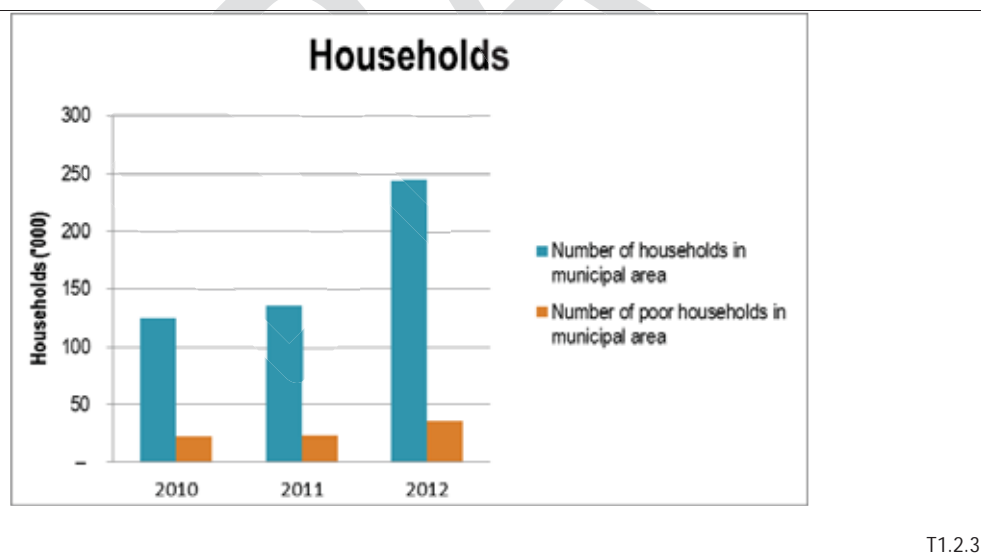
Population Details									
Age	Population '000								
	2010			2011			2012		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	7757	8810	16567	10577	10190	20768	10577	10190	20768
Age: 5 - 9	10307	10702	21009	10348	10011	20359	10348	10011	20359
Age: 10 - 19	20457	17875	38332	20986	19253	40239	20986	19253	40239
Age: 20 - 29	5186	9413	14599	9246	11153	20399	9246	11153	20399
Age: 30 - 39	4257	7730	11987	5396	8032	13427	5396	8032	13427
Age: 40 - 49	2982	5932	8913	4481	7803	12283	4481	7803	12283
Age: 50 - 59	3447	5182	8630	4329	7213	11542	4329	7213	11542
Age: 60 - 69	3151	5916	9067	3385	4737	8122	3385	4737	8122
Age: 70+	2708	4170	6878	3205	5169	8374	3205	5169	8374
<i>Source: Statistics SA</i>									<i>T</i>
1.2.2									

Chapter 1

Data sourced from sheet SA9

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2010	2011	2012
Demographics							
Population		527	685	802	785	865	901
Females aged 5 - 14		87	95	105	101	102	10011
Males aged 5 - 14		102	112	124	129	138	10348
Females aged 15 - 34		153	169	185	195	214	227
Males aged 15 - 34		185	204	224	236	255	260
Unemployment							

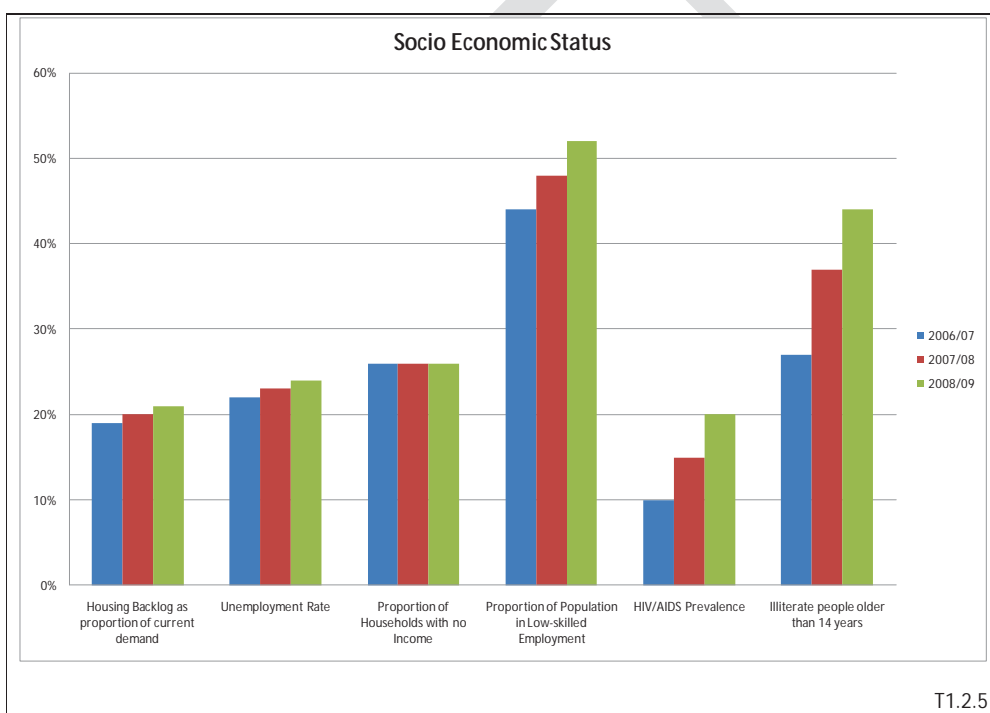
Number of households in municipal area					125	135	245
Number of poor households in municipal area					22	23	35



Chapter 1

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2010						
2011						
2012		46%				

T.1.2.4



Chapter 1

Overview of Neighbourhoods within ' <i>Name of Municipality</i> '		
Settlement Type	Households	Population
Towns		
Engcobo	256	
Sub-Total	256	
Townships		
Extension 2, 3, 5, 6, 7, 9 and 10	1378	
Sub-Total	1378	
Rural settlements		
Sub-Total		
Informal settlements		
	641	
Sub-Total	641	
Total	1634	

T 1.2.6

Natural Resources	
Major Natural Resource	Relevance to Community
Land	Vegetation for Livestock Grazing, Access to Ploughing and Household Settlement
Water	Portability and Consumption, Irrigation, Construction
Forestry	Energy Production, Energy, Manufacturing and Processing

Chapter 1

Mining of Sand and Charcoal	Construction, Energy, Manufacturing and Processing and Revenue Generation
Livestock	Meat, Mohair, Revenue Generation, Agriculture and Cultural Heritage
	T1.2.7

COMMENT ON BACKGROUND DATA:

Key Challenges

- Huge backlog on water, electricity, sanitation and access roads
- High unemployment rate,
- High illiteracy rate resulting in high poverty levels
- High crime rate levels
- Limited human and financial capacity

Key Opportunities

- Job opportunities
- Access to arable and commercial land
- High rainfall
- Manufacturing and processing factories
- Liberation route

Five (5) Major Resources on the Positive Impact on Local Community

- Land
- Water
- Forestry
- Mining of Sand and Charcoal
- Livestock

T1.2.8

Chapter 1

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Achievements

The municipality is faced with high backlogs in infrastructure relating to the following services:

Water and sanitation, roads and storm water, electricity, housing, waste management.

Basic services are implemented by the municipality, the District municipality as the Water Service Provider and sector departments.

The municipality has experienced achievements in the implementation of rural electrification, water and sanitation projects implemented by the District, and roads projects implemented by Engcobo. The municipality has successfully upgraded a portion of streets to surface roads.

The municipality has a credible indigent register; indigent beneficiaries are supported with 6 kilo liters of water, free sanitation and 50 kilo watts of electricity on monthly basis.

Challenges

High backlogs on water and sanitation requiring large sums of money from the District municipality which were not available under the current fiscal funding model.

Housing projects were not implemented by the sector departments since the municipality is not a developer.

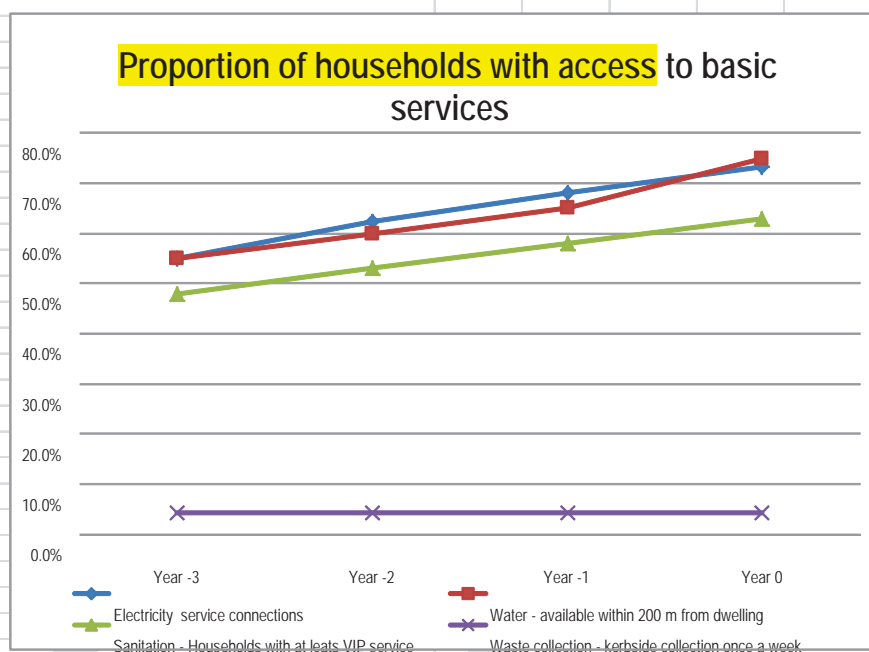
Roads classification network not completed due to lack of funds for appointment of specialists. Minimal road maintenance conducted due to lack of sufficient machinery.

T 1.3.1

T1.3.2

Chapter 1

Proportion of Households with minimum level of Basic services				
	Year -3	Year -2	Year -1	Year 0
Electricity service connections	54.9%	62.5%	68.0%	73.2%
Water - available within 200 m from dwelling	55%	60%	65%	75%
Sanitation - Households with at least VIP service	48%	53%	58%	63%
Waste collection - kerbside collection once a week	4.3%	4.3%	4.3%	4.3%



COMMENT ON ACCESS TO BASIC SERVICES:

T1.3.2

The number of households with access to electricity is increasing as every year there are new connections that are connected on to the Eskom grid.

During the financial year there has been an increase in the development of sanitation within the rural areas as the district has implemented municipal wide sanitation project piloted in wards 1,3,4,6,7,11,12, and 13

The district municipality has implemented 9(nine) water projects within the municipality. This has seen an increase in the households that have access to water.

T1.3.3

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

The Engcobo Local Municipality has improved its financial position substantially during the year under review. The liquidity position has increased slightly from the previous year as a result of the successful implementation of the municipality's credit control policy and revenue enhancement strategy. However, more work needs to be done to ensure further improvements in this regard.

The geographical area of the municipality rural and is characterized by high levels of unemployment and poverty. These factors are a concern to the municipality and will prove to be a threat to the financial stability of the municipality. Various poverty alleviation strategies have been initiated and implemented to address these challenges, including but not limited to labour intensive projects such as the EPWP. Capital projects are primarily funded by grant funding and a small percentage through internal reserves were re-financed and the

As part of the full adoption and implementation of the GRAP accounting standards, adjustments were made to the financial results of the prior year. These re-statements are detailed in the notes to the financial statements.

T1.4.1

Financial Overview: Year 2012/13				R' 000
Details	Original budget	Adjustment Budget	Actual	
Income:				
Grants	103,494.00	83,822.00	159,839.00	
Taxes, Levies and tariffs	9,880.00	9,880.00	9,256.00	
Other	2,055.00	2,055.00	3,652.00	
Sub Total	115,429.00	95,757.00	172,747.00	
Less: Expenditure	122,024.00	100,086.00	165,148.00	
Net Total*	-6,595.00	-4,329.00	7,599.00	
* Note: surplus/(defecit)				T 1.4.2

Operating Ratios	
Detail	%

Chapter 1

Employee Cost	21%
Repairs & Maintenance	4%
Finance Charges & Impairment	20%
	T 1.4.3

COMMENT ON OPERATING RATIOS:

Employee Costs:

Employee costs are within the prescribed Treasury benchmark. Council reviews and approves the municipality's organogram on an annual basis and only positions that are affordable and are funded on the structure.

Repairs & Maintenance:

Repairs and Maintenance expenditure is not at acceptable levels and as part of the multi-year budget, increased allocations will be made to repairs and maintenance. The aim is to reach the National Treasury benchmark of 8% within the medium term in order to service its ageing infrastructure. It is important that this expenditure is increased as it directly affects the municipality's ability to achieve its service delivery objectives.

Finance Charges:

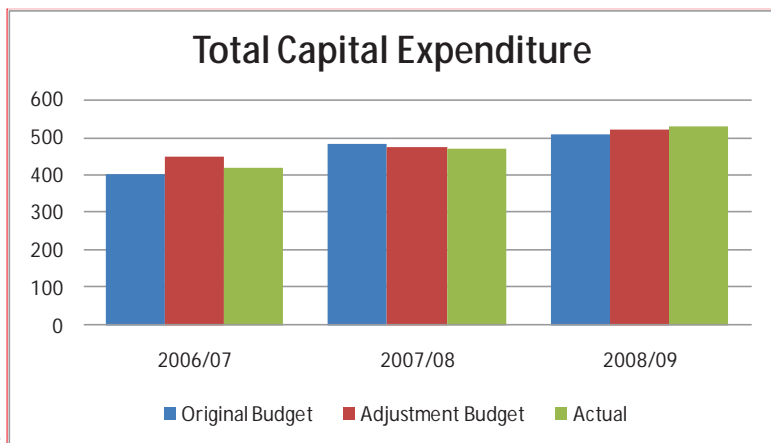
The municipality has no external debt and the ratio has increased due to infrastructure assets transferred to Engcobo local Municipality from Intsika Yethu Municipality as a result in change in the municipal demarcation.

T1.4.3.

Total Capital expenditure 2006/07 - 2008/09			
	R'000		
Detail	2006/07	2007/08	2008/09
Original Budget	400	480	508
Adjustment Budget	450	475	520
Actual	420	468	530
	T1.4.4		

Chapter 1

COMMENT ON CAPITAL EXPENDITURE



Comment [SJ1]: Paste when T1.4.4 IS FINALISED

T1.4.5

COMMENT ON CAPITAL EXPENDITURE:

Capital expenditure is primarily driven by grant funding. The municipality has spent approximately 79% of its budget. The shortfall is due to external factors outside the control of the municipality. The municipality has the capacity to spend its allocations and will continue to do so in the medium term expenditure framework.

There were no material variances between the original and adjustment budgets.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

~~Delete Directive note once comment's completed~~ – Provide an overview of key Organisational Development issues based on information contained in Chapter 4

T1.5.1

Chapter 1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 12/13

Engcobo Local Municipality received an unqualified audit report with an emphasis of matter.

The other matters were as follows:

1. Restatement of comparative figures.
2. Unauthorized and irregular expenditure.
3. Material losses and impairments.
4. Compliance with laws and regulations.

T 1.6.1

DRAFT

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 4 th quarter Report for previous financial year	
4	Submit draft 08/09 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 assesses draft 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	
16	Council adopts Oversight report	December

Chapter 1

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
		T1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

Importance of Achieving Annual Report Preparations

Annual report preparations is made parallel to IDP process plan and performance management system schedules in order to assist with identifying early warning signals; implementation plan, monitoring and evaluation and realization on the improvement of the previous performance.

Importance of IDP, Budget and Performance Alignment

It becomes paramount to prepare all the three (3) documents namely IDP, Budget and PMS simultaneously in order to achieve aligned targets and outcomes. The alignment process influences in/end-year reporting formats to ensure that reporting and monitoring feeds flawlessly into the Annual Report process at the end of the Budget/IDP implementation period.

Failures to achieve timescales

- Audit findings
- None adherence to IDP, Budget and PMS processes which leads to non-compliance on legislative mandates
- Monitoring and evaluation of performance
- Limited oversight role and reporting

1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The municipality as the local sphere it has relationship with other spheres of government in terms of Intergovernmental Relations, community support and engagement and Integrated Development Plan alignment with National Development Plan, National and Provincial Strategies and Outcomes.

The municipality is a category B municipality with 20 wards and 40 Councilors; there is a political wing headed by the Honorable Mayor and on the other hand the administrative wing headed by the Municipal Manager who oversees the five departments namely Budget and Treasury Office, Integrated Planning and Economic Development, Corporate Services, Community Services and Infrastructure Services.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Engcobo Local Municipality (Political) is the category B Municipality with 20 Wards and 40 Councillors.

The Council is the Legislative decision body of the institution which chaired by the speaker with Exco committee members from the council chaired by the Mayor, as per the local government regulations, the Engcobo Local Municipality has been given 20% for participation of traditional leaders within the council.

The Engcobo Local Municipality (Administration) has six departments with six managers and 4 assistant managers, and with an accounting officer who is the Municipal Manager

Chapter 2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Municipality has the Legislative decision body(Council) of the institution which is chaired by the Speaker with Exco committee members from the council chaired by the Mayor, as per the local government regulations, the Engcobo Local Municipality has been allocated 20% for participation of traditional leaders within the council and has four (4) Committees which are, MPAC, Executive Committee, Audit Committee and 6 Standing Committees (IPED, INFRASTRUCTURE, BTO, COMMUNITY SERVICES, SPU and HUMAN SETTLEMENT and CORPORATE SERVICES). The Municipality has an oversight committee which is called the MPAC with non-executive councillors and powers.

T2.1.1

POLITICAL STRUCTURE

MAYOR
(Cllr Lamla Jiyose)

Function

Budget processes and related matter, budgetary control, identifications of financial problems, Chairing of Exco Meetings

SPEAKER
(Cllr Nondumiso Roskruge)

Chairs the Council, looks on the welfare of the council, makes sure that the council committees are on place

CHIEF WHIP
(Cllr Skhosana Mbolo)

Chapter 2

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

(CIr Lamla Jiyose(Mayor/ Chair))

(CIr Nondumiso Roskruge(Speaker))

(CIr Skhosana Mbolo(Chief Whip))

(CIr Siphokazi Nkele(Portfolio Head BTO))

(CIr Zibele Xuba(Portfolio Head CSS))

(CIr Mhlangabezi Mbenyana(Portfolio Head IPED))

(CIr Nofirst Berana(Portfolio Head CMS))

(CIr Zininzi Jabanga(Portfolio Head INFRASTRUCTURE))

(CIr Nokhaya Gedeni(Portfolio Head SPU and Human Settlement))

T2.1.1

DRAFT

Chapter 2

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Lamia Jiyose	FT	Chair Exco	P. R	100%	
Nondumiso Roskruge	FT	Chair Council	P. R	100%	
Sikhosana Mbolo	FT	Exco Member	P. R	100%	
Siphokazi Nkele	PT	Exco Member	P. R	100%	
Zibele Xuba	PT	Exco Member	P. R	100%	
Zininzi Jabanga	PT	Exco Member	P. R	100%	
Nokhaya Gedeni	PT	Exco Member	P. R	100%	
Nofirst Berana	PT	Exco Member	P. R	100%	
Mhlangabezi Mbenyana	PT	Exco Member	P. R	100%	
Micheal Sihembiso Tunce	PT	BTO	Ward 1		
Thespis Sula Bizana	PT	IPED	Ward 2		
Nomnikelo Olivia Noludwe	PT	BTO	Ward 3		
Nobantu Macingwane	PT	MPAC Chair	Ward 4		
Nceba Hokwana	PT	Corporate Services	Ward 5		
Sivuyile Mbuhuma	PT	Corporate Services	Ward 6		
Mawabo Paliso	PT	SPU & Human Settlement	Ward 7		
Lusanda Sizani	PT	BTO	Ward 8		
Sizeka Guma	PT	Community Services	Ward 9		
Patrick Velegcuwa Nsibantu	PT	Community Services	Ward 10		
Nophezile Yalezo	PT	BTO	Ward 11		
Zamiwonga Konile	PT	IPED	Ward 12		
Mzimkhulu Wellington Macozoma	PT	INFRASTRUCTURE	Ward 13		
Bedford Mbuyisi Gqithyeza	PT	SPU & Human Settlement	Ward 14		
Jongisephi Phoswa	PT	IPED	Ward 15		
Nomacko Christina Lumkwana	PT	IPED	Ward 16		
Nofezile Botoman	PT	MPAC	Ward 17		
Mhlakunzima Saki	PT	Community Services	Ward 18		
Wandisile Stanley Malufu	PT	SPU & Human Settlement	Ward 19		
Nonkavithi Singama	PT	IPED	Ward 20		
Yoliswa Ponoshe	PT	Corporate Services	P. R		
Sifundo Mabadi	PT	MPAC	P. R		
Nomahamsanga Dolly Mgudlwa	PT	BTO	P. R		
Siphwo Ndude	PT	INFRASTRUCTURE	P. R		
Ndabazandile Beta	PT	MPAC	P. R		
Thembile Daniele	PT	MPAC	P. R		
Sihembiso Marenene	PT	MPAC	P. R		
Nobonile Tolbadi	PT	INFRASTRUCTURE	P. R		
Noluthando Nhyudwana	PT	SPU & Human Settlement	P. R		
Zondelelwa Madyolo	PT	Community Services	P. R		
Nobulali Ndzabela	PT	INFRASTRUCTURE	P. R		
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					<i>T. A</i>

Chapter 2

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
MPAC	an oversight Committee
Exco	Execution and implementation of Municipal programs
Audit Committee	Evaluates performance
Standing Committees	Monitoring of Directorates

T2.1.2

T2.1.2

POLITICAL DECISION-TAKING

The Engcobo Local Municipality's decisions are taken by the politicians in the council. 100% of all council resolutions are implemented.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The municipal Manager is the Accounting Officer of administrative governance and he reports to the Mayor and advise him on administrative matters. He oversees the five (5) Directorates which are headed by the s56 Managers responsible for the implementation of municipal planning and service delivery performance.

T2.2.1

Chapter 2

TOP ADMINISTRATIVE STRUCTURE		Function
TIER 1	MUNICIPAL MANAGER (Mr Silumko Mahlasela)	
Dir's Optional	EXECUTIVE DIRECTOR: (Mr Cebo Obose(INFRASTRUCTURE))	
	EXECUTIVE DIRECTOR: (Ms. Morakane Musa(IPED))	
	EXECUTIVE DIRECTOR: (Mr Mzusekho. Matomane(BTO))	
	EXECUTIVE DIRECTOR: (Mr. Tabata Songca(ACTING CMS))	
	EXECUTIVE DIRECTOR: (Ms. Vuyiseka Mviko(CSS))	
		T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS
<p>Councillors</p> <p>Accountable for planning, budget approval, Policy making, hiring and firing of staff and oversight role on performance management</p>
<p>Senior Management</p> <p>Accountable for strategic planning implementation and reporting;</p> <p>Monitoring and evaluation of progress and staff;</p>

Chapter 2

Commitment and discipline

Financial reporting and transparency

Government Departments

The Municipality has good working relations with Local Sector Departments which contribute according to their constitutional mandates towards service delivery.

Traditional Leadership

The MSA recommends the involvement of Traditional leaders on municipal planning for maintenance of the values of the area and as part of Heritage conservation.

Community Development Workers

As per Promotion of Access to information Act the CDWs act as vehicles to convey and distribute information on government programs to the communities.

Ward Committees

The Structures Act and MSA require Municipalities to establish fully functional Ward Committees for maximizing community involvement in planning and monitoring of service delivery. They are accountable to Ward Councilors.

Organized Groups

Community representation on various interests such as business, health, socio-economic, political and environmental matters

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

MUNIMEC – Information sharing on municipal progress, vision and mission implementation and good practice

-SALGA Conference – Municipality participates and benefit from annual information and reporting on all municipalities within the Province

Chapter 2

- Town and Rural Planners Forum – Planning issues and challenges addressed as a collective
- LED Forum – Discuss LED initiatives, challenges and good practice at Provincial level
- HR Working Group – A HR progress reporting
- Communicators Forum – Environmental scanning and marketing strategies on government programs
- CFO Forums – Financial information sharing of progress and challenges
- Budget Workshops – An update on budget process regulations and procedures at Provincial level

T2.3.2

DISTRICT INTERGOVERNMENTAL STRUCTURES

- DIMAFO – Engcobo local municipality Mayor represent municipality's issues and challenges that require immediate action
- Speakers Forum – Engcobo Speaker – Discussions and deliberations on Council proceedings, challenges, public participation and traditional leadership engagements
- District Municipal Manager's Forum – Discussions on Policy directives, implementation and reporting
- District IDP Representative Forum – IDP representative attends District's quarterly IDP Representative Forum meetings for alignment purposes
- IGR Forum – The District's IGR Forum seats on quarterly basis and is accountable to DIMAFO
- District CFO Forum – The Forum discusses challenges at local level and recommendations thereof
- LED Forum - Discuss LED initiatives, challenges and good practice at District level
- SDF Forum – Skills information sharing and reporting
- HR Forum – Information sharing on HR issues and challenges at District level

T2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Accountability and Responsibility

Municipality reviewed its organogram and populated it with required Senior Management and junior staff

Policy review

Publication of municipal information and reports

Community involvement

Establishment of Ward Committees and involvement on institutional forum meetings

Communication strategy

Information on governance, management and development made accessible; for example newsletters

T 2.4.0

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
Council Meeting (IDP/Budget/PMS process plan)	August	40	15	158	Yes	September/, Rep Forum, ward based IDP, BUDGET and PMS Road Shows
IGR Meeting (Sharing of sector departmental service delivery information)	Monthly	40	7	All Sector Departments	Yes	Quarterly Ward Meetings
REP Forum Meeting (Discussion of way forward developments, that report and planning on IDP phases)	Quarterly	40	7	150	Yes	Quarterly meetings

2.4 PUBLIC MEETINGS

Chapter 2

COMMUNICATION, PARTICIPATION AND FORUMS

Public communication and participatory initiatives

- Ward Meetings
- Mayoral Outreach Programmes
- IDP Road shows (Local and District)
- IGR meetings (Local and District)
- IDP Representative Forum (Local and District)
- Awareness campaigns
- Community meetings
- Funeral services
- Stakeholder engagements
- Projects launch
- Water month.
- Chris Hani month
- Mandela day
- EXCO Outreach Programmes.
- Public Participation week.
- Information sharing days on government services

IDP/Budget and Performance Management Representative forums

-The IDP/Budget forum meetings are held on quarterly basis with approximately 200 Participants (40 Councilors, 07 Managers, 10 Sector Departments, 20 CDWs, 60 Ward Committees (3 per ward), 03 Business Forum, 03 Taxi Association, 05 Political Parties, 03 Council of Churches, 10 Designated Groups and 07 Traditional Leaders.

The Purpose of the forum is to analyse Engcobo situation, strategize, design projects and programs, implement and monitor IDP/Budget processes.

Performance reports are compiled and submitted before individual Standing Committees; mid-year and annual

Chapter 2

assessments are conducted and a neutral performance specialist, a representative from Local Government is invited to take part in the assessment processes.

Methods used to improve the efficiency and effectiveness of these forums

- Media (Newspaper, local Radio station and internet)
- Municipal Website
- Transportation and catering for Community members

The use of municipal websites and opinion surveys

- Community feedback and participation into municipal affairs
- Environmental scanning
- Information sharing

T2.4.1

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr Tunce	Yes	1	1	3
	1. NAMA PATRICIA				
	2. CEKISO NONAMBARI				
	3. GWELE DAIZMAN NCEBE				
	4. HOMANA NONESI				
	5. NGXWASHU NOBATHINI				
	6. VAVA ZOLISWA				
	7. SITELA TEMBEKILE RODWELL				
	8. FOJISA NOZUKO VERONICA				
	9. MAKHANGELA ZIFIKILE				
	10. MABUTYANA NOSISANDA				
2	Cll Bizana	Yes	1	1	3

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	1. NOABA MKATODI PUMLA				
	2. HLOBO ISAAC LITHA				
	3. NTSHINKA NOMFUNDO				
	4. SIPENDU NOMAMPONDONISE				
	5. GOSHOPA CALVIN SANDILE				
	6. BIZANA TONY				
	7. MATATA YOLISWA				
	8. BUTSHINGI VUKILE				
	9. NTSHINKA ROSE NOMALINGE				
	10. MBANXA NOZUKO				
3	Cllr Noludwe	Yes	1	1	3
	1. SOBANTU NOLUVUYO				
	2. TWAISE MLAMLELI				
	3. NDARANA MATILDA				
	4. XUBA MAWABO				
	5. GOLA XEGO				
	6. MGAJU NOKUPHUMLA				
	7. GILADILE MTETELELI				
	8. SOMPETHA MFAXALALA				
	9. MAC-MILLER L. BOTTOMAN				
	10. JAMA BUKHEKA				
4	Cllr Macingwane	Yes	1	1	3
	1. MDE NOSAYINILE				
	2. NTABEKO NOMBULELO				
	3. MVAKWENDLU NOMASOMI				
	4. MATIWANE NOCEBO				
	5. NO-AMEN -GQINKOMO				
	6. MAJACA ZUKISA				
	7. KHUTU NO-AMEN				
	8. ZIHLANGU BETTY NOKWAMKELWA				
	9. MFAMA NTOMBODIDI				
	10. NTSOKOBA THEMBANI				
5	Cllr Hokwana	Yes	1	1	3
	1. LULWANA NOMA-ITALY				
	2. DUNGULU NONKOSI				
	3. DANTI NOWETHU NTOMBIZOKHANYO				
	4. DAYENI NOKHOLOTHI				
	5. MANIMANI NOMASITHINI				

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	6. RUMBU ZUZIWE CONSTANCE				
	7. MDANGE SIBOLEKE				
	8. TWANI NELSON				
	9. MANI NOKWAKHA				
	10. BUSISIWE XALABILE				
6	Cllr Mbuthuma	Yes	1	1	3
	1. MKENTANE ZUZISWA				
	2. GIGIBALA MBUYISELI				
	3. PETER THEMBAKAZI				
	4. NYALAMBA WILSON DILIZA				
	5. XHELISILO VUYISEKA				
	6. SIFUBA NOMATEMBA				
	7. MOIKELA MZWABANTU COLBERT				
	8. SIMAYILE NOLUNTU PHENDULWA				
	9. MANINJWA THOZAMA				
	10. JEZILE ZUKISWA				
7	Cllr Paliso	Yes	1	1	3
	1. BENGU NOMAKHAYA				
	2. SIFANOALA NOLUTHO MIRRIAM				
	3. MENTYISI NO-COLLOGE				
	4. MYEZO NOPHELO				
	5. MBUKU FINDISWA MAVIS				
	6. SWELISILE AUGUST				
	7. HLANGABEZO SICELO				
	8. MTHINI NOLISINI				
	9. NOFIRST MFOTO				
	10. MNGCANGAZA MNANTLENTSIKA				
8	Cllr Sizani	Yes	1	1	3
	1. NGXANGU SANDISO				
	2. NTSHONA NOMTHUNZI EVELYN				
	3. MGIDI NOMADAMA				
	4. NCAPAYI NOLUTANDO				
	5. MDLUDLA MTETELELI				
	6. BABA LULAMILE				
	7. NOBATHANA NDELEMANA				
	8. NTONTLE ZOLEKA MARGARET				
	9. MPOTOLOLO ANDILE				
	10. MALOYI NOLUNGILE				

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9	Cllr Guma	Yes	1	1	3
	1. MATIWANE PATRICK				
	2. MANXIWA NOLINDILE NOMVUYO				
	3. ZITHWANA NOPASILE				
	4. MAGAQA ZOLEKA				
	5. SIBONDANA SILUMKO				
	6. TOYI NOZOLILE				
	7. NOMNGANGA NTOMBIZONKE				
	8. NDZWANE TADUXOLO GOOMAN				
	9. NYABAZA KATAZILE				
	10. GOAMANE THANDISIZWE				
10	Cllr Ntsibantu	Yes	1	1	3
	1. MPAMBANANI AYANDA				
	2. NCITA SONGEZO RAYNOLD				
	3. LILANE NOMFUSI NOSIMO				
	4. MAPIPA NOMFUSI VICTORIA NOCEBISO				
	5. STEMELA NOMALIVIWE				
	6. PRINCE NKOSANA MABUNU				
	7. XOBOLOLO NOMAKHUSHE ELIZABETH				
	8. TOLA NOMBULELO				
	9. XESI GILBERT				
	10. XUNDU LUCRICIA				
11	Cllr Yalezo	Yes	1	1	3
	1. MKAMFU THANDIWE				
	2. MKANDWANA NOLUSAPHO MIRRIAM				
	3. MGABADELI NOLITA VUYOKAZI				
	4. MNQANQENI NANGAMSO PRIMROSE				
	5. MRWATA NOPHELO				
	6. SIVUYILE PLAJIE				
	7. LISANA SIZEKA				
	8. DINGILE NOSANGO				
	9. JADEZWENI NOLUSAPHO				
	10. MANUKO MZWANDILE				
12	Cllr Konile	Yes	1	1	3
	1. KOYINA BUNTU				
	2. MARANGXA NONESI MAVIS				
	3. NYANGAZA VUYISILE JOHNSON				

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	4. MPOPOSHE ZIMSELE				
	5. MAKHALA ZODWA				
	6. FULUMENI ZUKISWA				
	7. MNYANI NO-ANDILE SYLVIA				
	8. MQHOMFANA SISA				
	9. MLUNGUZA GLORIA NOMZAMO				
	10. LANGLAY LAWRENCE LUNGA				
13	Cllr Macozoma	Yes	1	1	3
	1. VELLE M ZANEKHAYA DONALD				
	2. POSWAYO NOMPUMEZO				
	3. SHEZI NOSIPHO				
	4. LIMANE SHIYISWA JOICE				
	5. MANUKO NDIKO LAWRENCE				
	6. SILAXA NOKHANYILE				
	7. MACI NONYAMEKO NONTEMBISO				
	8. MAPHONGWANA NOMTHANDAZO JOYCE				
	9. POSWAYO MABHALANE				
	10. MCABA LEON				
14	Cllr Gqithiyeza	Yes	1	1	3
	1. KOTI KHIMBULANI				
	2. BOZEKANA NOLIZWI				
	3. NTSENDWANE NOMFUNDISO				
	4. NOMNA MASIBULELE				
	5. MACINGWANE SWEETNESS XOLISWA				
	6. MBOTO NODANILE ENITH				
	7. MNGXITANA ZANELE				
	8. NOGWEGWE NOMLAGANI				
	9. MAGWALA PHUMLA				
	10. MNYANDE NOZIZWE				
15	Cllr Poswa	Yes	1	1	3
	1. SAKI NOVANISH				
	2. MOTOLWANA PRUDENCIA SINDISWA				
	3. JONASE SIPHIWO				
	4. RASI NOMTHANDAZO				
	5. KWAZA THUMEKA				
	6. ZISOYI NOKAYA EUNICE				
	7. MANZINI NTOMBIZAKHE				
	8. QWALANE VELELENI				

Chapter 2

	9. NXELEDALA NOLUSAPHO				
	10. NGXANGANI TEMBINKOSI				
16	Clr Lumkwana	Yes	1	1	3
	1. MASHIYA NYAWOLENDODA				
	2. BALEKA NOKHAYA				
	3. MARWANGANA NONCEDO PRUDENTIA				
	4. BONANI THUMEKA				
	5. MTYAPHI NONTANDO ADELAIDE				
	6. MATIWANE YOLISWA				
	7. GCAYIYA MZIWANDILE CLARENCE				
	8. PALAZA MAWETU				
	9. DYONASE LUNGILE ALBERT				
	10. DYASOPI NOLUSEKO				
17	Clr Bottoman	Yes	1	1	3
	1. TOTOYI ZANDILE				
	2. LOBI SIZEKA CLARAH				
	3. MKEFELELE MKHULULI				
	4. NGXATU MAYITISI INNOCENT				
	5. QUNGWANE MONICA NOKWAYINTOMBI				
	6. NOMFOMBO NTOMBOXOLO				
	7. KHWEZI NOKWAYIYO				
	8. NTWAYIYO INK MICHEAL				
	9. BEDE SIPHESONKE				
	10. MAJEZI SIPHINDILE				
18	Clr Saki	Yes	1	1	3
	1. GOWAKA MAVIS				
	2. QHAYI NOCANADA CAROLINE				
	3. KOPO NODENZENI				
	4. MBALISO NOLUSAPHO MILDRED				
	5. MXUTU AKHONA GILBERT				
	6. MXHALI NOLINDILE				
	7. GETYESE NOKWANDA				
	8. MFEFE NONDUMISO				
	9. DIKENI NONDIYEPHI				
	10. MKOLWANE SIVIWE				
19	Clr Mafufu	Yes	1	1	3
	1. NKELE FEZEKA LILLIAN				

Chapter 2

	2. MENDU AMANDA				
	3. TWANI LUNGEPHI				
	4. NTSIKA MANDISA				
	5. SANDILE MZIVUKILE				
	6. GCORA NODUMO				
	7. MALAWU FARRINGTON LOYISO				
	8. YONGA MTUWEKHAYA				
	9. BASE NEZIWE ROCHEL				
	10. MZENZI THELISWA				
20	Cllr Singama	Yes	1	1	3
	1. ZONYANA NOKWANDISA BABALWA				
	2. NTANYANA SIZAKELE				
	3. SONDLLO NOFENSHALA				
	4. TYIKA JANE NONCEBA				
	5. NTONINTSHI NOWETHU LUNGISWA				
	6. MADIDI TEMBEKA NOKWAKHA				
	7. NQWEMESHA MELUBAKHO				
	8. VANQA MORRIAT				
	9. TYIKA MELUBAKHO				
	10. SIGADLA GAYIYA				

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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?	No
* Section 26 of Municipal Systems Act 2000	
T.2.5.1	

Chapter 2

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

1. Sections 40 and 41 of our Constitution provide:-

“40 Government of the Republic

(1) In the Republic, government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated.

(2) All spheres of government must observe and adhere to the principles in this Chapter and must conduct their activities within the parameters that the Chapter provides.

41 Principles of co-operative government and intergovernmental relations

(1) All spheres of government and all organs of state within each sphere must -

(a) Preserve the peace, national unity and the indivisibility of the Republic;

(b) Secure the well-being of the people of the Republic;

(c) Provide effective, transparent, accountable and coherent government for the Republic as a whole;

(d) Be loyal to the Constitution, the Republic and its people;

(e) Respect the constitutional status, institutions, powers and functions of government in the other spheres;

(f) Not assume any power or function except those conferred on them in terms of the Constitution;

(g) Exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and

(h) Co-operate with one another in mutual trust and good faith by -

(i) Fostering friendly relations;

(ii) Assisting and supporting one another;

(iii) Informing one another of, and consulting one another on, matters of common interest;

(iv) Coordinating their actions and legislation with one another;

(v) Adhering to agreed procedures; and

(vi) Avoiding legal proceedings against one another.

(2) An Act of Parliament must -

Chapter 2

(a) establish or provide for structures and institutions to promote and facilitate intergovernmental relations; and

(b) provide for appropriate mechanisms and procedures to facilitate settlement of Intergovernmental disputes.

(3) An organ of state involved in an intergovernmental dispute must make every reasonable effort to settle the dispute by means of mechanisms and procedures provided for that purpose, and must exhaust all other remedies before it approaches a court to resolve the dispute.

(4) If a court is not satisfied that the requirements of subsection (3) have been met, it may refer a dispute back to the organs of state involved."

2. Broad Powers and functions of the municipality Section 151(2) of the Constitution: The Executive and Legislative authority of a municipality is vested in its municipal council. Section 156(1) of the Constitution: A municipality has executive authority in respect of, and has the right to administer –

- the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 (of the Constitution); and
- any other matter assigned to it by national or provincial legislation.

Section 156(5) of the Constitution: A municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

3. Governance is about "how" an organisation is run. In the running of Engcobo Local Municipality, a clear distinction is made between the politically elected structure (Councillors serving on the Council which is responsible for the oversight and legislative function of the municipality, as well as those matters which it has retained as its own functions. Other elected Councillors serve as full time office bearers involved in the day-to-day running of the Municipal Council from the political perspective, namely the Executive Mayor with his Mayoral Committee plus Speaker) and the administration.

The Council is chaired by the Speaker. The executive is headed by the Executive Mayor with his Mayoral Committee of five (5) members. The structure of Council is laid out in greater detail later in this chapter. The Administration is headed by the Municipal Manager, who is also the organisation's Accounting Officer. Powers have been delegated to the different functions within the organisation to ensure that roles, responsibilities and decision-making powers are clear and unambiguous (see the notes below).

T2.6.0

2.6 RISK MANAGEMENT

Chapter 2

RISK MANAGEMENT

The municipality has established Risk Management Committee and approved Risk Management Policy and the Strategy has been developed and approved by Council.

A Strategic Risk Register has been approved by Council; and operation Risk Register is maintained for all departments. The Strategic Risk Register is aligned with IDP and is reviewed on an annual basis.

The Five top strategic risk identified are as followed:

2. Sustainable community development
3. Proper management and maintenance of asserts including the completeness of infrastructure asset register
4. 3. Compliance with SCM legislation regulations
5. IT management risk
6. Adequately skilled staffing

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Chapter 2

The Fraud and Anti-Corruption Policy was developed in 2010 and is being reviewed on annual basis.

The risk committee consists of all the Managers and middle Managers and seats on quarterly basis.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

The 2012/13 SCM audit has been completed and no material findings on SCM were reported on. The municipality strives at all times to ensure that it achieves the standards as set out by the SCM prescripts.

T2

2.9 BY-LAWS

No new By-laws were developed and or reviewed in the year under review.

COMMENT ON BY-LAWS:

Public participation meetings were held per ward for by-law enforcements on the by-laws developed in 2010; the by –laws were based on liquor, street trading and stray animals

T2.9.1.1

2.10 WEBSITES

Chapter 2

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	No	
The previous annual report (Year -1)	Yes	
The annual report (Year 0) published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	No	
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	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 Year 1	Yes	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		
		T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipality has a website and the information is updated but there is information that the municipality was not aware that it should be published in the website. we do not have long term borrowing contracts hence it is not in the website.

T2.10.1.1

Chapter 3

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

INTRODUCTION

Performance Objectives/Indicators	Priorities	Service Delivery Achievements
All Engcobo residents provided with access to basic levels of water (NKPI) by July 2013	Address service backlogs (water and sanitation, roads & bridges, storm-water and solid waste, electricity) needs to be addressed.	Surfaced 1.2km of roads 385 m of storm water constructed 38.5 km of gravel road
Heroes Park Developed by 2013: At least 30 businesses assisted and developed by 2013; 10 Tourism businesses trained on Business Attraction and Maintenance of 10 tractors to assist communities with ploughing by 2013	Enhance local economic development by adopting a coordinated and sustainable approach to agriculture, tourism and small business development	Hero's Park Constructed with the assistance of DEA; over 30 businesses assisted; over 10 Tourism businesses trained
Small town revitalisation strategy developed for beautification and an upgrade of Engcobo town by 2013	Upgrading of the town precinct along the main road (to be done with SANRAL)	Small town revitalization strategy developed along with traffic plan
Managed health conditions for impounded animals	Security and Safety Services	Appointed four (4) Shepherds for health and management of impounded animals
Held at least one road-block bi-monthly	Security and Safety Services	Six road blocks were held
Created and maintained database/register of fines of impounded un-roadworthy vehicles per quarter	Security and Safety Services	Data base was created and fines were recorded
T3.0.1		

COMPONENT A: BASIC SERVICES

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

Chapter 3

INTRODUCTION TO BASIC SERVICES

Chris Hani District Municipality is the Water Services Authority and Engcobo Municipality is providing a function as a Water Services Provider. This function was facilitated by section 75 of the MSA. The function is now rendered by Engcobo and Chris Hani is ensuring that the capacity of the WSP is enhanced through Human Resources and Assets.

T3.1.0

DRAFT

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The WSP is performing this function through a contractual agreement entered into between Chris Hani DM and itself. The function is meant to address all Operation and Maintenance challenges, attend to refurbishments as well as interim service provision to unserved areas. The 2012 Blue Drop results for Nkobongo System was 88.47% and Engcobo Town System had 90.77%. It has been the priority of the WSP to ensure that RDP schemes are extended to serve the bigger part of the area as well as providing water to unserved areas. Refurbishments have been funded by the Department of Water Affairs through Drought Relief Fund and Accelerated Infrastructure Programme. The WSP has further utilised its Operations budget to refurbish and extend schemes especially the delapidated ones.

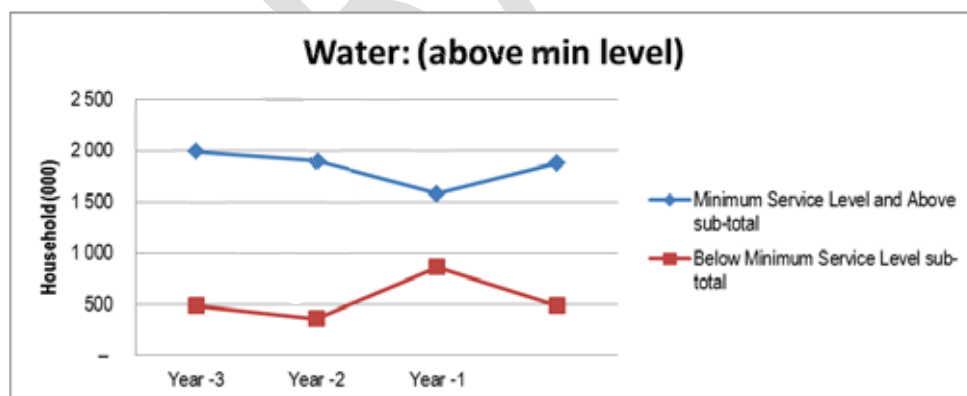
T3.1.1

Total Use of Water by Sector (cubic meters)

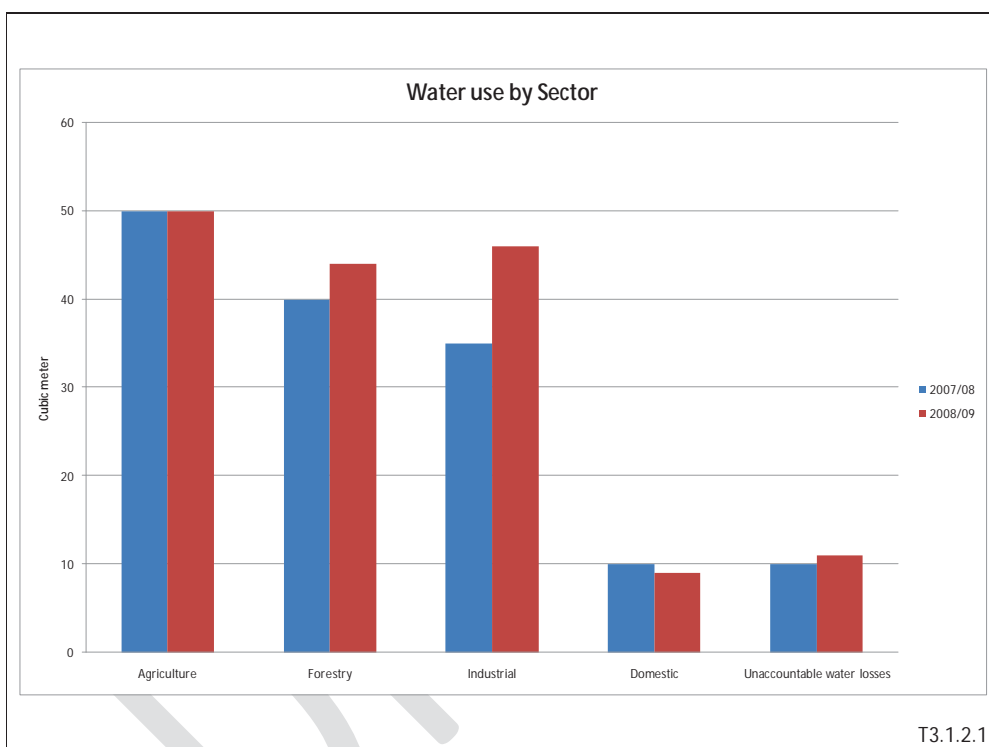
	Agriculture	Forestry	Industrial/Business	Domestic	Unaccountable water losses
Year -1	50	40	95412	69072	10
Year 0	50	44	47706	34536	11

T3.1.2

Water: (above min level)



Chapter 3



COMMENT ON WATER USE BY SECTOR:

T3.1.2.2

Water Service Delivery Levels				
Description	Households			
	2009	2010	2011	2012
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Water:</u> (above min level)				

Chapter 3

Piped water inside dwelling	857	546	655	846
Piped water inside yard (but not in dwelling)	647	865	456	486
Using public tap (within 200m from dwelling)	486	486	465	546
Other water supply (within 200m)				
	1	1	1	1
<i>Minimum Service Level and Above sub-total</i>	990	898	576	879
<i>Minimum Service Level and Above Percentage</i>	80%	80%	76%	79%
Water: (below min level)				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	486	486	486	486
No water supply				
<i>Below Minimum Service Level sub-total</i>	486	486	486	486
<i>Below Minimum Service Level Percentage</i>	20%	20%	24%	21%
	2	2	2	2
Total number of households*	476	384	062	365

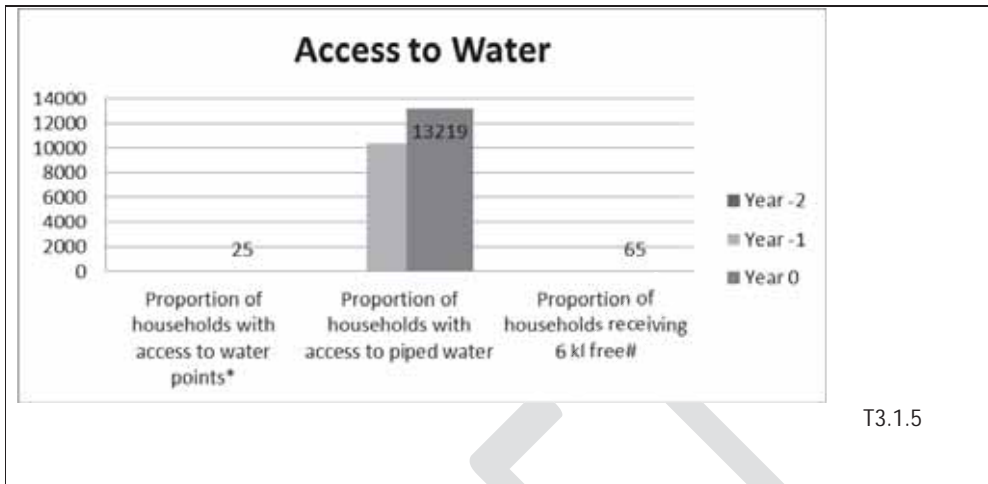
* - To include informal settlements

T 3.1.3

Households - Water Service Delivery Levels below the minimum						
Description	Households					
	2009	2010	2011	2012		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual 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 ts below minimum service level	25 000	25 000	25 000	25 000	25 000	25 000
Proportion of households ts below minimum service level	25%	25%	25%	25%	25%	25%

T 3.1.4

Chapter 3



T3.1.5

Use data below to populate graph

Use data below to populate graph
Access To Water

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2010	22	70	65
2011	22	10353	65
2012	25	13219	65

T 3.1.5

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

Chapter 3

Water Service Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets		Year -1		Year 0		Year 1	Year 3		
	Target	Actual	Target	Actual	Target	Actual	Target	Target	*Current Year	*Following Year
Service Indicators	*Previous Year	*Current Year	*Previous Year	*Current Year	*Previous Year	*Current Year	*Current Year	*Current Year	*Current Year	*Following Year
(i)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)		
Service Objective xxx										
To ensure universal coverage with respect to water services by 2014	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	xxxxxxx additional HHs (xxxxx HHs outstanding g)	xxxxxxx additional HHs (xxxxx HHs outstanding g)	8393 households	16-Oct-07	xxxxxxx additional HHs (xxxxx HHs outstanding g)	xxxxxxx additional HHs (xxxxx HHs outstanding g)	xxxxxxx additional HHs (xxxxx HHs outstanding g)	xxxxxxx additional HHs (xxxxx HHs outstanding g)	xxxxxxx additional HHs (xxxxx HHs outstanding g)
Improve reliability of water supply	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the yr)	T0% (xxxxx Ints)	A0% (xxxxx Ints)	T1% (xxxxx Ints)	A1% (xxxxx Ints)	T2% (xxxxx Ints)	T5% (xxxxx Ints)	T5% (xxxxx Ints)	T5% (xxxxx Ints)	T5% (xxxxx Ints)

Chapter 3

Improve water conservation	Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (KLs) unaccounted for during the yr)	T0% (xxxxxx KLs)	A0% (xxxxxx KLs)	T1% (xxxxxx KLs)	T1% (xxxxxx KLs)	T1% (xxxxxx KLs)	A1% (xxxxxx KLs)	T2% (xxxxxx KLs)	T5% (xxxxxx KLs)	T5% (xxxxxx KLs)
<p>Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the blue water drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. **Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>		T 3.1.6								

Chapter 3

Employees: Water Services						
Job Level	2011		2012			Vacancies (as a % of total posts)
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	%	
0 - 3	1	1	1	0	0%	
4 - 6	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

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

T3.1.7

Chapter 3

Financial Performance 2008/09: Water Services							R'000
Details	2007/08		2008/09			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%		
Expenditure:							
Employees	125	244	250	248	2%		
Repairs and Maintenance	25	244	250	248	2%		
Other	45	244	250	248	2%		
Total Operational Expenditure	195	732	750	744	2%		
Net Operational (Service) Expenditure	75	607	650	649	6%		

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.1.8

Capital Expenditure 2008/09: Water Services						R' 000
Capital Projects	Budget	Adjustment Budget	2008/09		Total Project Value	
			Actual Expenditure	Variance from original budget		
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	

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

T3.1.9

Chapter 3

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Water Services Budget is declining year by year. This trend poses a challenge in so far as Operation and Maintenance (O&M) function. Some schemes are ageing and this means increased costs on maintenance. The other challenge that needs to be catered for is the O&M of the Sanitation backlog.

T3.1. 10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Sanitation provision is carried out by Chris Hani DM through a multi-faceted programme called Sanitation Backlog. This programme is an ambitious programme that has divided CHDM into Cluster Zones. There has been a decline in number of targets over the previous years due to budget shrinkage. Nonetheless the programme is underway and very inclusive in that Councillors and the community are kept abreast with all developments.

T3.2.1

Chapter 3

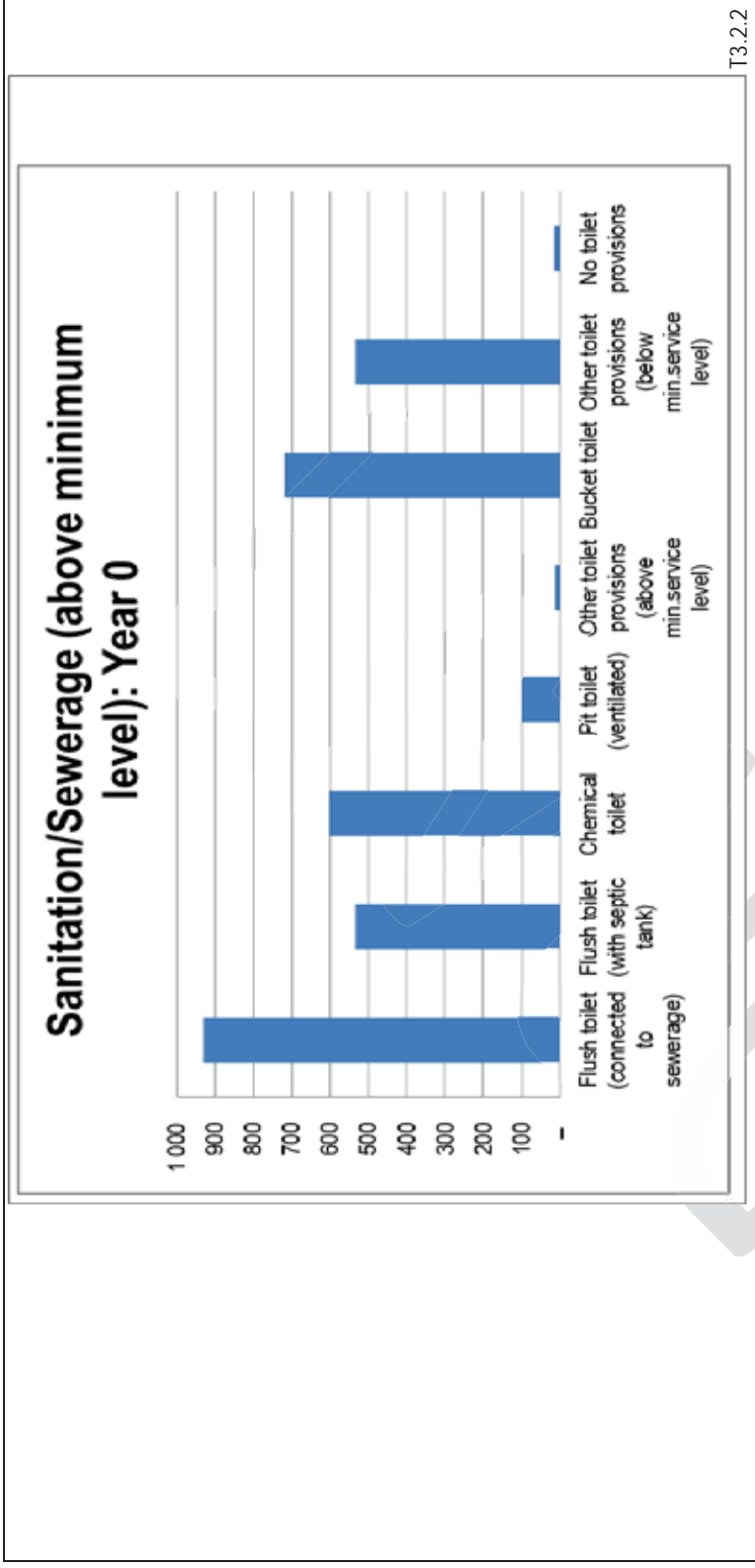
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Water Service Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets		Year - 1		Year 0		Year 1		Year 3	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators	*Previous Year	*Current Year	*Previous Year	*Current Year	*Previous Year	*Current Year	*Current Year	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iv)	(iii)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	
Service Objective xxx										
To ensure universal coverage with respect to water services by 2014	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional HHs (xxxxx HHs outstanding)	8393 households	xxxxxxx additional HHs (xxxxx HHs outstanding)	16-Oct-07	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional HHs (xxxxx HHs outstanding)
Improve reliability of water supply	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline	T0% (xxxxxx Ints)	A0% (xxxxxx Ints)	T1% (xxxxxx Ints)	T1% (xxxxxx Ints)	A1% (xxxxxx Ints)	T2% (xxxxxx Ints)	T5% (xxxxxx Ints)	T5% (xxxxxx Ints)	T5% (xxxxxx Ints)

Chapter 3

To ensure universal coverage with respect to water services by 2014	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional HHs (xxxxx HHs outstanding)	xxxxxxx additional H (xxxxx HHs outstanding)
Improve reliability of water supply	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the yr)	T0% (xxxxx Ints)	A0% (xxxxx Ints)	T1% (xxxxx Ints)	T1% (xxxxx Ints)	A1% (xxxxx Ints)	T2% (xxxxx Ints)	T5% (xxxxx Ints)
Improve water conservation	Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (KLs) unaccounted for during the yr)	T0% (xxxxx KLs)	A0% (xxxxx KLs)	T1% (xxxxx KLs)	T1% (xxxxx KLs)	A1% (xxxxx KLs)	T2% (xxxxx KLs)	T5% (xxxxx KLs)
<p>Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the blue water drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round. ** 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable with approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>								
								T 3.1.6

Chapter 3



T3.2.2

Sanitation Service Delivery Levels			
Description	*Households		
	2009 Outcome No.	2010 Outcome No.	2011 Outcome No.
Sanitation/sewerage: (above minimum level)			Actual No.
Flush toilet (connected to sewerage)	942	600	720 1

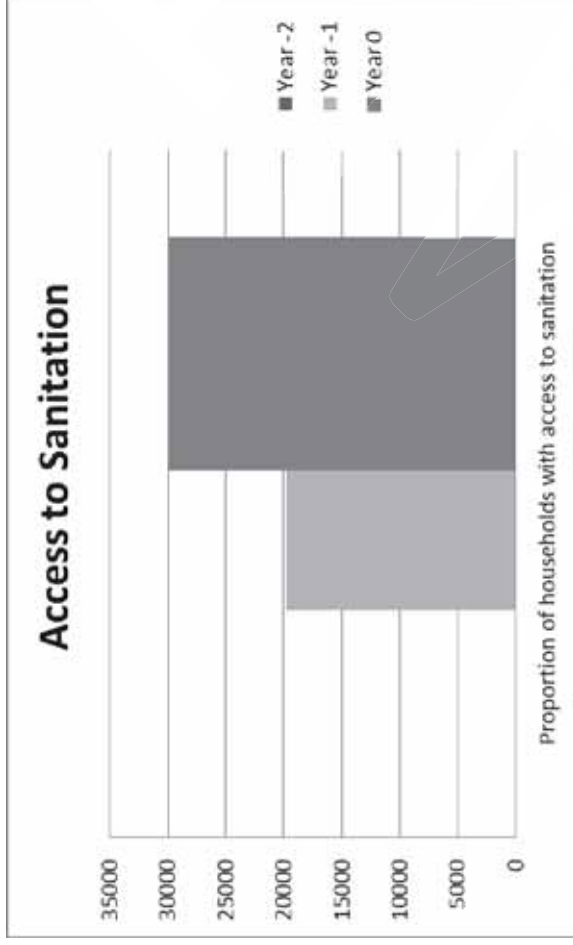
Chapter 3

Flush toilet (with septic tank)	712	952	502	535
Chemical toilet	535	535	511	601
Pit toilet (ventilated)	124	135	20	29
Other toilet provisions (above min.service level)	13	13	15	11
Minimum Service Level and Above sub-total	2	2	1	1
Minimum Service Level and Above Percentage	325	236	768	177
Sanitation/sewerage: (below minimum level)	68.9%	59.9%	54.3%	48.2%
Bucket toilet	502	952	938	720
Other toilet provisions (below min.service level)	535	535	535	535
No toilet provisions	10	11	17	9
Below Minimum Service Level sub-total	1	1	1	1
Below Minimum Service Level Percentage	047	498	490	264
Total households	372	734	258	442
*Total number of households including informal settlements T 3.2.3				

Chapter 3

Households - Sanitation Service Delivery Levels below the minimum						Households	
Description	2005/06		2007/08		2008/09		
	Actual No.		Actual No.		Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements							
Total households	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
Proportion of households below minimum service level	25%		25%		25%	25%	25%
Informal Settlements							
Total households	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
Proportion of households below minimum service level	25%		25%		25%	25%	25%
							T3.2.4

Chapter 3



Access To Sanitation

Use data below to populate graph

Access To Sanitation	
Access to Sanitation	
Proportion of households with access to sanitation	
2010	70
2011	19768
2012	29987

Chapter 3

Employees: Sanitation 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	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

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

T.3.2.7

Financial Performance 2008/09: Sanitation Services						R'000
Details	2007/08	2008/09				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational (Service) Expenditure	75	607	650	649	6%	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.2.8

Chapter 3

Capital Expenditure 2008/09: Sanitation Services					
Capital Projects	2008/09				
	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
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

Delete Directive note once comment is complete - Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2008/09 and/or previous year actuals, or expected future variations).

T3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The municipality has previously been assisted by Eskom on electrification and as of the 2009/2010 financial year the municipality received funding directly from Department of Energy and appointed had appointed Ballendon & Robb on a turn-key project for the electrification of 11 540 households within the municipal area. The 11 540 households is made up of the following projects which were taken from Eskom;

- Sitholeni Phase 1
- Sitholeni Phase 2
- Ward 4
- Xuka Maqanda
- Mjanyana Quluqu

Chapter 3

The initial project cost was R201 950 000.00 for 11540 households, which is only a fraction of the municipal backlog. The grant has to be used as per the conditions of the departments which is namely, to achieve connections with the funding received in order to achieve universal access.

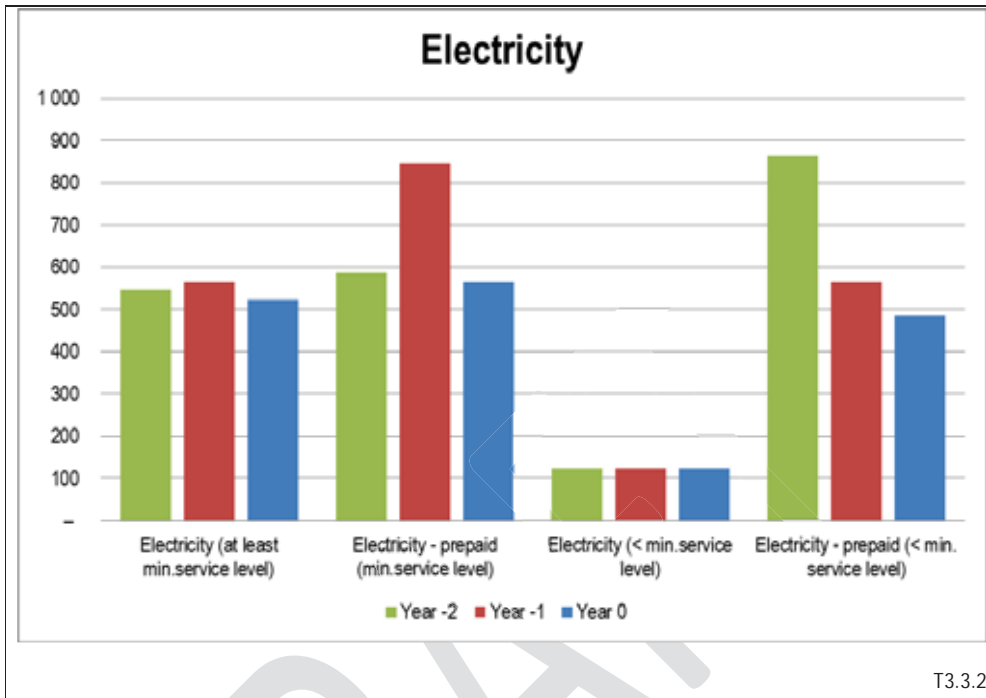
The municipality has received funding consistently since 2009/2010 financial. The table below illustrates the funding received by the municipality;

Financial Year	Amount
2009/10	R65 000 000.00
2010/11	R35 000 000.00
2011/12	R44 000 000.00
2012/13	R30 000 000.00

During the 2011/12 financial year the municipality together with the DOE terminated the contract of Ballendon and Robb and decided to implement the electrification programme using Eskom. The termination process took longer than anticipated by all parties, eventually two methods of implementation were agreed upon the Eskom method using Eskom as the implementor paid by the municipality and the municipality using its own supply chain management system.

T 3.3.1

Chapter 3



Electricity Service Delivery Levels				
Description	Households			
	2009 Actual No.	2010 Actual No.	2011 Actual No.	2012 Actual No.
Energy: (above minimum level)				
Electricity (at least min.service level)	–	–	–	–
Electricity - prepaid (min.service level)	813	2,879	067	731
<i>Minimum Service Level and Above sub-total</i>	813	879	067	731
<i>Minimum Service Level and Above Percentage</i>	100.0%	100.0%	87.6%	90.3%
Energy: (below minimum level)				
Electricity (< min.service level)	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–
Other energy sources	–	–	292	292

Chapter 3

<i>Below Minimum Service Level sub-total</i>	-	-	0	0
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%	12.4%	9.7%
	2	2	2	3
Total number of households	813	879	359	023

T 3.3.3

Households - Electricity Service Delivery Levels below the minimum						
Description	Households					
	2009	2010	2011	2012		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	37	37	37	2	2	2
Households below minimum service level	114	214	214	731	731	731
Proportion of households below minimum service level	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	321	341	351	351	351	351
Households ts below minimum service level	-	-	-	-	-	-
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%

T 3.3.4

Chapter 3

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	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T.3.3.6

Financial Performance 2008/09: Electricity Services						R'000
Details	2007/08	2008/09				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational (Service) Expenditure	75	607	650	649	6%	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.3.7

Chapter 3

Capital Expenditure 2008/09: Electricity Services						R' 000
Capital Projects	2008/09					
	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	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)					T3.3.8	

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The municipality is implementing projects within various wards of the municipality the projects have been divided into four main projects namely; Sitholeni Phase 1 and 2, Xuka Maqanda, Mjanyana Quluqu and Ward 4. During the 2012/2013 financial year electrification within the municipality has been implemented by both the municipality and Eskom. The priority of electrification within the municipality is priorities by council through into puts from the community. Construction was preformed on the above mentioned projects implemented by the municipality and on the Xonya Electrification Project implemented by Eskom. The current funding model by the Department of Energy is not enough to ensure universal access to the municipal area. The municipality through the Office of the Mayor is lobbying for more funding from the Department of Energy as there are still about ± 7 000 households without electricity

T3.3.9

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

INTRODUCTION TO WASTE MANAGEMENT

The municipality has developed a plan in terms of collecting waste, that plan talks to the challenges that the municipality has faced in the previous years, it might not be efficient , but the municipality meets the targets.

T3.4.1

Chapter 3

Solid Waste Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<i>Solid Waste Removal: (Minimum level)</i>				
Removed at least once a week	127	127	127	127
<i>Minimum Service Level and Above sub-total</i>	1 435	1 435	1 435	1 435
<i>Minimum Service Level and Above percentage</i>	100.0%	100.0%	100.0%	100.0%
<i>Solid Waste Removal: (Below minimum level)</i>				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	-	-	-	-
Using own refuse dump	-	-	-	-
Other rubbish disposal	-	-	-	-
No rubbish disposal	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-
<i>Below Minimum Service Level percentage</i>	0.0%	0.0%	0.0%	0.0%
Total number of households	1 435	1 435	1 435	1 435

T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Households					
	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	1634	1634	1634	685000	685000	643000
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0

T 3.4.3

Chapter 3

Service Objectives	Waste Management Service Policy Objectives Taken From IDP									
	Year -1		Year 0		Year 1		Year 2		Year 3	
	Target *Previous Year (iii)	Actual (iv)	Target *Previous Year (v)	Actual (vi)	Target *Current Year (vii)	Actual (viii)	Target *Current Year (ix)	Actual (x)	Target *Current Year (xi)	Actual (xii)
Service Objective xxx										
Provision of weekly collection service per household (HH)	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	40 reduction from year -1 (2 weekly collection failures)	% reduction from year -1 (xxx weekly collection failures)	40 reduction from year -1 (xxx weekly collection failures)	40 reduction from year -1 (xxx weekly collection failures)	40 reduction from year -1 (xxx weekly collection failures)	40% reduction from year -1 (2 weekly collection failures)	40% reduction from year -1 (2 weekly collection failures)	40% reduction from year -1 (2 weekly collection failures)	40% reduction from year -1 (2 weekly collection failures)
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	The amount of spare capacity available in terms of the number of year's capacity available at the current rate of landfill usage	0 years of unused landfill capacity available	0 years of unused landfill capacity available	0 years of unused landfill capacity available	0 years of unused landfill capacity available	0 years of unused landfill capacity available	0 years of unused landfill capacity available	0 years of unused landfill capacity available	0 years of unused landfill capacity available	0 years of unused landfill capacity available
Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites	30% of year 0 waste recycled	40% of year 0 waste recycled	40% of year 0 waste recycled	40% of year 0 waste recycled	40% of year 0 waste recycled	30% of year 0 waste recycled	40% of year 0 waste recycled	15% of year 0 waste recycled	15% of year 0 waste recycled
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	80% of sites compliant	90% of sites compliant	90% of sites compliant	90% of sites compliant	90% of sites compliant	80% of sites compliant	90% of sites compliant	60% of sites compliant	60% of sites compliant

Chapter 3

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	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	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

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

T.3.4.6

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	600 000.00	685 000.00	685 000.00	643 000.00	42 000.00
Expenditure:					
Employees					
Repairs and Maintenance					
Other	974 451.00	685 000.00	685 000.00	643 000.00	42 000.00
Total Operational Expenditure					
Net Operational Expenditure					

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

T.3.4.7

Chapter 3

Financial Performance Year 0: Waste Disposal and Other Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue						
Expenditure:						
Employees						
Repairs and Maintenance						
Other						
Total Operational Expenditure						
Net Operational Expenditure						
<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 3.4.8

Capital Expenditure Year 0: Waste Management Services						R' 000
Capital Projects	Year 0				Total Project Value	
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	685 000.00	685 000.00	643 000.00	42 000.00		
Project A	685 000.00	685 000.00	643 000.00	42 000.00		
Project B						
Project C						
Project D						
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						

T 3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The municipality has developed a plan in terms of collecting waste, that plan talks to the challenges that the municipality has faced in the previous years, it might not be efficient , but the municipality meets the targets and also with the compliant dumping site the municipality has, it has also added as advantage to the municipality in terms waiste management.

T3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

The provision of houses is the competency of the Department of Human Settlements in the province. There has been no housing development within the municipality for the past few years. However the municipality has various projects registered with the department for both urban and rural. The municipality has various housing projects registered with the department which include both urban and rural housing projects.

T3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2009	36910	1634	4.4%
2010	37047	1634	4.4%
2011	37214	1634	4.4%
2012	37214	1634	4.4%
			T 3.5.2

Chapter 3

Employees: Housing Services					
Job Level	2007/08		2008/09		
	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	0.5	17%
7 - 9	6	6	6	1.5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2.2	24%
16 - 18	11	11	11	0.9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7.1	13%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.5.4

Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	0	0	0	0	0%
Other	45	244	250	248	2%
Total Operational Expenditure	170	488	500	496	2%
Net Operational Expenditure	50	363	400	401	9%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.5.5

Capital Expenditure 2008/09: Housing Services					
R' 000					
Capital Projects	2008/09				
	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

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). T3.5.6

Chapter 3

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2008/09 and/or previous year actuals, or expected future variations).

T3.5.7

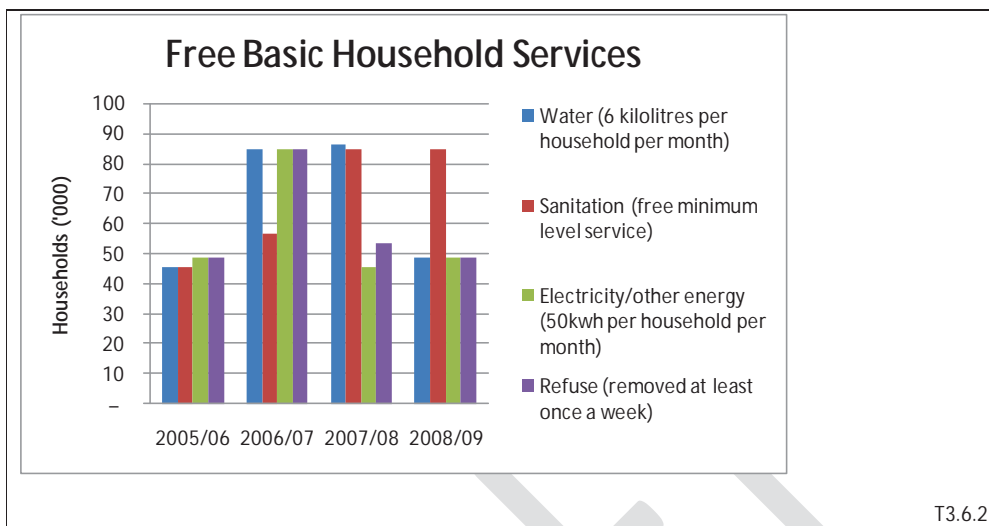
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Delete Directive note once comment is complete – Provide brief introductory comments on the progress being made to achieve Free Basic Services and summarise your municipality's policies towards indigent support.

T3.6.1

Chapter 3



Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%	
2006/07	100,000	18,000	12,000	67%	10,000	56%	13,000	72%	7,000	39%
2007/08	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%
2008/09	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%

T3.6.3

Financial Performance 2008/09: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2007/08	2008/09			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	200	244	250	248	2%
Waste Water (Sanitation)	220	240	250	245	2%
Electricity	100	120	130	135	11%
Waste Management (Solid Waste)	105	110	120	125	12%
Total	625	714	750	753	5%

T3.6.4

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Delete Directive note once comment's completed – Comment on the support given to low earners and in particular those affected by shortfalls in basic service provision. Provide detail of indigent policy, expenditure and grants received in 0809 and explain how these have been translated into programmes designed to improve levels of self sufficiency.

T3.6.6

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

The municipality together with the Department of Roads and Public works have two forums in place namely; roads and transport forum in place which consists of representative from different stakeholders within the municipality and the department. There is no public bus service within the municipal area. The main function of the forums is to assist in the prioritization of maintenance works within the municipality and only assist the municipality and the department on areas of concern from the stakeholders as well as make recommendations on issues related to roads and transportation.

T3.7.0

3.7 ROADS

Chapter 3

INTRODUCTION TO ROADS

The municipality is given and has been grant fund for infrastructure since the 2004/5 financial year. The municipality has developed a three year capital plan as a strategy to assist the municipality in successfully implementing roads projects within the municipality. The three year capital plan is approved by the Council taking into account the inputs taken from the different wards during the IDP road shows.

The biggest achievement for the year has been the upgrading of streets project, which has seen the municipality upgrading the streets within the town from gravel to surfaced (asphalt and or chip and spray). All infrastructure related projects were tasked with the employment of local labour from within the areas that the projects are in. The employment of local labour has been that of creating employment.

The implementation of the three year capital plan has seen the municipality being able to plan better for future projects, the grant that the municipality receives i.e MIG (municipal infrastructure grant) is a conditional grant which has conditions attached to it before expenditure is incurred like the projects should be approved by council and registered with the department before expenditure is incurred.

T3.7.1

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2010	813	43	0	65
2011	816	68	1.9	72
2012	945	39	1.2	123

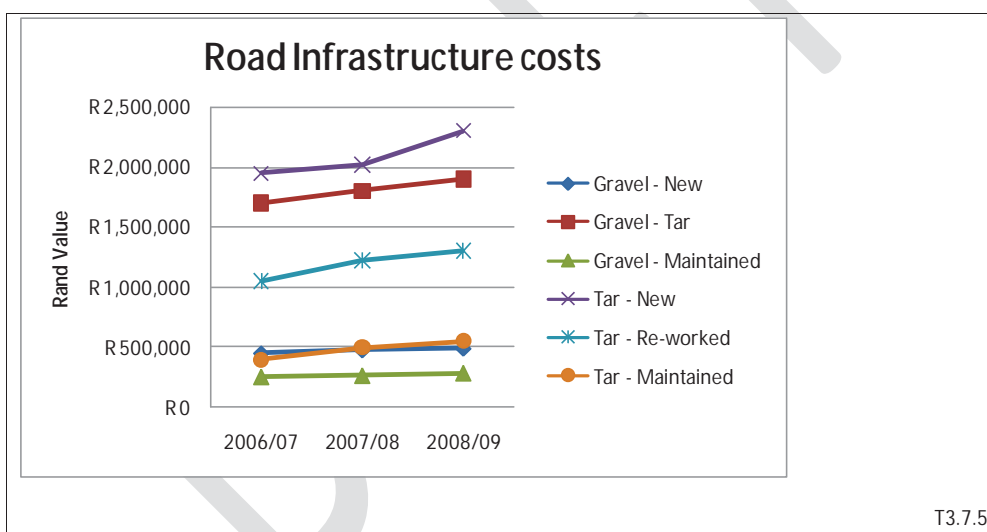
T 3.7.2

Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2010	1.4	0	0	0	0
2011	1.4	1.9	0	0	0
2012	3	1.2	0	0	0

T 3.7.3

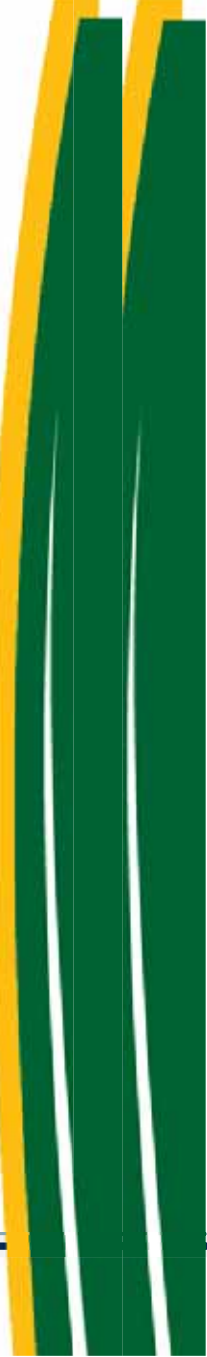
Chapter 3

Cost of Construction/Maintenance						
						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2010	14227109.31		2500000	8300000	0	100000
2011	17079941.71	0	2500000	4000000	0	100000
2012	21630000	0	2500000	4000000	0	100000



Chapter 3

LEAF BRO



Chapter 3

Financial Performance 2008/09: Road Services						R'000
Details	2007/08	2008/09				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational (Service) Expenditure	75	607	650	649	6%	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T3.7.8

Capital Expenditure 2008/09: Road Services						R' 000
Capital Projects	2008/09					
	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	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						T3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The biggest success of the municipality has been the implementation of the Upgrading of Streets Project which is implemented within the Ngcobo Town. The project has seen the construction of storm water and surfacing of streets with related concrete works. The municipality has developed and adopted a three year capital that will assist in the rollout of infrastructure within the municipality. There has been no variation in the budget amounts. The municipality has managed to successful construct about 1.2km of surfaced road, 385m of storm water; 38.5km of access roads have been constructed.

T3.7.10

Chapter 3

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The municipality does not have a public bus operation working within the municipality. The municipality is working together with public transport operating organisations within the municipal area. The organisations participate within the Roads and Transport forums which are used mainly to assist the municipality in the prioritisation of the maintenance of both the provincial roads and the municipal roads. These organisations also assist in the coordination of support projects on safety run by the department of roads like the ranger program and the Sakisizwe Program for pot hole filling within the provincial proclaimed roads..

T3.8.1

DRAFT

Chapter 3

Employees: Transport 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	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

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

T3.8.4

Financial Performance 2008/09: Transport Services						R'000
Details	2007/08	2008/09				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational (Service) Expenditure	75	607	650	649	6%	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.8.5

Chapter 3

COMMENT ON THE T PERFORMANCE OF TRANSPORT OVERALL:

The roads and transport forums are functioning well within the municipality and these have seen an increase in the number of rangers used and the pothole filling teams with the municipality and on routes that the public transport use in transportation of commuters.

T3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

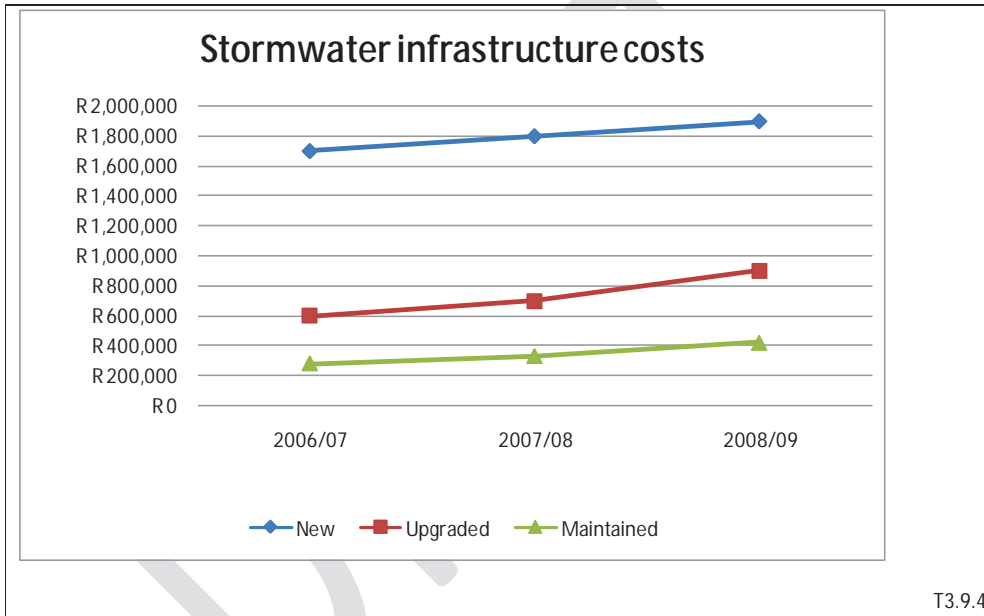
The municipality is given and has been grant fund for infrastructure since the 2004/5 financial year. The municipality has developed a three year capital plan as a strategy to assist the municipality in successfully implementing roads projects within the municipality. The three year capital plan is approved by the Council taking into account the inputs taken from the different wards during the IDP road shows. The biggest achievement for the year has been the upgrading of streets project, which has seen the municipality installing storm water control in the upgrading the streets within the town from gravel to surfaced (asphalt and or chip and spray). All infrastructure related projects were tasked with the employment of local labour from within the areas that the projects are in. The employment of local labour has been that of creating employment. The implementation of the three year capital plan has seen the municipality being able to plan better for future projects, the grant that the municipality receives MIG (Municipal Infrastructure Grant) is a conditional grant which has conditions attached to it before expenditure is incurred like the projects should be approved by council and registered with the department before expenditure is incurred. Storm water control is included in each and every project that is registered with the grant.

T3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2010	0	0	0	0
2011	0	2 950	0	0
2012	0	365	0	0

Chapter 3

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
Year -2	1,700,000	600,000	280,000	
Year -1	1,800,000	700,000	330,000	
Year 0	1,900,000	900,000	420,000	
				T 3.9.3



Chapter 3

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	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

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

T 3.9.6

Chapter 3

Financial Performance 2008/09: Stormwater Services					
R'000					
Details	2007/08	2008/09			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational (Service) Expenditure	75	607	650	649	6%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T3.9.7					

Capital Expenditure 2008/09: Stormwater Services					
R' 000					
Capital Projects	2008/09				
	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
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T3.9.8					

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The storm water is not constructed in isolation of our components of infrastructure related to roads. The surfacing of streets and gravel access roads have storm water installed during their construction. The municipality has seen significant strides in the construction of the Ngcobo Street Upgrade Projects which has seen a considerable amount of funds injected within the Ngcobo town. The length of Storm water installed will vary depending on the design of the infrastructure being constructed. Installation of storm water will benefit the ngcobo community as it provides means of control runoff water.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

Chapter 3

INTRODUCTION TO PLANNING AND DEVELOPMENT

Opportunities

- (i) Land for livestock grazing, arable land and human settlement
- (i) Livestock for consumption, trading and cultural heritage
- (iii) Minerals availability (sand and charcoal) for construction, trade and heat energy
- (iv) Forestry for manufacturing and heat energy production
- (v) Water for portability, irrigation and construction
- (vi) Liberation route

Challenges

- (i) Physical Planner not available and physical planning matters not being attended to
- (ii) Office space
- (iii) Limited human and financial resources
- (iv) High unemployment and illiteracy rates leading to high poverty rates
- (v) High crime rate

T3.10.0

Chapter 3

3.10 PLANNING

INTRODUCTION TO PLANNING		
3 Service Delivery Priorities	Priorities Impact	Measures for Performance
EIA Qoba Game Reserve	Once completed the impact on job creation will be felt; tourism enhancement and leisure recreation	Invited LGTA and municipal political for intervention and fast tracking of the project
EIA R61 Phase 3 Upgrade Impact	Safety for public road users and pedestrians	Mobilisation of communities and stakeholders
EIA Engcobo Waste Water Treatment Works	The potential growth of the town; discharge of good quality effluent into the river	Engagement with relevant stakeholder; political intervention for fast tracking of the project
		T3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2011	2012	2011	2012	2011	2012
Planning application received	-	-	-	1.00	-	-
Determination made in year of receipt						
Determination made in following year						
Applications withdrawn						
Applications outstanding at year end						

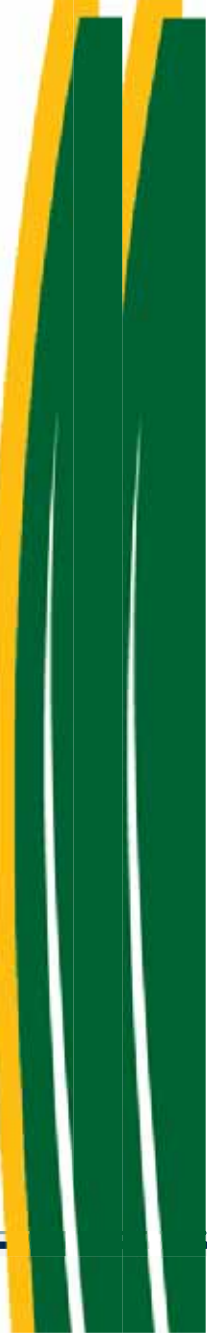
Chapter 3

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3.10.2

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Capital Expenditure 2012: Planning Services					
R' 000					
Capital Projects	2012				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0				
	0				
Project A	0				
Project B	0				
Project C	0				
Project D	0				
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
T 3.10.6					

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

No physical projects undertaken under 2012/13

T3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development Plan of the municipality is outdated and requires to be reviewed; in the year being reviewed the strategy focused on the development of Hero's Park, Tree Nursery and Small Town Revitalisation projects.

Business plans were submitted to DEDEAT, LGTA and Chris Hani District Municipality and they were approved and supported to include wider scope. The communities were recruited through EPWP

T3.11.1

Economic Activity by Sector

R '000

Chapter 3

Sector	2012	2011	2010
Agric, forestry and fishing	5	5	3
Mining and quarrying			
Manufacturing			
Wholesale and retail trade			
Finance, property, etc.			
Govt, community and social services			
Infrastructure services	1	1	0
Total	6	6	3

T 3.11.2

Economic Employment by Sector			
Sector	Jobs		
	2012 No.	2011 No.	2010 No.
Agric, forestry and fishing	20 000	25 000	30 000
Mining and quarrying	32	32	32
Manufacturing	N/A	N/A	N/A
Wholesale and retail trade	190 000	200 000	210 000
Finance, property, etc.	275 000	255 000	235 000
Govt, community and social services	300 000	310 000	320 000
Infrastructure services	400 000	430 000	450 000
Total	1185032	1220032	1245032

T 3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES:

The municipality has a potential for long term prospects for economic growth, development and job creation through road construction, taxi rank construction and service mall construction. In particular majority of communities in poverty, taxi association, vendors and hawkers benefited.

T3.11.4

Jobs Created during Year 0 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)				
2012-13	1091	406.00	685.00	Registers
Dec-11	345	N/A	345.00	Registers

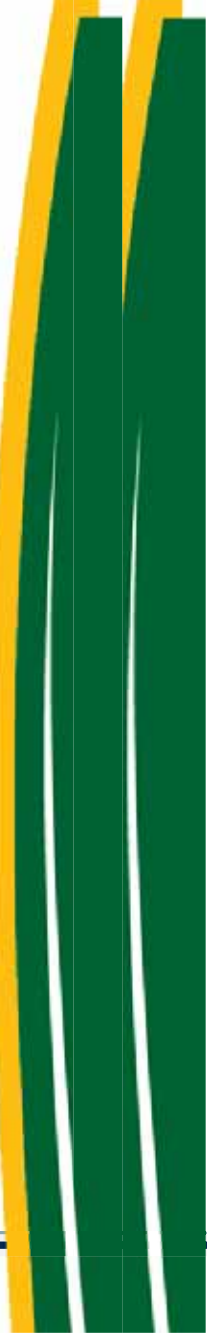
Chapter 3

Nov-10	122	N/A	122.00	Registers
Initiative A (2012)	CWP, Tractor Programme, Tree Nursery, Ngwali Maize, Fruit and Vegetable Project			
Initiative B (2011)	Tree Nursery, Ngwali Maize, Fruit and Vegetable Project, Tractor Programme, Hero's Park Development, Alien species removal			
Initiative C (2010)	Charcoal; Tractor Programme, Alien species removal			

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2006/07	40	2,000
2007/08	50	2,900
2008/09	66	4,500
* - Extended Public Works Programme		T3.11.6

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Chapter 3

Employees: Local Economic Development Services					
Job Level	2007/08		2008/09		
	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	0.5	17%
7 - 9	6	6	6	1.5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2.2	24%
16 - 18	11	11	11	0.9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7.1	13%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.11.8

Financial Performance 2008/09: Local Economic Development Services					
Details	R'000				
	2007/08	2008/09			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational (Service) Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.11.9

Capital Expenditure 2008/09: Economic Development Services					
Capital Projects	R' 000				
	2008/09				
	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

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). T3.11.10

Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The municipality's main largest capital projects were based on the following;

1. Small Town Revitalisation – Main target is to beautify and develop the Engcobo town with the trickle-down effect on job opportunities for communities. The project include the construction of taxi rank and road construction
2. Hero's Park – Main target is to put on record the municipality's hero's and legendary such as the Tata Sisulu and Dr Xuma

T3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The municipality has a total of fourteen (14) community halls serving all 20 wards and communities utilize the facilities for free. Engcobo has two (2) community libraries, swimming pool and a cemetery accessible and disposable to communities.

30 boxes of Food supplements for people living with HIV and AIDS and food gardening equipment were distributed to home community based organisation and ; orphans and vulnerable children assisted with stationary.

T3.52.0

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

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Communities have access to two (2) libraries within municipality with internet, computers and books at their disposal. Financial assistance is being granted by the Department of Sports, Recreation, Arts and Culture in particula for staff salaries and all the library equipment.

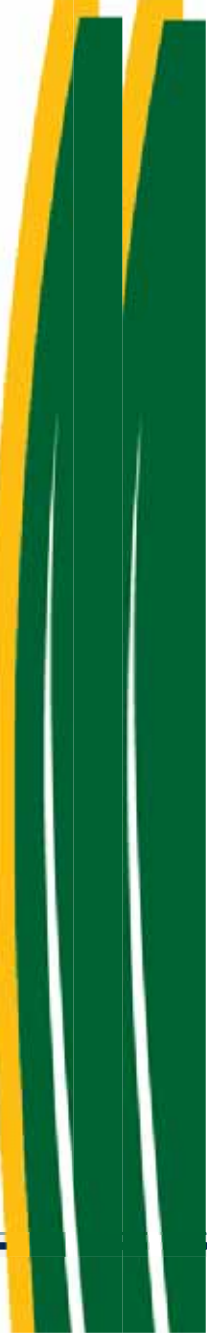
T3.52.1

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Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		0	0	0	0%
4 - 6		0	0	0	0%
7 - 9		1	1	0	100%
10 - 12		1	1	0	100%
13 - 15		0	0	0	0%
16 - 18		0	0	0	0%
19 - 20		0	0	0	0%
Total		0	0	0	TRUE

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.12.4

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.12.5

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

The conditions of the facilities are fully accessible and functional for the educational improvement of the pupils and scholars; and the development of communities in poverty in general.

T3.52.7

Chapter 3

3.55 CEMETORIES AND CREMATORIALS

INTRODUCTION TO CEMETORIES & CREMATORIALS

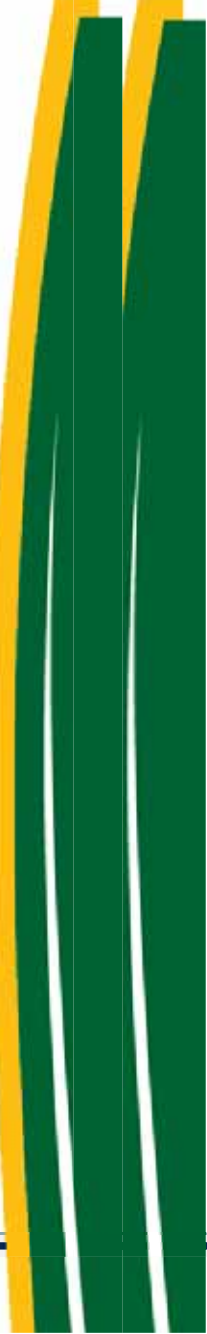
Cemeteries

1. Fencing of cemeteries
2. Operations and maintenance of cemeteries

T3.55.1

Chapter 3

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Chapter 3

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	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%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.13.4

Financial Performance Year 0: Cemeteries and Crematoriums					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	2000	2000	2417	17%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	240000	240000	120000	-100%
Total Operational Expenditure	0	240000	240000	120000	-100%
Net Operational Expenditure	0	238000	238000	117583	-102%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.13.5

Chapter 3

Capital Expenditure Year 0: Cemeteries and Crematoriums					
R' 000					
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	240000	240000	120000	-100%	
Project A	240000	240000	120000	-100%	120000
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0

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

T 3.13.6

3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

COMPONENT E: ENVIRONMENTAL PROTECTION

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

N/A

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Chapter 3

COMPONENT G: SECURITY AND SAFETY

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

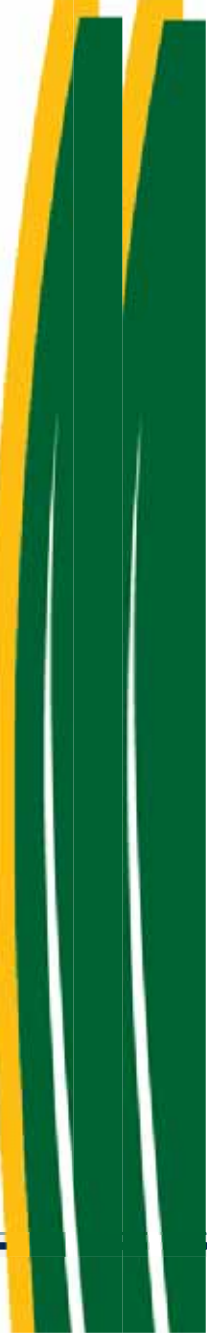
INTRODUCTION TO SECURITY & SAFETY

The municipality has a fire station centre responding to emerging fires and fire veld; motor licensing and drivers licensing are provided to communities at a cost. Engcobo has an impoundment function aimed at controlling astray animals which are fed whilst under arrest.

T3.65.0

Chapter 3

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Chapter 3

3.66 FIRE

INTRODUCTION TO FIRE SERVICES

Fire Services

1. Community support with blankets, food parcels and clothing
2. Assist with liaising with relevant sector departments for further assistance

T3.66.1

Fire Service Data

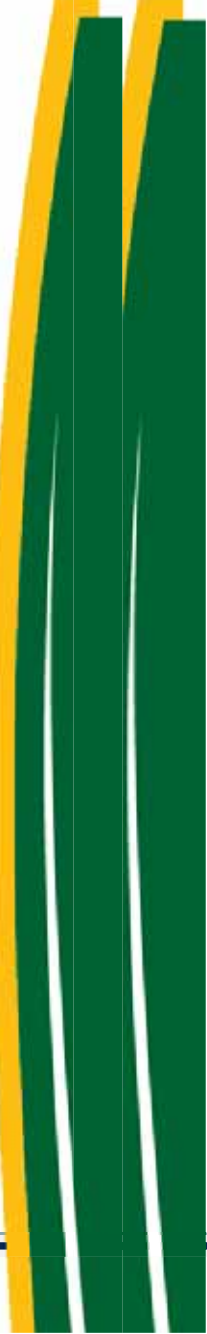
Details	2010	2011		2012
	Actual No.	Estimate No.	Actual No.	Estimate No.
Total fires attended in the year	5	7	9	7
Total of other incidents attended in the year	6	4	6	9
Fire fighters in post at year	1	5	3	3

Chapter 3

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Chapter 3

Employees: Fire Services					
Job Level	2007/08		2008/09		
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	1	1	1	0	0%
4 - 6	3	3	3	0.5	17%
7 - 9	6	6	6	1.5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2.2	24%
16 - 18	11	11	11	0.9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7.1	13%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.66.4

Financial Performance 2008/09: Fire Services					
Details	R'000				
	2007/08 Actual	Original Budget	Adjustment Budget	2008/09 Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%
Expenditure:					
Fire fighters					
Other employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational (Service) Expenditure	75	607	650	649	6%

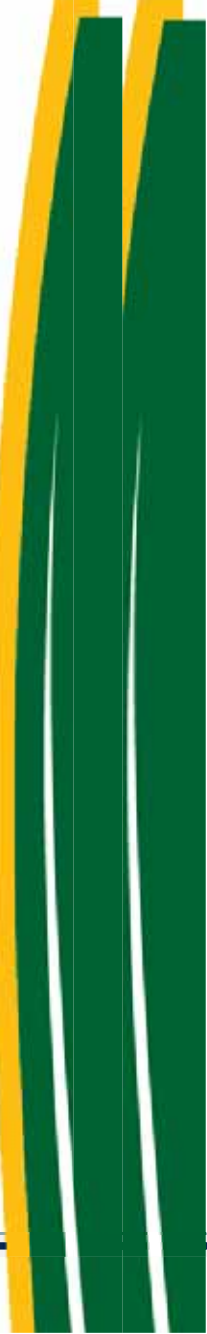
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.66.5

Chapter 3

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Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

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

T3.69.0

3.69 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

Delete Directive note once comment is complete – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year.

T3.69.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

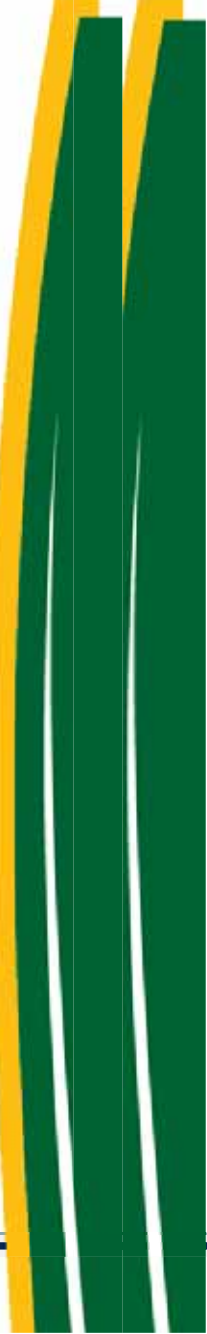
T3.69.2

Chapter 3

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Chapter 3

LEAF BRO



Chapter 3

Employees: The Executive and Council						
Job Level	2007/08		2008/09			
	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	0.5	17%	
7 - 9	6	6	6	1.5	25%	
10 - 12	7	7	7	1	14%	
13 - 15	9	9	9	2.2	24%	
16 - 18	11	11	11	0.9	8%	
19 - 20	18	18	18	1	6%	
Total	55	55	55	7.1	13%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.69.4

Financial Performance 2008/09: The Executive and Council					
Details	R'000				
	2007/08	2008/09			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational (Service) Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.69.5

Capital Expenditure 2008/09: The Executive and Council					
Capital Projects	R' 000				
	2008/09				
	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

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). T3.69.6

Chapter 3

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2008/09 and/or previous year actuals, or expected future variations).

T3.69.7

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Delete Directive note once comment is complete – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year.

T3.70.1

Chapter 3

Debt Recovery								
Details of the types of account raised and recovered	2007/08		2008/09			2009/10		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates								
Electricity - B								
Electricity - C								
Water - B								
Water - C								
Sanitation								
Refuse								
Other								
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.								T3.70.2

Concerning T3.70.2

Delete Directive note once table is complete – The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T3.70.2.1

Chapter 3

Employees: Financial Services						
Job Level	2007/08		2008/09			
	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	0.5	17%	
7 - 9	6	6	6	1.5	25%	
10 - 12	7	7	7	1	14%	
13 - 15	9	9	9	2.2	24%	
16 - 18	11	11	11	0.9	8%	
19 - 20	18	18	18	1	6%	
Total	55	55	55	7.1	13%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.70.4

Financial Performance 2008/09: Financial Services					
Details	R'000				
	2007/08	2008/09			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational (Service) Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.70.5

Capital Expenditure 2008/09: Financial Services					
Capital Projects	R' 000				
	2008/09				
	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

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). T3.70.6

Chapter 3

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2008/09 and/or previous year actuals, or expected future variations).

T3.70.7

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources is a sub-directorate of Corporate Services. It has eight (8) components namely recruitment, conditions of service, individual Performance management, labour relations, employee wellness, occupational health and safety, Human Resource Development and OD.

The key priorities of the section are as follows:

1. Human Resource Development – training Committee has been established and launched. Workplace Skills Plan was developed and implemented
2. Recruitment and selection - budgeted vacant posts were filled except for those that we could not get suitable candidates and we had to train people from within the institution
3. Performance Management – PMS is in place and all managers signed performance agreements. Performance assessments were done as per legislation.

T3.71.1

Chapter 3

Employees: Human Resource Services						
Job Level	2007/08		2008/09			
	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	0.5	17%	
7 - 9	6	6	6	1.5	25%	
10 - 12	7	7	7	1	14%	
13 - 15	9	9	9	2.2	24%	
16 - 18	11	11	11	0.9	8%	
19 - 20	18	18	18	1	6%	
Total	55	55	55	7.1	13%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.71.4

Financial Performance 2008/09: Human Resource Services					
Details	R'000				
	2007/08	2008/09			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational (Service) Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.71.5

Capital Expenditure 2008/09: Human Resource Services					
Capital Projects	R' 000				
	2008/09				
	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

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T3.71.6

Chapter 3

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Despite the fact that there is insufficient personnel the department has performed very well and as such there was no query raised by the Auditor General.

T3.71.7

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Engcobo Local Municipality's Information Communication Technology (ICT) division is responsible for providing Information, Communication and Technology support services to its internal clients.

From time to time, the Municipality engages in various initiatives with the intention of enhancing Information and Communication Technologies services that are delivered to support its delivery objectives.

The municipality currently runs its operations on the following IT platforms;

A. Promun Financial System.

A Linux based program integrated with the windows operating systems. It's mainly used by the finance and human resource departments and only relies on the technical part on the IT departments. It's not an internet based system which makes it highly secured as its sever managed with the use of secured passwords renewed monthly and it's also assigned under the domain policies where you have to enter your password not more than three times before its locked.

B. Internet Services.

Supplied by a contracted service provider by means of an ADSL solution 1MB every month. It has been programmed as a firewall for in and outgoing dials, VPN or remote access by means of a strong and guaranteed encrypted username and password.

T3.72.1

Chapter 3

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Chapter 3

ICT Services Policy Objectives Taken From IDP									
Service Objectives	Year - 1		Year 0		Year 1		Year 3		Follo wing Year (x)
	Outline Service Targets		Actual		Target		Actual		
	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	*Current Year (viii)	Target *Current Year (ix)	*Follo wing Year (x)		
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Financial Systems (promun)	N/A	proposals were requested from vendors and were submitted and the resolution was taken	the VPN solution is at 75% before completion	N/A	To have the remote access of the financial systems whilst offsite via VPN (vpn in process)	N/A	N/A	N/A	N/A
Exchange Solution	N/A	the on going VPN project plans to have the exchange backup offsite be possible	the VPN solution is at 75% before completion	N/A	To have the remote access of the financial systems whilst offsite via VPN (vpn in process)	N/A	N/A	N/A	N/A
ISA	N/A	by means of a firewalled ADSL the municipal information's security was assured	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Municipal Website	N/A	a formal tender was issued for vendors to design and host the website	the website is up and running	the website is up and running	the website is up and running	the website is up and running	the website is up and running	the website is up and running	the website is up and running

Chapter 3

DRAFT

Chapter 3

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

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T3.27.4

Financial Performance 2008/09: ICT Services					
Details	R'000				
	2007/08	2008/09			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational (Service) Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.
T3.72.5

Chapter 3

Capital Expenditure 2008/09: ICT Services					
R' 000					
Capital Projects	2008/09				
	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
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.72.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2008/09 and/or previous year actuals, or expected future variations).

T3.72.7

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Delete Directive note once comment is complete – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year.

T3.73.1

Chapter 3

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Chapter 3

Employees: Property; Legal; Risk Management; and Procurement Services						
Job Level	2007/08		2008/09			
	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	0.5	17%	
7 - 9	6	6	6	1.5	25%	
10 - 12	7	7	7	1	14%	
13 - 15	9	9	9	2.2	24%	
16 - 18	11	11	11	0.9	8%	
19 - 20	18	18	18	1	6%	
Total	55	55	55	7.1	13%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.73.4

Financial Performance 2008/09: Property; Legal; Risk Management; and Procurement Services					
R'000					
Details	2007/08	2008/09			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational (Service) Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.73.5

Capital Expenditure 2008/09: Property; Legal; Risk Management; and Procurement Services					
R' 000					
Capital Projects	2008/09				
	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

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T3.73.6

Chapter 3

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2008/09 and/or previous year actuals, or expected future variations).

T3.73.7

DRAFT

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The municipality developed and adopted organizational structure which is reviewed annually. The organizational structure had 168 approved posts 12 of which are vacant.

There are six (6) directorates namely Office of the Municipal Manager, Corporate Services, Budget, Treasury and Operations, Integrated Planning and Economic Development, Community Services and Technical Services. All Section 56 Managers have been filled except Community Services which is delayed by recruitment processes. All Senior Managers have signed performance agreements and in 2013/14 the municipality will cascade performance management to the level below section 56 managers.

The municipality has a Human Resource Development Section with an appointed Skills Development Facilitator. There are several staff development initiatives which are all entailed in the 2012/13 Workplace Skills Plan and these include Internship, Pivotal programs (formal qualifications), Skills Programs and Certificate program. In this year we have started a program of external bursary for destitute children to pursue Bachelor of Commerce. Out of the three children that were identified only one (1) turned out and has enrolled with the University of Fort Hare.

The Municipality has adopted 23 HR Policies in the year under review three of which were new and the rest were reviewed

Currently there are no post levels/ TASK Grades due to the fact that the union did not accept the Job Evaluation Results in 2010 and because the 2010 Collective Agreement had lapsed we could not benchmark and the Chris Hani Job Evaluation Unit formed was not functional leading to the municipality procuring Service provider to conduct job evaluation. The process will be finalized in 2013/14 financial year.

Labour Relations – There were several disciplinary actions taken against employees who committed acts of misconduct and almost all cases were finalized except one case which started in June 2013. These cases were further referred to the SALGBC for Arbitration some are still in progress and some have been finalized completely.

Challenges

- There is no Human Resources Manager resulting in the Corporate Services Manager being operational
- Shortage of Staff
- Technical Capacity of the municipality

Chapter 4

-Organizational Structure not aligned to IDP
-Jobs not graded resulting to salary disparities

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

Employees					
Description	2011/2012	2012/2013			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	18	21	20	1	4.76%
Waste Water (Sanitation)	4	4	4	0	0.00%
Electricity		0	0	0	
Waste Management	52	54	49	5	
Housing	2	2	2	0	0%
Waste Water (Stormwater Drainage)				0	
Roads	18	18	18	0	0.00%
Transport		0	0	0	
Local Economic Development	5	6	5	1	16.67%
Planning (Strategic & Regulatory)		2	2	0	0.00%
Community & Social Services	21	25	24	1	
Environmental Protection	1	1	1	0	
Health					
Security and Safety	5	7	5	2	
Sport and Recreation				0	
Corporate Policy Offices and Other	20	28	27	1	3.57%
Finance	17	21	20	1	5%
Totals	163	168	157	12	7%

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.

T 4.1.1

Vacancy Rate: Year 2012/13

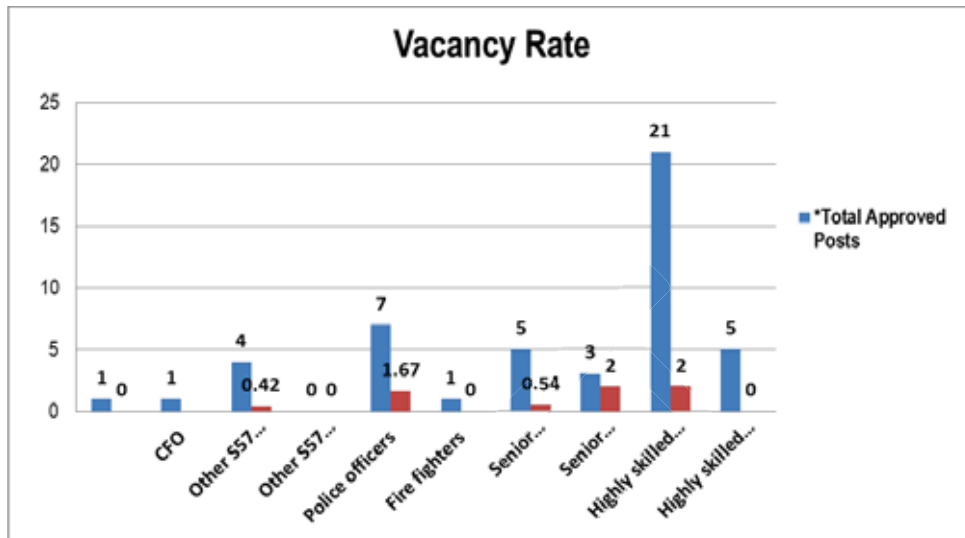
Chapter 4

Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1		0.00
Other S57 Managers (excluding Finance Posts)	4	0.42	10.50
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	7	1.67	23.86
Fire fighters	1	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	5	0.54	10.80
Senior management: Levels 13-15 (Finance posts)	3	2	66.67
Highly skilled supervision: levels 9-12 (excluding Finance posts)	21	2	9.52
Highly skilled supervision: levels 9-12 (Finance posts)	5	0	0.00
Highly skilled production (levels 6-8)	14	2	14.29
Skilled (Levels 3-5)	49	0.67	1.37
Lower skilled (Levels 1-2)	51	0.92	1.80
Total	162	6.63	4.09

*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

Chapter 4



Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2010/2011	150	8	5%
2011/12	163	8	5%
2012/13	157	8	5%

* 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 contract of Community Services Manager expired in January 2013 and processes for filling the vacancy are underway but we could not get a suitable candidate. The post has been re-advertised.

The post of the accountant was vacant because she was dismissed from the employ of the municipality following a disciplinary process.

The post of Traffic Officer was vacant because the incumbent was promoted to a senior post and we could not get a suitable candidate. The Council resolved that we should train a person from within the municipality so as to promote the upward mobility of staff.

Chapter 4

TURNOVER

There were three (3) retirements in the year under review, three (3) dismissals, one resignation and the last one was for end of contract. The resignation was for an Intern who went back to school to finish his studies

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.he

~~Directive note once comment is complete~~ – Discuss the range and emphasis of workforce management at your municipality and briefly mention progress made with the development of workforce policies and management practices during the year.

T4.2.0

4.2 POLICIES

HR Policies and Plans

Chapter 4

	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Attraction and Retention		100	31-May-13
2	Code of Conduct for employees		100	31-May-13
3	Delegations, Authorisation & Responsibility	100		25-Sep-12
4	Disciplinary Code and Procedures		100	31-May-13
5	Grievance Procedures	100		31-May-13
6	HIV/Aids		100	31-May-13
7	Human Resource and Development		100	31-May-13
8	Job Evaluation	100		25-Sep-12
9	Leave		100	31-May-13
10	Official Housing		100	31-May-13
11	Official Journeys (S&T)		100	31-May-13
12	Official Working Hours and Overtime		100	31-May-13
13	Performance Management and Development		100	31-May-13
14	Recruitment, Selection and Appointments		100	31-May-13
15	Sexual Harassment		100	31-May-13
16	Skills Development		100	31-May-13
17	Smoking		100	31-May-13
18	Other: Telephone & Cellphone Policy		100	31-May-13
19	Transport Policy		100	31-May-13
20	Standby Policy		100	31-May-13
21	Acting Allowance Policy		100	31-May-13
22	Vehicle Allowance Policy		100	31-May-13
23	Night Work and Shift Allowance Policy		100	31-May-13

T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The municipality reviewed all existing policies and developed delegation of authority as well as job evaluation policy and all these policies were adopted by the Council.

T4.2.1.1

Chapter 4

4.3 INJURIES, SICKNESS AND SUSPENSIONS

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	0	0		0	0
Temporary total disablement	0	0		0	
Permanent disablement	0	0		0	
Fatal	0	0		0	
Total	0	0		0	0

T 4.3.1

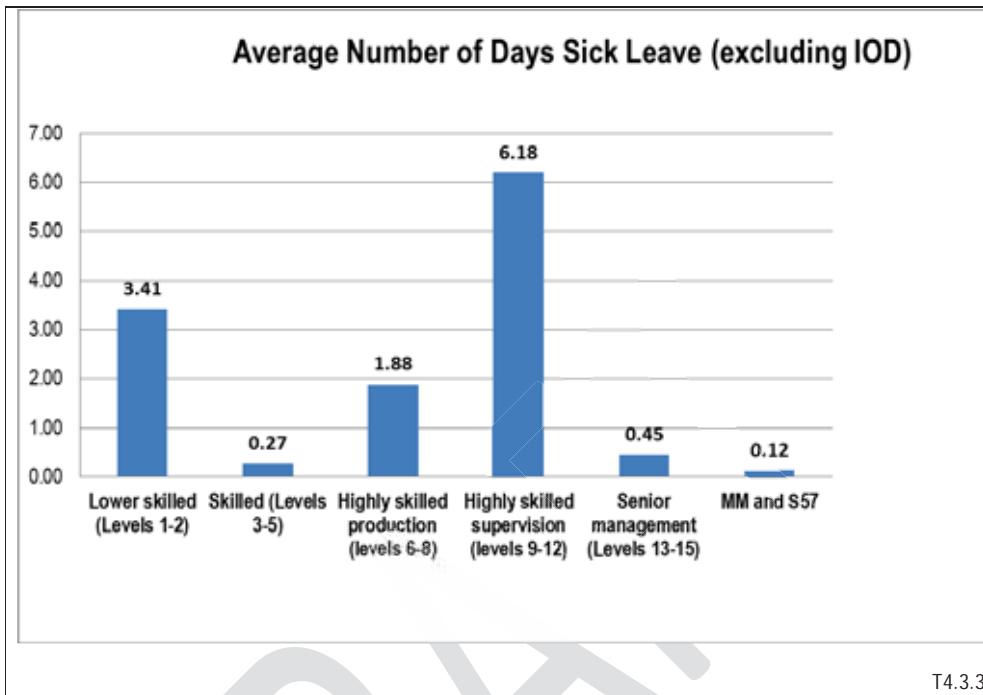
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	167	0%		14	3.41	N/A
Skilled (Levels 3-5)	13	0%		3	0.27	N/A
Highly skilled production (levels 6-8)	92	0%		11	1.88	N/A
Highly skilled supervision (levels 9-12)	303	0%		15	6.18	N/A
Senior management (Levels 13-15)	22	0%		5	0.45	N/A
MM and S57	6	0%		1	0.12	N/A
Total	603	0%	0	49	12.31	N/A

* - 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

Chapter 4



COMMENT ON INJURY AND SICK LEAVE:

There were no injuries on duty reported in the year under review.

It is evident from the above graph that the highly skilled supervision category has the highest number of sick leave days. This is because these employees would for instance spend two months in hospital or their illnesses required them to take longer leaves for example there was an employee who took more than 90 days sick leave. In cases like this the municipality would send them to the municipality's doctor. Leave in general is monitored through monthly reconciliations.

T4.3.4

Chapter 4

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
Assistant Manager Accountant	Fraud, gross negligence and gross dishonesty	30-Jul-12	Disciplinary hearing was conducted and was eventually dismissed on the 17th May 2013. She appealed and the matter was taken to Arbitration and the matter was eventually settled	28-Aug-13
Expenditure Clerk	Fraud and gross negligence	30-Jul-12	Disciplinary hearing was conducted and was eventually dismissed on the 15th May 2013. he appealed and the matter was taken to Arbitration and the matter has not been settled yet	15-May-13
Ordering Clerk	Fraud and gross negligence	30-Jul-12	Disciplinary hearing was conducted and in January 2013 she was found guilty on some charges but others were withdrawn. The sentence was that she should be suspended without pay for 10 days, split over three months and that she should be removed from Finance Department	06-Feb-13
Cashier	Theft & Gross Negligence	19-Sep-12	Disciplinary hearing was conducted and she was found guilty on the Theft Charge and was dismissed on the 18th March 2013. She appealed and the Appeal Presiding Officer confirmed the findings of the Presiding Officer of the disciplinary hearing. She then took the matter to the SALGBC and the arbitration scheduled for 25 October 2013 was postponed to 13th January 2014	18-Mar-13

Chapter 4

Speaker's Secretary	Breach of Item 9 of Code of Conduct, Gross Dishonesty and Breach of SCM Policy	08-May-13	Disciplinary hearing was conducted and was eventually dismissed on the 25th October 2013. She appealed and she lost it and took the matter to SALGBC.	25-Oct-13
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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
Assistant Manager Accountant	Fraud, gross negligence and gross dishonesty. R2.6 million	Disciplinary hearing was conducted and was eventually dismissed on the 17th May 2013. She appealed and the matter was taken to Arbitration and the matter was eventually settled	28-Aug-13
Expenditure Clerk	Fraud and gross negligence. R2.6 million	Disciplinary hearing was conducted and was eventually dismissed on the 15th May 2013. he appealed and the matter was taken to Arbitration and the matter has not been settled yet	15-May-13
Ordering Clerk	Fraud and gross negligence. R2.6 million	Disciplinary hearing was conducted and in January 2013 she was found guilty on some charges but others were withdrawn. The sentence was that she should be suspended without pay for 10 days, split over three months and that she should be removed from Finance Department	06-Feb-13
Cashier	Theft & Gross Negligence. R12 099.00.	Disciplinary hearing was conducted and she was found guilty on the Theft Charge and was dismissed on the 18th March 2013. She appealed and the Appeal Presiding Officer confirmed the findings of the Presiding Officer of the disciplinary hearing. She then took the matter to the SALGBC and the arbitration scheduled for 25 October 2013 was postponed to 13th January 2014	18-Mar-13
Speaker's Secretary	Breach of Item 9 of Code of Conduct, Gross Dishonesty and Breach of SCM Policy. R16250.00	Disciplinary hearing was conducted and was eventually dismissed on the 25th October 2013. She appealed and she lost it and took the matter to SALGBC.	25-Oct-13

T 4.3.6

Chapter 4

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The disciplinary processes started on time but the hearings took longer than four months due to tight schedule of the representatives which resulted to postponements.

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	0	0		
	Male	0	0		
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female	1	1	R 22 066.63	100%
	Male	4	4	R 112 893.84	100%
Total		5	5	R 134 960.47	

Has the statutory municipal calculator been used as part of the evaluation process?

Yes

Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).

T 4.4.1

The disciplinary processes started on time but the hearings took longer than four months due to tight schedule of the representatives which resulted to postponements.

Chapter 4

T4.3.7

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

Performance Management applies to Section 57 Managers. It will only be cascaded in 2013/14 financial year to the level below section 57. The Managers signed performance agreements and assessment was conducted by the panel. The performance bonus was paid as per the performance assessment report from the panel.

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

Delete Directive note once comment is complete – Discuss the way ahead and the improvements made and the challenges faced for capacity development in your municipality.

T4.5.0

Chapter 4

DRAFT

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

4.5 SKILLS DEVELOPMENT AND TRAINING

Management level	Gender	Employees in post as at 30 June Year 0	Skills Matrix													
			Learnerships			Skills programmes & other short courses			Other forms of training			Total				
			Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target		
MM and s57	Female		2				2					4				
	Male		4				3					7				
Councillors, senior officials and managers	Female		6				1					7				
	Male		8				3					11				
Technicians and associate professionals*	Female															
	Male															
Professionals	Female		1													
	Male		3													
Sub total	Female															
	Male															
Total		0	24	0	0	0	5	0	0	0	0	14	0	43	0	0

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

T 4.5.1

Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated : Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	1	2	0	0	0
Chief financial officer	1	1	2	0	0	0
Senior managers	2	2	4	0	0	0
Any other financial officials	5	5	10	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	1	2	0	0	0
Supply chain management senior managers	0	0	0			
TOTAL	10	10	20	0	0	0

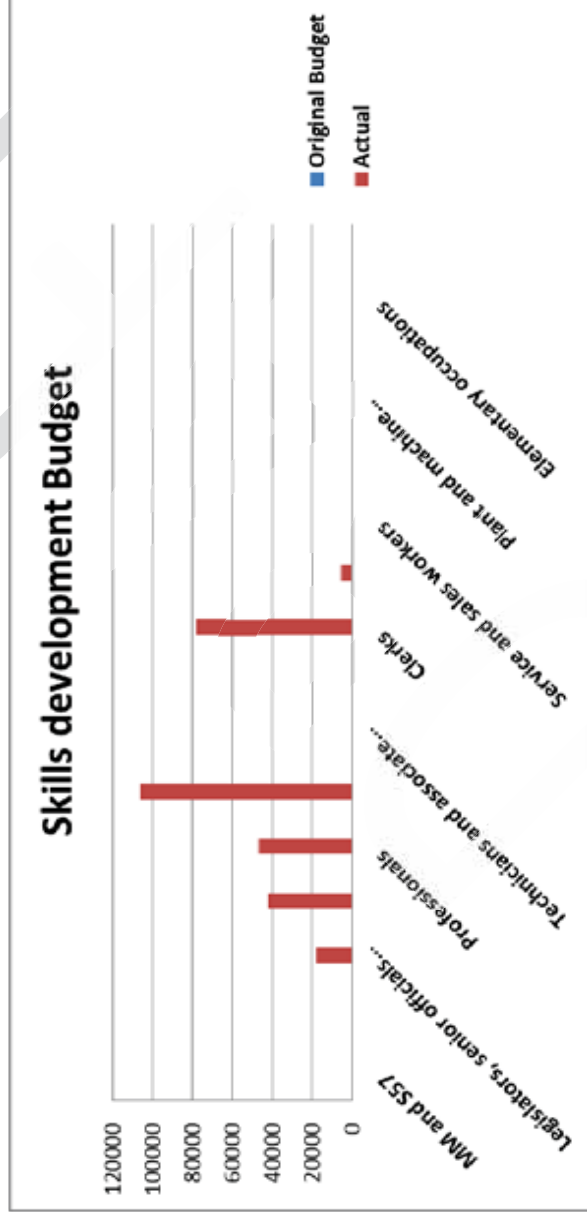
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T 4.5.2

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		Other forms of training		Total		Original Budget	Actual	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual				
MM and S57	Female	2										
	Male	2		84236							6300	
Legislators, senior officials and managers	Female	2		18000								18000
	Male	1		42118								42118
Professionals	Female	2		42118		2736					1900	46754
	Male	6		93236		6840					6300	106376
Technicians and associate professionals	Female											
	Male											
Clerks	Female	3		73118							5000	78118
	Male	2				5472						5472
Service and sales workers	Female											
	Male											
Plant and machine operators and assemblers	Female											
	Male											
Elementary occupations	Female											
	Male											

Chapter 4

Sub total	Female	9	133236	2736			
	Male	11	219590	12312			
Total		20	352826	15048	0	0	36787
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.							
							*R
T4.5.3							



Chapter 4

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

Delete Directive note once comment is complete – Comment on the adequacy of training plans and the effectiveness of implementation at your municipality. Explain variances between actual and budgeted expenditure. Also comment on the adequacy of funding (eg is it intended to increase or decrease this level of spending in future years and how is the value of the training activity assessed?) Refer to MF MA Competency Regulations, the range of officials to which it relates and the deadline of 2013 by which it will become fully effective. Discuss the progress made on implementation at your municipality as reflected in T4.5.4 above.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

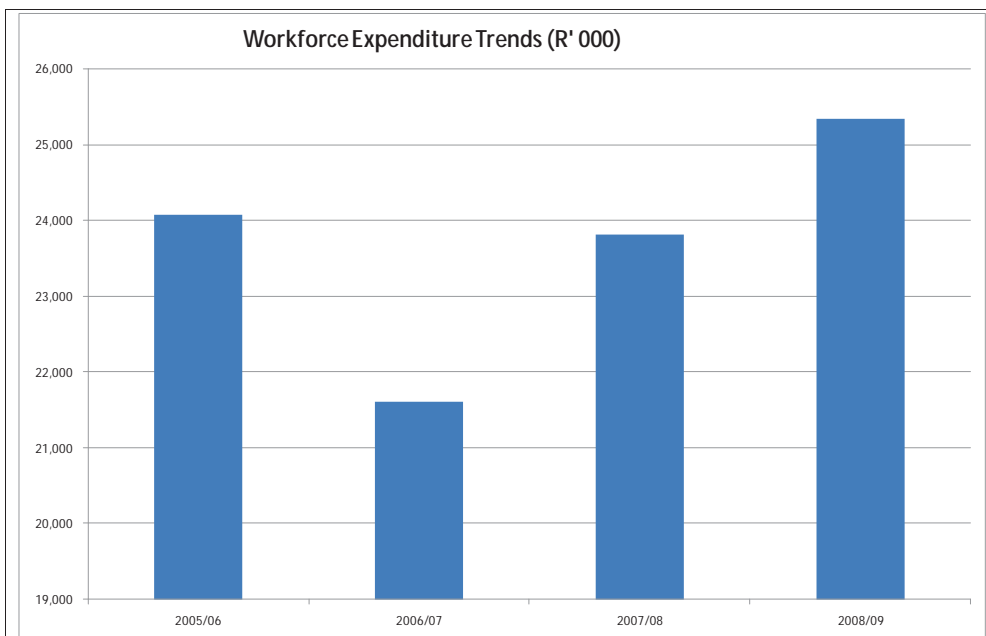
INTRODUCTION TO WORKFORCE EXPENDITURE

Delete Directive note once comment is complete – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (eg within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

T4.6.0

Chapter 4

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T4.6.1

COMMENT ON WORKFORCE EXPENDITURE:

Delete Directive note once comment is complete – Explain the spending pattern in the context of the actual and two previous years plus the budget year. Refer to implications for workforce ratio in Chapter 5. Comment on factors influencing workforce expenditure during the year

T4.6.1.1

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	
	Male	1
Highly skilled production (Levels 6-8)	Female	
	Male	1
Highly skilled supervision (Levels9-12)	Female	1
	Male	
Senior management (Levels13-16)	Female	
	Male	1
MM and S 57	Female	
	Male	
Total		4

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

T 4.6.2

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

There were four (4) promotions in the year under review which are as follows

<u>Old Post</u>	<u>New Post</u>
Water Attendant	Truck Driver
Committee Clerk	Senior Committee Clerk
Traffic Officer	Senior DLTC Examiner
Strategic Coordinator	Council Support Manager

There were no employees whose grades exceeded those stipulated by Job Evaluation

Also there were no employees appointed to unapproved posts.

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

Chapter 4

Delete Directive note once comment is complete – Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix J**. Make other comments as appropriate.

T4.6.6

DRAFT

Chapter 4

DRAFT

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Comment [SJ2]: Mzi to finalise

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 sort to contain escalating costs by always striving to source comparative quotations and to test the market when required to. Negotiations were also entered into with suppliers.

The 5 most expensive contracts were as follows:

1. PWC: Preparation of the fixed assets register and preparation of financial statements = R1.2 million
2. Sizanani Consulting: Preparation of the valuation roll = R1.2 million
3. Max Prof (Pty) Ltd: VAT = 25% of all approved returns.

T5.0.1

Chapter 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The purpose of the **Statement of Financial Performance** is to give an account of the results of the municipality's operations for the year under review. These transactions result from the operating budget of Council. The result is expressed as being either a surplus or a deficit (being the difference between Revenue and Expenditure). A surplus is indicative of Revenue being more than Expenditure and a deficit of Expenditure being more than Revenue. The purpose of the Statement of Financial Position is to give an account of the assets and liabilities of the municipality at the end of the financial year. Net assets are shown which the difference between the assets and the liabilities is. If the municipality has a net deficit, it is indicative that the municipality has more liabilities than assets, which could be interpreted as being insolvent. Engcobo local Municipality is currently at a net asset position.

The **Cash Flow Statement** shows the net CASH result. Here accruals are not applicable as the focus is on cash movements. Technically the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 11 withdrawals reports submitted to Council.

There are three main categories:

Net cash resulting from operating activities – this section shows the result of the operations of Council in cash terms. It includes the rendering of municipal services, purchasing of inventory kept in stores, debtors and creditors transactions and interest paid and received.

Net cash resulting from investing activities – this section shows the result from amounts invested (either in assets through the capital budget or as cash investments) as well as investments withdrawn.

Net cash resulting from financing activities – this section shows the result from financing activities, being mainly external loans taken up or redeemed. A healthy financial situation is one where the municipality has a net cash surplus resulting from operations as main source of revenue rather than from financing activities. A second important measure is to look for a correlation between cash generated from financing activities and investing activities which shows that funds borrowed were invested in capital infrastructure and not used for operations. A very dangerous situation would be where there is a net cash deficit from operations, no or limited cash invested but cash received from financing activities. That would be indicative of a municipality utilizing borrowings to fund operations instead of infrastructure assets.

T5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Chapter 5

Financial Summary						
Description	2007/08	Current Year 2008/09			2008/09 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
R' 000						
Financial Performance						
Property rates	-	-	-	-	%	%
Service charges	-	-	-	-	%	%
Investment revenue	-	-	-	-	%	%
Transfers recognised - operational	-	-	-	-	%	%
Other own revenue	-	-	-	-	%	%
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	%	%
Employee costs	-	-	-	-	%	%
Remuneration of councillors	-	-	-	-	%	%
Depreciation & asset impairment	-	-	-	-	%	%
Finance charges	-	-	-	-	%	%
Materials and bulk purchases	-	-	-	-	%	%
Transfers and grants	-	-	-	-	%	%
Other expenditure	-	-	-	-	%	%
Total Expenditure	-	-	-	-	%	%
Surplus/(Deficit)	-	-	-	-	%	%
Transfers recognised - capital	-	-	-	-	%	%
Contributions recognised - capital & contributed assets	-	-	-	-	%	%
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	%	%
Share of surplus/ (deficit) of associate	-	-	-	-	%	%
Surplus/(Deficit) for the year	-	-	-	-	%	%
Capital expenditure & funds sources						
Capital expenditure	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-
Financial position						
Total current assets	-	-	-	-	-	-
Total non current assets	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-
Community wealth/Equity	-	-	-	-	-	-
Cash flows						
Net cash from (used) operating	-	-	-	-	-	-
Net cash from (used) investing	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	-	-	-
Cash backing/surplus reconciliation						
Cash and investments available	-	-	-	-	-	-
Application of cash and investments	-	-	-	-	-	-
Balance - surplus (shortfall)	-	-	-	-	-	-
Asset management						
Asset register summary (WDV)	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-
Free services						
Cost of Free Basic Services provided	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-
Households below minimum service level						
Water:	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-
Energy:	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1

T5.1.1

Chapter 5

Financial Performance of Operational Services							R '000
Description	2007/08	2008/09			2008/09 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	26,485	23,572	28,075	23,042	-2.30%	-21.84%	
Waste Water (Sanitation)	8,541	8,285	9,054	8,456	2.02%	-7.07%	
Electricity	12,355	10,254	12,478	13,219	22.43%	5.61%	
Waste Management	14,232	13,235	13,662	12,097	-9.41%	-12.94%	
Housing	6,542	5,496	5,954	6,346	13.40%	6.19%	
Component A: sub-total	1,865	1,622	1,865	1,510	-7.41%	-23.46%	
Waste Water (Stormwater Drainage)	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Roads	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Transport	5,322	4,470	5,747	4,630	3.45%	-24.14%	
Component B: sub-total	8,455	8,455	8,624	9,554	11.50%	9.73%	
Planning	1,254	1,003	1,191	1,354	25.93%	12.04%	
Local Economic Development	2,516	2,063	2,264	2,340	11.83%	3.23%	
Component B: sub-total	6,846	6,230	7,256	6,640	6.19%	-9.28%	
Planning (Strategic & Regulatory)	12,546	10,413	11,793	11,542	9.78%	-2.17%	
Local Economic Development	2,355	2,190	2,425	2,402	8.82%	-0.98%	
Component C: sub-total	48,542	40,776	48,542	46,115	11.58%	-5.26%	
Community & Social Services	4,565	3,698	4,337	4,291	13.83%	-1.06%	
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Health	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Security and Safety	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Sport and Recreation	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Corporate Policy Offices and Other	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Component D: sub-total	32,808	28,552	35,122	29,145	2.04%	-20.51%	
Total Expenditure	179,353	157,791	181,274	169,118	6.70%	-7.19%	

In this table operational income (but not levies or tariffs) 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.

T5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

Delete Directive note once comment is complete – Comment on variances

T5.1.3

Chapter 5

Grant Performance						
R' 000						
Description	Year 2011/12	Year 2012/13		Year 2012/13 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	116,257	135,629	121,491	134,400	-1%	10%
Equitable share	66,179	76,102	61,964	76,102	0%	19%
Municipal Systems Improvement	804	800	800	800	0%	0%
FMG	1,388	1,500	1,500	1,569	4%	4%
EPWP	-	1,000	1,000	1,097	9%	9%
MIG	21,862	26,227	26,227	20,807	-26%	-26%
Electrification	26,024	30,000	30,000	34,024	12%	12%
Provincial Government:	-	-	1,000	115	100%	-773%
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation - Library Electrification	-		1,000	115	100%	-773%
District Municipality:	28,267	25,160	27,228	21,926	-15%	-24%
Chris Hani District Municipality Grant (Water)	28,267	25,160	27,228	21,926	-15%	-24%
Other grant providers:	3,024	-	-	3,399		
[insert description]	3,024			3,399	100%	100%
Total Operating Transfers and Grants	147,549	160,789	149,719	159,840	-1%	6%

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

T 5.2.1

5.2 GRANTS

Chapter 5

COMMENT ON OPERATING TRANSFERS AND GRANTS:

An analysis of all operating transfers and grants, which are greater than or equal to 10% is shown below:

1. Equitable share (19%) – Variance due to set-off of unspent conditional grant MIG against Equitable Share.
2. MIG (-26%) – The actual figure shown in the table represents amount actually spent, which has been recognised as revenue. The difference is because of the unspent portion of the conditional grant. The whole amount budgeted for has been received.
3. Electrification (12%) – The actual figure shown in the table represents amount actually spent, which has been recognised as revenue. The difference is because of the unspent portion of the conditional grant. The whole amount budgeted for has been received.
4. Sports and Recreation – Library (-773%) - The actual figure shown in the table represents amount actually spent, which has been recognised as revenue. The difference is because of the unspent portion of the conditional grant. The whole amount budgeted for has been received.

T5.2.2

Details of Donor	Actual Grant Year 11/12	Actual Grant Year 12/13	Year 12/13 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
District Municipality						
1. Charcoal & Small Town Revitalisation	520,662.00	2,092,522.00	-	30-Jun-14	30-Jun-14	Production of coal and job creation
2. Mgwali Grant	607,314.00	-	-	30-Jun-13	30-Jun-13	Production of maize and job creation
3. CHDM Grant	30,163,226.00	23,329,586.00	-	30-Jun-14	30-Jun-14	Various projects and activities

T 5.2.3

Chapter 5

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

These are annual unconditional grants received from the district municipality to assist co-ops within Engcobo Local municipality.

T5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset management is crucial function for the sustainability of Engcobo Local Municipality, because it is not possible to sustain service delivery without properly maintained assets. The municipality annually budgets for the upgrade and maintenance of assets on a continuous basis. The municipality has an asset management policy. The asset management unit is established under the B.T.O. section but still under capacitated because it is managed by an assets clerk, interns, with the support of the Accountant and CFO. The municipality still utilizes consultants to update both the infrastructure and moveable assets register on a monthly/quarterly basis. The assets management clerk is currently completing a diploma in assets management. All capex expenditure is approved by the CFO. There are no major developments other than to upgrade and to maintain Engcobo infrastructure and to increase office space in the foreseeable future.

T5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2012/13

Asset 1				
Name	UPGRADING OF ENGCOBO STREETS PHASE 3			
Description	UPGRADING OF ENGCOBO STREETS PHASE 3			
Asset Type	TAR ROADS			
Key Staff Involved	TECHNICAL MANAGER			
Staff Responsibilities	MAINTENANCE OF ROAD INFRASTRUCTURE			
	Year 09/10	Year 10/11	Year 11/12	Year 12/13
Asset Value	1,721,521.22	1,538,809.94	6,223,943.09	1,925,129.88
Capital Implications	GRANT FUNDING - MIG			
Future Purpose of Asset	TO PROVIDE BETTER ACCESS TO AND FROM RESIDENTIAL AREAS			
Describe Key Issues	EXPANSION OF ELM INFRASTRUCTURE			
Policies in Place to Manage Asset	ASSET MANAGEMENT POLICY			
Asset 2				
Name	GUBENGXA ACCESS ROAD			

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Description	ACCESS ROAD			
Asset Type	GRAVEL ROAD			
Key Staff Involved	TECHNICAL MANAGER			
Staff Responsibilities	MAINTENANCE OF ROAD INFRASTRUCTURE			
	Year 09/10	Year 10/11	Year 11/12	Year 12/13
Asset Value	1,220,106.43	1,403,245.61	5,188,738.20	1,795,462.91
Capital Implications	GRANT FUNDING - MIG			
Future Purpose of Asset	TO PROVIDE BETTER ACCESS TO AND FROM RESIDENTIAL AREAS			
Describe Key Issues	EXPANSION OF ELM INFRASTRUCTURE			
Policies in Place to Manage Asset	ASSET MANAGEMENT POLICY			
Asset 3				
Name	TRUCK			
Description	NISSAN TIPPER RUCK			
Asset Type	HEAVY DUTY VEHICLE			
Key Staff Involved	TECHNICAL MANAGER			
Staff Responsibilities	MAINTENANCE OF ROAD INFRASTRUCTURE			
	Year 09/10	Year 10/11	Year 11/12	Year 12/13
Asset Value	1,137,826.21	1,014,307.47	4,177,063.74	1,027,311.00
Capital Implications	EQUITABLE SHARE			
Future Purpose of Asset	TO PROVIDE BETTER ACCESS TO AND FROM RESIDENTIAL AREAS			
Describe Key Issues	EXPANSION OF ELM INFRASTRUCTURE			
Policies in Place to Manage Asset	ASSET MANAGEMENT POLICY			

T 5.3.2

COMMENT ON ASSET MANAGEMENT:

The costs of these projects were established by engineers and once that was done the municipality tendered for the completion of the roads. A reasonable estimate of the costs was obtained in the open market for both the projects and the truck. Project files are readily available for inspection

T5.3.3

Repair and Maintenance Expenditure: Year 2012/13				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget Variance
Repairs and Maintenance Expenditure	12,297,258.00	11,323,285.00	6,632,294.00	41%

T 5.3.4

Chapter 5

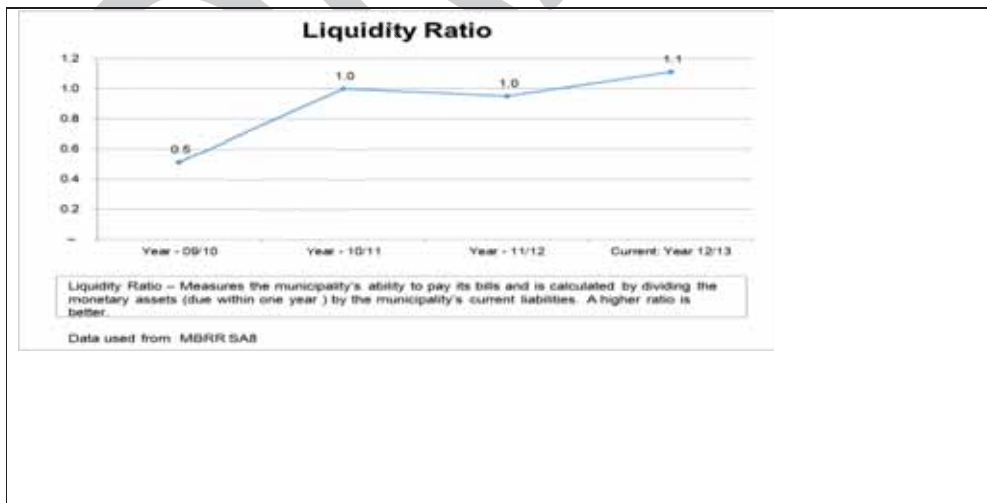
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The repairs and maintenance expenditure for the year under review was lower than anticipated because a lot of the assets did not break down due to the fact that the municipality repairs and maintains its capital assets on a regular basis. New assets were procured during the year, which resulted in lower maintenance costs.

T5.3.4.1

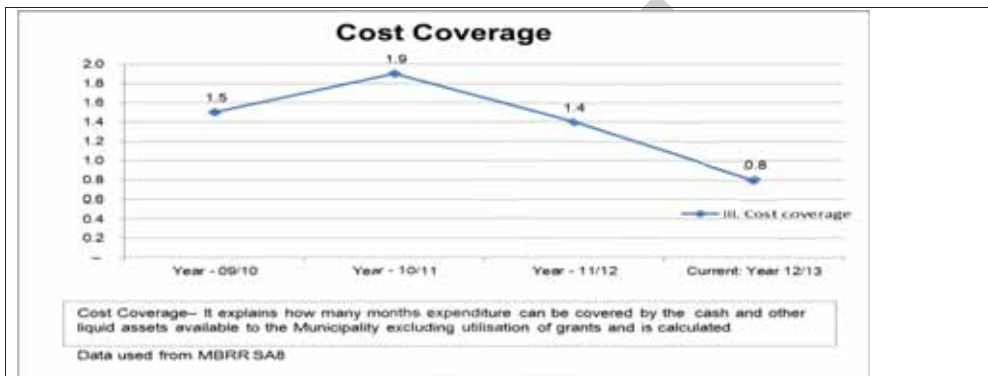
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

BASED ON KEY PERFORMANCE INDICATORS

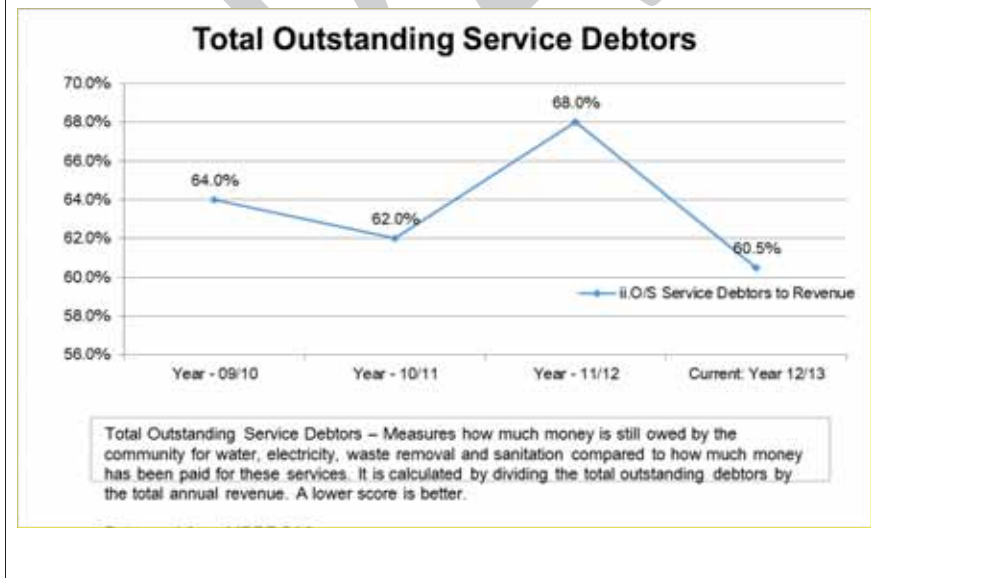


Chapter 5

T5.4.1

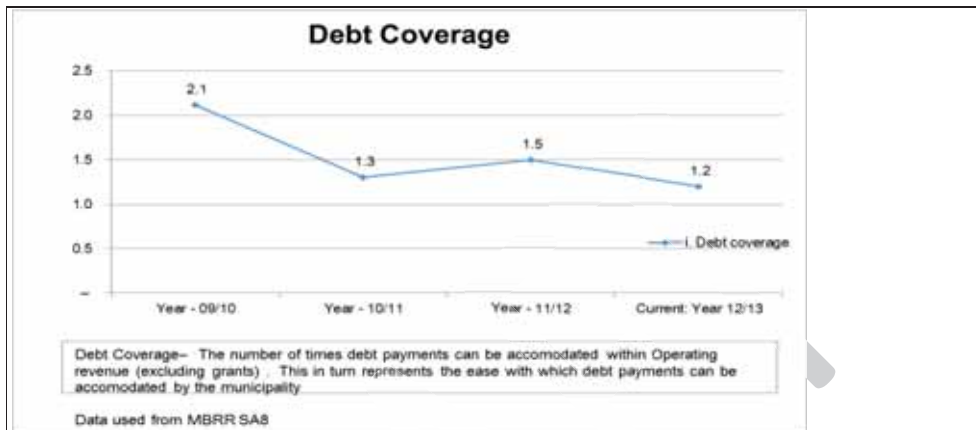


T5.4.2



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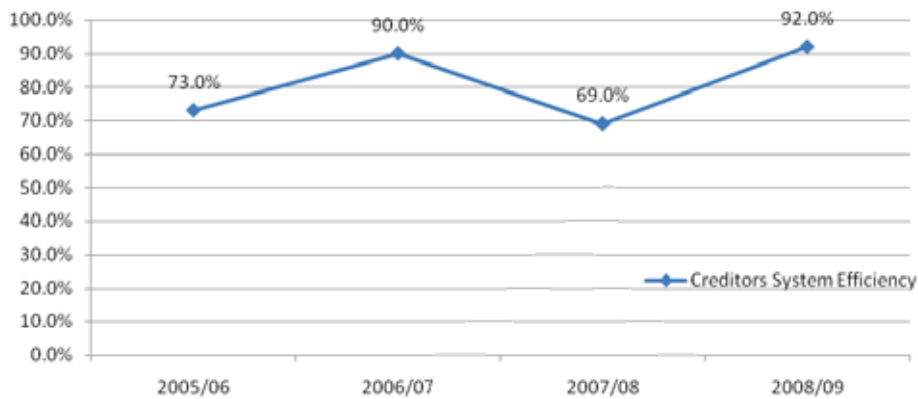
T5.4.3



T5.4.4

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

Capital Charges to Operating Expenditure

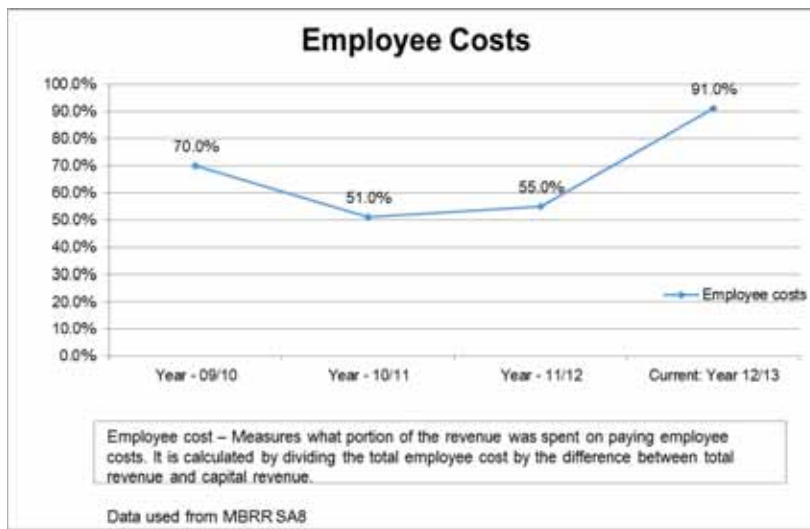


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

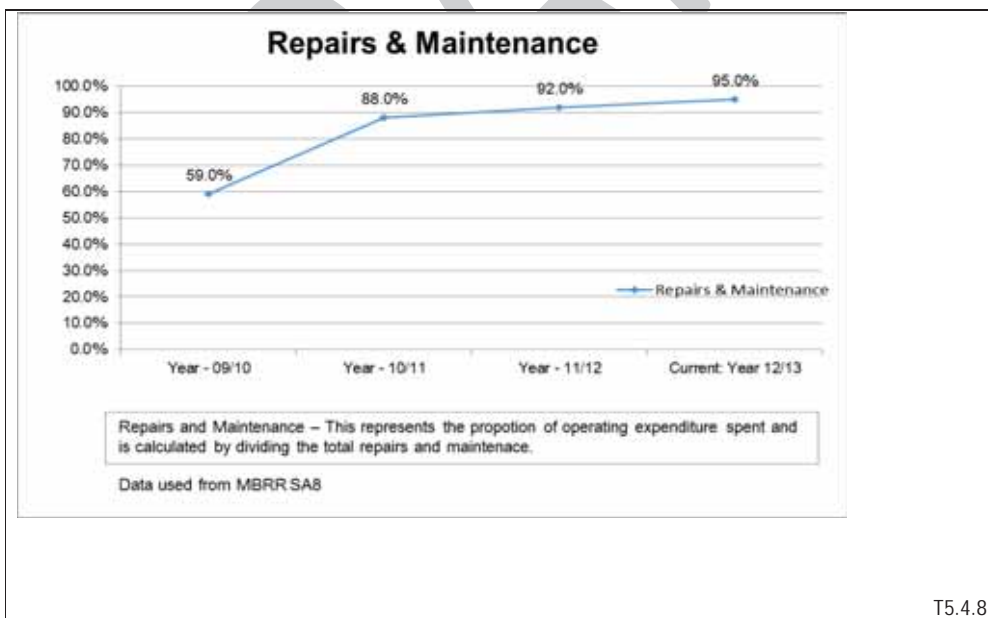
Data used from MBRR SA8

Chapter 5

T5.4.6



T5.4.7



T5.4.8

Chapter 5

COMMENT ON FINANCIAL RATIOS:

1. Liquidity ratio (1.1):

The liquidity ratio has improved significantly from the prior year (0.6), which is primarily due to proper working capital management. The municipality is striving to improve it further by reducing short term liabilities and increasing our current assets. The municipality has also developed a revenue enhancement strategy. However this is proving to be a challenge because of the geographical position of the municipality. It is a rural municipality characterized by high unemployment and poverty.

7. Cost Coverage ratio (0.8):

This ratio has decreased from the prior year (1.4) and it basically means that our liquid assets can only cover one month of the municipality's expenditure. However, the municipality has implemented strategies such as developing a revenue enhancement plan and cost cutting measure. The position of the municipality will improve with these measures.

8. Outstanding Service Debtors To Revenue ratio (60.5%):

Our debtors payment days have improved significantly from the prior year (68%) due to an improved implementation of our credit control policy.

9. Debt Coverage ratio (1.2):

The ratio is not where the municipality would want it to be. As explained in the ratios above, the municipality has implemented strategies to improve our revenue collection rate.

10. Credit System Efficiency ratio (62%):

Our creditors payments days have also improved from the prior year (74%) due to improve internal control measures implemented in order to ensure that suppliers are paid within 30 days.

11. Capital Charges To Operating Expenditure ratio:

Comment [SJ3]: Ask Fetsha about this ratio

12. Employee Costs ratio:

Comment [SJ4]: Ask fetsha

13. Repairs & Maintenance ratio:

Comment [SJ5]: fetsha

COMMENT ON FINANCIAL HEALTH OF THE MUNICIPALITY

The municipality appears to be in a good financial position. Our assets do cover our liabilities. In future it intends to increase expenditure on repairs and maintenance in order to service ageing infrastructure and will be informed by an approved maintenance plan. The municipality also has strategies in place to improve working capital management and revenue collection through its credit control policy.

T5.4.9

Chapter 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

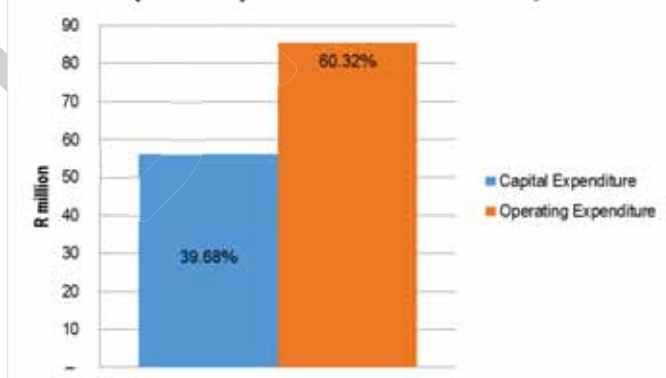
Our capital expenditure relates mainly to construction projects that will have value lasting over many years. The municipality's capital expenditure is funded from grants and operating expenditures and surpluses. The Municipality has demonstrated that it has the capacity to deal with its capital spending and is able to spend the available funding as planned. The municipality has spent 77% of its MIG and it has spent 100% of its current allocation.

Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

T5.5.0

5.5 CAPITAL EXPENDITURE

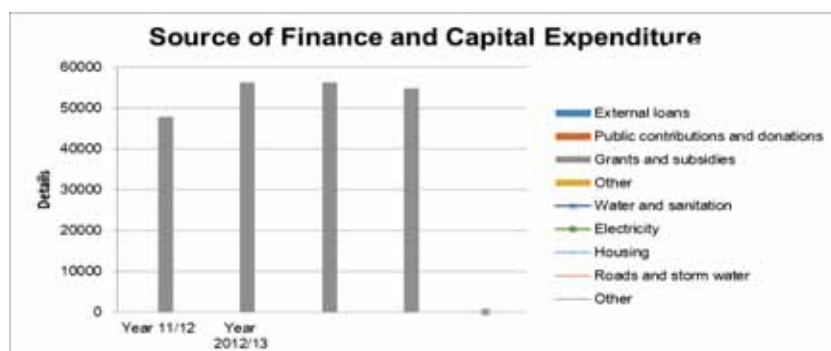
Capital Expenditure: Year 2012/13



T5.5.1

Chapter 5

5.6 SOURCES OF FINANCE



Capital Expenditure - Funding Sources: Year 2011/12 to Year 2012/13

Details		Year 11/12	Year 2012/13				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies	47,886.00	56,227.00	56,227.00	54,832.00	0.00%	-2.48%
	Other						
Total		47886	56227	56227	54832	0.00%	-2.48%
<i>Percentage of finance</i>							
	External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	0.0%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	#DIV/0!	0.0%
	Grants and subsidies	100.0%	100.0%	100.0%	100.0%	#DIV/0!	100.0%
	Other	0.0%	0.0%	0.0%	0.0%	#DIV/0!	0.0%
Capital							

Chapter 5

expenditure							
	Water and sanitation						
	Electricity						
	Housing						
	Roads and storm water						
	Other						
Total		0	0	0	0	0.00%	0.00%
<i>Percentage of expenditure</i>							
	Water and sanitation						
	Electricity						
	Housing						
	Roads and storm water						
	Other						

T5.6.1

COMMENT ON SOURCES OF FUNDING:

The municipality is highly dependent on grant funding. 77% of MIG funding was utilized. The difference is because projects registered within the same year in which they should be implemented, which is not the correct here way. Specialist contractors do not tender for small budget projects as they don't deem them lucrative. As a result a result the contractors that tender are not adequately skilled and/or experienced which results in tenders being re-advertised.

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*						R' 000
Name of Project	Current: Year 0			Variance: Current Year 0		Adjustment variance (%)
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance		

Chapter 5

				(%)	
A - Upgrading of Street	4 000	4 000	2 850	29%	0%
B - Mjanyana Quluqu Electrification	4 634	4 634	3 171	32%	0%
C - Ngcobo Rural Electrification	8 102	8 102	3 171	61%	0%
D - Sandile Link Line	3 952	3 952	2 040	48%	0%
E - Tywina Access Road	1 694	1 694	1 598	6%	0%
<i>* Projects with the highest capital expenditure in Year 0</i>					
Name of Project - A	Upgrading of Streets				
Objective of Project	Upgrade the streets of the Ngcobo Town				
Delays	No suitable contractors could be sorted and the project had to be re-advertised, delivery of specialist materials from commercial sources.				
Future Challenges	None				
Anticipated citizen benefits	Dust free streets, safe and well drained				
Name of Project - B	Mjanyana Quluqu Electrification				
Objective of Project	Electrify rural households within the Mjanyana Quluqu A/A				
Delays	delivery of material by Eskom, performance of contractor due to ground conditions and equipment failures				
Future Challenges	Ground conditions				
Anticipated citizen benefits	improvement of lives				
Name of Project - C	Ngcobo Rural Electrification				
Objective of Project	Provide Electricity for the rural households				
Delays	Eskom approval of new designs for villages				
Future Challenges	none				
Anticipated citizen benefits	improvement of lives				
Name of Project - D	Sandile Link Line				
Objective of Project	Provide electricity connection to 528 connection				
Delays	strikes by the community due to protests over electrification of their areas.				
Future Challenges	none				
Anticipated citizen benefits	electrification of households				
Name of Project - E	Tywina Access Road				
Objective of Project	to provide access for the community of Tywina and surrounding areas				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	improvement of lives				

T5.7.1

COMMENT ON CAPITAL PROJECTS:

Chapter 5

Delete Directive note once comment is complete - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision 2008/09. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The municipality has high backlogs with regards to infrastructure. Infrastructure backlogs are funded in three ways, through the municipality infrastructure grant directly given to the municipality, municipal infrastructure grant funded through the district municipality through its powers and functions and funding from the integrated national electric planning from the Department of Energy. The municipality does not receive funding from the Department of Human Settlements as the department implements projects on behalf of the municipality.

The demarcation process has resulted in the municipality receiving areas that were previously in other municipalities which has seen an increase in the backlogs. The municipality through its powers and functions does not implement water and sanitation projects those are implemented by the district as the WSA (water service provider). The municipality is a WSP (water service provider) responsible for the operation and maintenance of water and sanitation infrastructure.

T 5.8.1

Service Backlogs as at 30 June 2009				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%

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

T5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure Year 2012/13 on Service backlogs					
	R' 000				
Details	Budget	Adjustments Budget	Actual	Variance	Major conditions

Chapter 5

				Budget	Adjustments Budget	applied by donor (continue below if necessary)
Infrastructure - Road transport	26,227	26,227	20,807.00	79%	79%	
<i>Roads, Pavements & Bridges</i>				%	%	
<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>				%	%	
<i>Reticulation</i>				%	%	
Infrastructure - Sanitation				%	%	
<i>Reticulation</i>				%	%	
<i>Sewerage purification</i>				%	%	
Infrastructure - Other				%	%	
<i>Waste Management</i>				%	%	
<i>Transportation</i>				%	%	
<i>Gas</i>				%	%	
<i>Other Specify:</i>				%	%	
				%	%	
				%	%	
Total				%	%	

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

T 5.8.3

COMMENT ON BACKLOGS:

Delete Directive note once comment's completed - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and

Chapter 5

Appendix Q contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T5.8.4

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's primary objective of the 2012/2013 adjustments budget was to improve the cash flow of the municipality. The municipality also has no overdraft facility and that is due to proper cash flow management processes. A daily cash management process is in place and is monitored closely by the CFO. The adjustments budget reduced operating expenditure to more affordable levels. The liquidity levels will be increased in a steady manner to avoid a sudden negative impact on service delivery resulting from a once-off change in cash management practices. The priority for the next budget cycle will be to review a formal cash management policy with targets set to ensure that we also have cash reserves for depreciation.

T5.9.0

Chapter 5

5.9 CASH FLOW

Cash Flow Outcomes				
Description	Year 11/12	Current: Year 2012/13		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	4,764	10,285	10,285	5,621
Government - operating and capital	164,033	165,664	153,157	151,742
Interest	2,231	1,650	1,650	2,267
Other receipts	7,814	-	-	3,915
Payments				
Suppliers and Employees	(124,499)	(100,405)	(107,180)	(120,410)
Finance charges	(46)	(210)	(210)	(2)
Transfers and Grants				(355)
NET CASH FROM/(USED) OPERATING ACTIVITIES	54,297	76,984	57,702	42,780
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	50,684			980
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(75,626)	(67,492)	(67,675)	(38,817)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(24,942)	(67,492)	(67,675)	(37,837)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Other non-cash items - lease	1,225			
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				

Chapter 5

Repayment of borrowing	(329)			(173)
NET CASH FROM/(USED) FINANCING ACTIVITIES	896	-	-	(173)
NET INCREASE/ (DECREASE) IN CASH HELD	30,251	9,492	(9,973)	4,770
Cash/cash equivalents at the year begin:	26,458	26,441	26,441	56,710
Cash/cash equivalents at the year-end:	56,710	35,933	16,468	61,480
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

COMMENT ON CASH FLOW OUTCOMES:

Engcobo Local Municipality is in a healthy cash flow position because of cash flows generated from operations. The municipality has no borrowing facilities and has not used any cash from external loans. All cash balances are generated internally and from grant funding.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality has no borrowings. Short-term investments amounted to R61.5 million (11/12: R56.7million) at year-end.

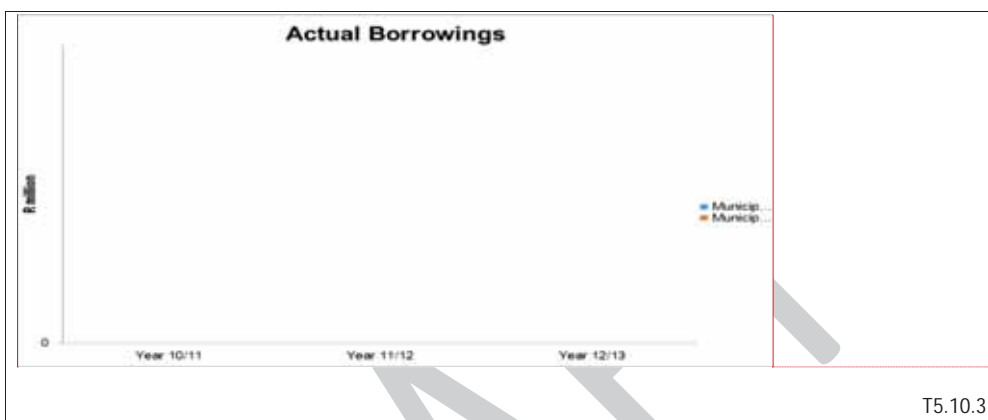
T5.10.1

Actual Borrowings: Year 2010/11 to Year 2012/13			
	R' 000		
Instrument	Year 10/11	Year 11/12	Year 12/13
Municipality			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	329	246	73
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			

Chapter 5

Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	329	246	73

T 5.10.2



Comment [SJ6]: SJ FIX

Municipal Investments			
	R' 000		
Investment* type	Year 10/11	Year 11/12	Year 12/13
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	26,456	56,693	61,485
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	26,456	56,693	61,485

T 5.10.4

Chapter 5

COMMENT ON BORROWING AND INVESTMENTS:

The municipality has no borrowings. Short-term investments amounted to R61.5 million (11/12: R56.7million) at year-end. It is expected that investments will increase over the medium to long term.

T5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

NONE

T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The SCM policy was again reviewed during 2012/2013 and it covers the unique procurement requirement of Engcobo Local Municipality. The municipality has fully implemented its Supply Chain Management Policy. The policy is there to guide all role players. SCM processes are being updated on an ongoing basis to ensure full

Chapter 5

compliance with the MFMA and the Regulations issued under the MFMA. Irregular, fruitless and wasteful expenditure has been significantly reduced due the controls implemented. Councilors and all officials have signed declaration of interest forms. A declarations register is maintained at the Finance Department. Suppliers also submit declaration of interest for all transactions with a value above R10 000. Officials have also signed the SCM Code of Conduct. A supplier database is maintained and updated regularly. A contracts register is maintained on a monthly basis and also for irregular and fruitless and wasteful expenditure. A deviations register is also maintained. SCM committees have been established except for the specifications committee. All adverts and specifications are signed by the municipality as a mitigating control to ensure that the specification is not prepared in a biased manner. There were no adverse findings in the AGSA's report on SCM issues.

T5.12.1

5.13 GRAP COMPLIANCE

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. The municipality has successfully complied with GRAP, thus ensuring that municipal accounts are comparable and more informative for the municipality. The municipality has ensured that the municipality is more accountable to its citizens and other stakeholders. A full GRAP review was performed during the 2012/2013 financial year. Certain prior year adjustments had to be performed to ensure full compliance with GRAP. Details of the prior year adjustments are contained in the notes to the Annual Financial Statements.

T5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188(1)(b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement... must be audited annually by the Auditor-General

Delete Directive note once comment's completed - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2012/12

6.1 AUDITOR GENERAL REPORTS 2007/08

Auditor-General Report on Financial Performance 2007/08	
Audit Report Status*:	
Non-Compliance Issues	Remedial Action Taken
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)	

T6.1.1

Chapter 6

Auditor-General Report on Service Delivery Performance 2008/09*	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
* 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 2008/09	
** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.	

T6.2.2

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2008/09

~~Delete Directive note once comment is complete~~ - Attach report

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION 2012/13:

1. Chief Financial Officer:

The Audit Report has improved from previous years as the municipality has received unqualified opinion; the municipality will implement controls to ensure that issues raised by AG are attended to so that the municipality can attain clean audit.

2. Municipal Manager:

Following the effect of an action taken to improve financial accountability focusing on the strategy of personnel recruitment on staff with relevant expertise and subsequent to that a decision that the municipality under took has made a realization of financial stability that has in turn resulted from qualified opinion in 2011 to unqualified in 2012 and currently objectively moving towards Clean Audit.

3. Mayor:

T6.2.4

Chapter 6

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/ with the exception of those items and for those reasons given at **Appendix S** (*delete '/...' if not applicable*).

Signed (Chief financial Officer)..... Dated

T6.2.5

DRAFT

GLOSSARY

GLOSSARY

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

GLOSSARY

Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

GLOSSARY

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

LEAVED



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APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Councillors, Committees Allocated and Council Attendance	
				Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Lamla Jiyose	FT	Chair Exco	P. R	100%	
Nondumiso Roskrugre	FT	Chair Council	P. R	100%	
Skhosana Mbolo	FT	Exco Member	P. R	100%	
Siphokazi Nkele	PT	Exco Member	P. R	100%	
Zibeke Xuba	PT	Exco Member	P. R	100%	
Zininzi Jabanga	PT	Exco Member	P. R	100%	
Nokhaya Gedeni	PT	Exco Member	P. R	100%	
Nofirst Berana	PT	Exco Member	P. R	100%	
Mhlangabazi Mbenyana	PT	Exco Member	P. R	100%	
Micheal Sihembiso Tunce	PT	BTO	Ward 1		
Thespis Sula Bizana	PT	IPED	Ward 2		
Nomnikelo Olivia Noludwe	PT	BTO	Ward 3		

Contents

Nobantu Macingwane	PT	MPAC Chair	Ward 4
Nceba Hokwana	PT	Corporate Services	Ward 5
Sivuyile Mbuthuma	PT	Corporate Services	Ward 6
Mawabo Paliso	PT	SPU & Human Settlement	Ward 7
Lusanda Sizani	PT	BTO	Ward 8
Sizeka Guma	PT	Community Services	Ward 9
Patrick Veleguwa Ntsibantu	PT	Community Services	Ward 10
Nophezile Yalezo	PT	BTO	Ward 11
Zamiwonga Konile	PT	IPED	Ward 12
Mzimkhulu Wellington Macozoma	PT	INFRASTRUCTURE	Ward 13
Bedford Mbuyisi Gqithyeza	PT	SPU & Human Settlement	Ward 14
Jongjsephi Phoswa	PT	IPED	Ward 15
Nomaciko Christina Lumkwana	PT	IPED	Ward 16
Nofezile Bottoman	PT	MPAC	Ward 17
Mhlakunzima Saki	PT	Community Services	Ward 18
Wandisile Stanley Matufu	PT	SPU & Human Settlement	Ward 19
Nonkavithi Singama	PT	IPED	Ward 20
Yoliswa Ponoshe	PT	Corporate Services	P. R
Sifundo Mabadi	PT	MPAC	P. R
Nomathamsanqa Dolly Mgodliwa	PT	BTO	P. R
Siphiwo Ndude	PT	INFRASTRUCTURE	P. R
Ndabazandile Beta	PT	MPAC	P. R
Thembile Daniele	PT	MPAC	P. R

Contents

	PT	MPAC	P. R	P. R
Sihembiso Marenene	PT	INFRASTRUCTURE	P. R	
Nobonile Tolbadi	PT	SPU & Human Settlement	P. R	
Noluthando Nhyudwana	PT	Community Services	P. R	
Zondelelwa Madyolo	PT	INFRASTRUCTURE	P. R	
Nobulali Ndzabela	PT			

Note: * Councillors appointed on a proportional basis do not have wards allocated to them

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CONCERNING TA

A spreadsheet exists to compile attendance data

Delete Directive note before publication

TA.1

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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Municipal Committees	Committees (other than Mayoral / Executive Committee) and Purposes of Committees
MPAC	an oversight Committee
Exco	Execution and implementation of Municipal programs
Audit Committee	Evaluates performance
Standing Committees	Monitoring of Directorates

T
B

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager's Office	Municipal Manager - Mr Slumko Mahlasela
Budget and Treasury Office	Chief Financial Officer - Mr Mzusekho Matomane
Corporate Services Office	Corporate Services Manager - Ms Vuyiseka Mviko
Integrated Planning and Economic Development (IPED) Office	Integrated Planning and Economic Development (IPED) Manager - Ms Morakane Musa
Technical Services Office	Technical Services Manager - Mr Cebo O'bose
Community Services Office	Community Services Manager (Acting) - Mr Tabata Songca
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	
T C	

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APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	N/A
Building regulations	Yes	N/A
Child care facilities	No	N/A
Electricity and gas reticulation	Yes	N/A
Firefighting services	Yes	N/A
Local tourism	Yes	N/A
Municipal airports	No	N/A
Municipal planning	Yes	N/A
Municipal health services	No	N/A
Municipal public transport	No	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	N/A
Stormwater management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public places	Yes	N/A
Cemeteries, funeral parlours and crematoria	Yes	N/A

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Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	Yes	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	No	N/A
Municipal abattoirs	Yes	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	Yes	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	Yes	N/A
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

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APPENDIX E – WARD REPORTING

Ward Name (Number)	Functionality of Ward Committees					
	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year	
1	Clr Tunce	Yes	1	1	3	
	1. NAMA PATRICIA					
	2. CEKISO NONAMBARI					
	3. GWELE DAIZMAN NCEBE					
	4. HOMANA NONESI					
	5. NGXWASHU NOBATHINI					
	6. VAVA ZOLISWA					
	7. SITELA TEMBEKILE RODWELL					
	8. FOJISA NOZUKO VERONICA					
	9. MAKHANGELA ZIFIKILE					
	10. MABUTYANA NOSISANDA					
2	Clr Bizana	Yes	1	1	3	
	1. NOABA MKATODI PUMLA					
	2. HLOBO ISAAC LITHA					
	3. NTSHINKA NOMFUNDO					
	4. SIPENDU NOMAMPONDOMISE					

Contents

	5. GOSHIBA CALVIN SANDILE					
	6. BIZANA TONY					
	7. MATATA YOLISWA					
	8. BUTSHINGI VUKILE					
	9. NTSHINKA ROSE NOMALINGE					
	10. MBANXA NOZUKO		1		1	3
3	Cllr Nolutwe	Yes				
	1. SOBANTU NOLUVUYO					
	2. TWAISE MLAMLELI					
	3. NDARANA MATILDA					
	4. XUBA MAWABO					
	5. GOLA XEGO					
	6. MGAJU NOKUPHUMLA					
	7. GILADILE MTETELELI					
	8. SOMPETHA MFXALALA					
	9. MAC-MILLER L. BOTTOMAN					
	10. JAMA BUKHEKA					
4	Cllr Macingwane	Yes	1		1	3
	1. MDE NOSAYINILE					
	2. NTABEKO NOMBULELO					
	3. MVAKWENDLU NOMASOMI					
	4. MATIWANE NOCEBO					
	5. NO-AMEN -GOINKOMO					
	6. MAJACA ZUKISA					
	7. KHUTU NO-AMEN					
	8. ZIHLANGU BETTY NOKWAMKELWA					
	9. MFAMA NTOMBODIDI					
	10. NTSOKOBA THEMBANI					

Contents

	Yes	1	1	1	3
5	Cllr Hokwana				
	1. LULWANA NOMA-ITALY				
	2. DUNGULU NONKOSI				
	3. DANTI NOWETHU NTOMBIZOKHANYO				
	4. DAYENI NOKHOLOTHI				
	5. MANIMANI NOMASITHINI				
	6. RUMBU ZUZIWE CONSTANCE				
	7. MDANGE SIBOLEKE				
	8. TWANI NELSON				
	9. MANI NOKWAKHA				
	10. BUSISIWE XALABILE				
6	Cllr Mbutuma	Yes	1	1	3
	1. MKENTANE ZUZISWA				
	2. GIGIBALA MBUYISELI				
	3. PETER THEMBAKAZI				
	4. NYALAMBA WILSON DILIZA				
	5. XHELISILO VUYISEKA				
	6. SIFUBA NOMATEMBA				
	7. MOKELA MZWABANTU COLBERT				
	8. SIMAYILE NOLUNTU PHENDULWA				
	9. MANINJWA THOZAMA				
	10. JEZILE ZUKISWA				
7	Cllr Paliso	Yes	1	1	3
	1. BENGU NOMAKHAYA				
	2. SIFANGALA NOLUTHO MIRRIAM				
	3. MENTYISI NO-COLLOGE				
	4. MYEZO NOPHELO				

Contents

	5. MBUKU FINDISWA MAVIS					
	6. SWELISILE AUGUST					
	7. HLANGABEZO SICELO					
	8. MTHINI NOLISINI					
	9. NOFIRST MFOTO					
	10. MNGCANGAZA MNANTLENTSIKA					
8	Cllr Sizani	Yes	1	1	3	
	1. NGXANGU SANDISO					
	2. NTSHONA NOMTHUNZI EVELYN					
	3. MGIDI NOMADAMA					
	4. NCAPAYI NOLUTANDO					
	5. MDLUDLA MTETELELI					
	6. BABA LULAMILE					
	7. NOBATHANA NDELEMANA					
	8. NTONTLE ZOLEKA MARGARET					
	9. MPOTOLOLO ANDILE					
	10. MALOYI NOLUNGILE					
9	Cllr Guma	Yes	1	1	3	
	1. MATIWANE PATRICK					
	2. MANXIWA NOLINDILE NOMVUYO					
	3. ZITHWANA NOPASILE					
	4. MAGACA ZOLEKA					
	5. SIBONDANA SILUMKO					
	6. TOYI NOZOLILE					
	7. NOMNGANGA NTOMBIZONKE					
	8. NDZWANE TADUXOLO GOOMAN					
	9. NYABAZA KATAZILE					

Contents

10	GOAMANE THANDISIZWE Cllr Ntsibantu	Yes	1	1	3
	1. MPAMBANANI AYANDA				
	2. NCITA SONGEZO RAYNOLD				
	3. LILANE NOMFUSI NOSIMO				
	4. MAPIPA NOMFUSI VICTORIA NOCEBISO				
	5. STEMELA NOMALIVIWE				
	6. PRINCE NKOSANA MABUNU				
	7. XOBOLOLO NOMAKHUSHE ELIZABETH				
	8. TOLA NOMBULELO				
	9. XESI GILBERT				
11	XUNDU LUCRICIA Cllr Yalezo	Yes	1	1	3
	1. MKAMFU THANDIWE				
	2. MKANDWANA NOLUSAPHO MIRRIAM				
	3. MGABADELI NOLITA VUYOKAZI				
	4. MNOANOEINI NANGAMSO PRIMROSE				
	5. MRWATA NOPHELO				
	6. SIVUYILE PLAJIE				
	7. LISANA SIZEKA				
	8. DINGILE NOSANGO				
	9. JAEZWEINI NOLUSAPHO				
	10. MANUKO MZWANDILE				
12	Konle Cllr Konle	Yes	1	1	3
	1. KOYINA BUNTU				
	2. MARANGXA NONESI MAVIS				

Contents

	3. NYANGAZA VUYISILE JOHNSON					
	4. MPOPOSHE ZIMSELE					
	5. MAKHALA ZODWA					
	6. FULUMENI ZUKISWA					
	7. MNYANI NO-ANDILE SYLVIA					
	8. MOHOMFANA SISA					
	9. MLUNGUZA GLORIA NOMZAMO					
	10. LANGLAY LAWRENCE LUNGA					
13	Cllr Macozoma	Yes	1	1	3	
	1. VELLE M ZANEKHAYA DONALD					
	2. POSWAYO NOMPUMEZO					
	3. SHEZI NOSIPHO					
	4. LIMANE SHIYISWA JOICE					
	5. MANUKO NDIKO LAWRENCE					
	6. SILAXA NOKHANYILE					
	7. MACI NONYAMEKO NONTSEMBISO					
	8. MAPHONGWANA NOMTHANDAZO JOYCE					
	9. POSWAYO MABHALANE					
	10. MCABA LEON					
14	Cllr Gqithiyeza	Yes	1	1	3	
	1. KOTI KHIMBULANI					
	2. BOZEKANA NOLIZWI					
	3. NTSENDWANE NOMFUNDISO					
	4. NOMNA MASIBULELE					
	5. MACINGWANE SWEETNESS XOLISWA					
	6. MBOTO NODANILE ENITH					
	7. MNGXITANA ZANELE					

Contents

	8. NOGWEGWE NOMLAGANI						
	9. MAGWALA PHUMLA						
	10. MNYANDE NOZIZWE		1		1		3
15	Cllr Poswa	Yes					
	1. SAKI NOVANISH						
	2.MOTOLWANA PRUDENCIA SINDISWA						
	3. JONASE SIPHIWO						
	4. RASI NOMTHANDAZO						
	5. KWAZA THUMEKA						
	6. ZISOYI NOKAYA EUNICE						
	7. MANZINI NTOMBIZAKHE						
	8. OWALANE VELELENI						
	9. NXELEDALA NOLUSAPHO						
	10.NGXANGANI TEMBINKOSI						
16	Cllr Lumkwana	Yes	1		1		3
	1. MASHIYA NYAWOLENDODA						
	2. BALEKA NOKHAYA						
	3. MARWANGANA NONCEDO PRUDENTIA						
	4. BONANI THUMEKA						
	5. MTYAPHI NONTANDO ADELAIDE						
	6. MATIWANE YOLISWA						
	7. GCAYIYA MZIWANDILE CLARENCE						
	8. PALAZA MAWETU						
	9. DYONASE LUNGILE ALBERT						
	10. DYASOPI NOLUSEKO						
17	Cllr Bottoman	Yes	1		1		3

Contents

	1. TOTUYI ZANDILE					
	2. LOBI SIZEKA CLARAH					
	3. MKEFELELE MKHULULI					
	4. NGXATU MAYITISI INNOCENT					
	5. OUNGWANE MONICA NOKWAYINTOMBI					
	6. NOMFOMBO NTOMBOXOLO					
	7. KHWEZI NOKWAYIYO					
	8. NTWAYIYO INK MICHEAL					
	9. BEDE SIPHESONKE					
	10. MAJEZI SIPHINDILE		1	1	1	3
18	Clr Saki	Yes				
	1. GOWAKA MAVIS					
	2. OHAYI NOCANADA CAROLINE					
	3. KOPO NODENZENI					
	4. MBALISO NOLUSAPHO MILDRED					
	5. MXUTU AKHONA GILBERT					
	6. MXHALI NOLINDILE					
	7. GETYESE NOKWANDA					
	8. MFEFE NONDUMISO					
	9. DIKENI NONDIYEPHI					
	10. MKOLWANE SIVIWE					
19	Clr Mafufu	Yes	1	1	1	3
	1. NKELE FEZEKA LILLIAN					
	2. MENDU AMANDA					
	3. TWANI LUNGEPHI					
	4. NTSIKA MANDISA					
	5. SANDILE MZIVUKILE					

Contents

	6. GCORA NODUMO				
	7. MALAWU FARRINGTON LOYISO				
	8. YONGA MTUWEKHAYA				
	9. BASE NEZIWE ROCHEL				
	10. MZENZI THELISWA			1	3
20	Cllr Singama	Yes	1		
	1. ZONYANA NOKWANDISA BABALWA				
	2. NTANYANA SIZAKELE				
	3. SONDLO NOFENSHALA				
	4. TYIKA JANE NONCEBA				
	5. NTONINTSHI NOWETHU LUNGISWA				
	6. MADIDI TEMBEKA NOKWAKHA				
	7. NOWEMESHA MELUBAKHO				
	8. VANQA MORRIAT				
	9. TYIKA MELUBAKHO				
	10. SIGADLA GAYIYA				

Contents

	Ngcobo on water services		
1.2	<p>Recommendation No. 4.2</p> <p>Committee resolved that the Finance Manager should advise the committee in writing as to why the Audit Action Plan was not submitted and the 4th Financial Quarterly Report was not submitted to the audit committee.</p>	No. The reports were not submitted.	
1.3	<p>Recommendation No. 5</p> <p>Committee resolved that Managements should implement the internal audit recommendation on Performance Management System which is the reviewal of PMS framework, Service Delivery and Budget Implementation Plan (SDBIP) and Key Performance Indicators with their performance agreements,</p>	Partially done	
1.4	<p>Recommendation No. 5</p> <p>Committee resolved that the Finance Manager should submit the Annual Financial Statements to the</p>	No. But submitted after the 20 th August 2012.	

Contents

		Audit Committee for reviewal on the 10/08/2012	
1.5		<p>Recommendation No. 5</p> <p>Committee resolved that the Internal Auditor should provide the committee with schedule of Council meeting dates so as to enable them to organize and schedule its own meetings.</p>	Yes
2 nd Audit Comm. Meeting 2.1	27 th /08/2012	<p>Recommendation No.1</p> <p>Reviewal of Annual Financial Statements 2012/13. Committee resolved that all the unfinished schedules and the outstanding data should be organized/ collected and the financial statements be up-dated accordingly.</p>	yes
2.2		Financial Statements must be submitted to the Audit Committee prior to submission to the Auditor –	Not submitted to the Audit Committee.

Contents

		General	
3 rd Audit Comm. Meeting 3.1	08/02/2013	Recommendation No.1 Committee resolved that Internal Audit Plan should consider Information Technology (I.T) and Performance Management System audit in the Audit Plan.	Yes
3.2		Recommendation No. 2 Committee advised that the Reporting template designed by the Central Cluster Committee be utilized by the Finance Manager when preparing his reports.	No.
3.3		Recommendation No. 3 Committee resolved that the Finance Manager should submit the Section 71 and 72 Reports directly to Him irrespective of submissions made to the internal auditor.	Yes

Contents

4 th Audit Com. Meeting 4.1	19 /04/2013	Recommendation No. 1 Committee resolved that Finance Manager should table the matter of awarding a tender below an advertised threshold to the Council Meeting and the National Treasury Office.	Yes to the Council.
4.2		Recommendation No.2 Committee resolved that the reporting template developed by the Central Cluster be utilized for reporting irregular expenditure, unauthorized expenditure, tenders awarded below and above threshold, wasteful and fruitless expenditure.	No

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

N/A. All contracts entered into for short term (12 months)

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

N/A

Disclosures of Financial Interests		
Period 1 July 2008 to 30 June 2009		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor		
Member of MayCo / Exco		
Councillor		
Municipal Manager		
Chief Financial Officer		
Deputy MM and (Executive) Directors		
Other S57 Officials		

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

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APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

APPENDIX K(i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
Vote Description	R' 000					
	2007/08	Current Year 2008/09			2008/09 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Example 1 - Vote 1						
Example 2 - Vote 2						
Example 3 - Vote 3						
Example 4 - Vote 4						
Example 5 - Vote 5						
Example 6 - Vote 6						
Example 7 - Vote 7						
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	-	-	-	-	-	-

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

T K.1

APPENDICES

APPENDIX K(ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source R '000						
Description	2011/12	Year 2012/13		Year 2012/13 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	3,315	3,680	-	2,893	-27%	100%
Property rates - penalties & collection charges	-	-	-	-	0%	0%
Service Charges - electricity revenue	-	-	-	-	0%	0%
Service Charges - water revenue	1,366	1,544	-	1,227	-26%	100%
Service Charges - sanitation revenue	741	834	-	778	-7%	100%
Service Charges - refuse revenue	662	643	-	700	8%	100%
Service Charges - other	-	-	-	-	0%	0%
Rentals of facilities and equipment	124	126	-	177	29%	100%
Interest earned - external investments	2,231	1,650	-	2,267	27%	100%
Interest earned - outstanding debtors	-	-	-	-	0%	0%
Dividends received	-	-	-	-	0%	0%
Fines	59	30	-	35	14%	100%
Licences and permits	3,415	3,150	-	3,624	13%	100%
Agency services	-	-	-	-	0%	0%
Transfers recognised - operational	99,662	103,494	85,000	105,008	1%	19%
Other revenue	53,599	-	-	433	100%	100%
Gains on disposal of PPE	-	-	-	-	0%	0%
Environmental Protection	-	-	-	-	0%	0%
Total Revenue (excluding capital transfers and contributions)	165,174	115,151	85,000	117,142	1.70%	27.44%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T.K.2

APPENDICES

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant				%	%	
				%	%	
				%	%	
Public Transport Infrastructure and Systems Grant				%	%	
				%	%	
				%	%	
				%	%	
<i>Other Specify:</i>				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	

* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

TL

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Delete Directive note once comment is complete – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance.

TL.1

APPENDICES

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

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

Capital Expenditure - New Assets Programme*							
Description	R '000						
	2007/08	2008/09			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	-	-	-	-	-
Infrastructure: Road transport - Total	-	-	-	-	-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	-	-	-	-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	-	-	-	-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community - Total	-	-	-	-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							

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Capital Expenditure - New Assets Programme*							R '000
Description	2007/08	2008/09			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	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
<i>List sub-class</i>							
Biological assets	-	-		-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on new assets	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

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

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

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2007/08	2008/09		Planned Capital expenditure			R '000
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	-	-	-
Infrastructure: Road transport -Total	-	-		-	-	-	-
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-		-	-	-	-
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>							
Infrastructure: Other - Total	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-		-	-	-	-
Buildings							
Other							

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Capital Expenditure - Upgrade/Renewal Programme*							
Description	2007/08	2008/09		Planned Capital expenditure			R '000
	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	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
<i>List sub-class</i>							
Biological assets	-	-		-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (<i>List sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	-	-		-	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

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

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2008/09

Capital Programme by Project 2008/09					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
R' 000					
Water					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
"Project C"	85	90	95	5%	11%
Sanitation/Sewerage					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Electricity					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Housing					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Refuse removal					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Stormwater					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Economic development					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Sports, Arts & Culture					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Environment					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Health					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Safety and Security					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
ICT and Other					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
T N					

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the audited Annual Financial Statements to the Annual report for 2008/09 – This to be developed as a separate volume. Refer to MFMA Circular 36 for further guidance.

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