

2014

DRAFT
ANNUAL
REPORT

Volume I



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Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

a. Vision:

The municipality’s vision is ‘a coherent developmental municipality putting people first and providing a better life for all’ with the strategic intent of:

- Promoting social and economic development
- Ensuring effective community participation
- Providing and maintaining affordable services
- Effectively and efficiently utilising all available resources

In this annual report the municipality attempts to give an overview of the performance during the financial year 2013/14. This is in line with the mandate the institution is charged with in terms of the supreme law of the country of:

- Providing a democratic and accountable government
- Ensuring provision of services in a sustainable manner
- Promoting social and economic development
- Promoting a safe and healthy environment
- Encouraging involvement of communities in local government
- It attempts to account for the performance of the institution as part of our accountability responsibility.

This report is both a legislative and accountability requirement. In terms of Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003, the Municipality must prepare an annual report for each financial year and the Executive Mayor must table such report in Council within seven months after the end of each financial year.

In this annual report the municipality attempts to give an overview of the performance during the financial year 2013/14. It attempts to account for the performance of the institution as part of our accountability responsibility.

b. Key Policy Developments:

The municipality successfully reviewed its strategic plan through the all-inclusive participatory process of the IDP which takes into account national policy directives of the country in general.

c. Key Service Delivery Improvements:

The municipality recorded progress in achieving objectives in terms of the five key performance areas applicable to local government as are reflected below and outlined in this annual report:

- Basic service delivery and infrastructure development
- Municipal transformation and development
- Local Economic and Development
- Municipal financial viability and management

Chapter 1

Through the IDP process key strategies were developed to tackle service delivery that is geared at the provision of roads and storm water management, provision of uninterrupted electricity supply, development of local economy, and alleviation of poverty, good governance and public participation and provision of basic services in general.

Performance highlights for the year under review were the following amongst others:

- Completion of Wesley, Miles and Cetyiwe street tarring and kerbing.
- Initiation of paving projects for Manana, Fort Calata and Gala Streets
- Completion of electricity Michausdal ring feed line
- Construction of Hawkers facility and Taxi rank
- Creating of job opportunities through the Expanded Public Works Programme(EPWP)
- Provision of Free Basic Services to Indigent Households

d. Public Participation:

Public participation is achieved through IDP forums, budget meetings across all wards, ward committee and ward meetings. The community is also invited to make written and oral submission through the local press on any matters which are of interest to them.

e. Future Actions:

The cash flow situation remains a serious challenge and has a negative impact on service delivery in general. This challenge will be exacerbated by the non- renewal of the Water Service Provision contract by the district municipality with effect from the 1st July 2014.

The municipality will have to seriously look into streamlining its activities in line with its budgetary constraints going forward. The Revenue Enhancement Strategy will have to critically focus on maximizing collection realizable revenue and identifying new revenue sources at our disposal.

f. Agreements / Partnerships:

Partnerships are being forged with local Agricultural Institution such as Grootfontein Agricultural College for capacity building of Local Emerging Farmers and provision of entrepreneurial skills.

There is also an in principle partnership with DCI Holdings on Redevelopment Cradock Spa an accommodation and recreational establishment.

g. Conclusion:

Finally, I would like to express my sincere gratitude to all Councillors, officials, the communities of Inxuba Yethemba Municipality and stakeholders for their dedication support and co-operation, which enabled the institution to record service delivery progress during the year under review.

(Signed by :) _____

Mayor/Executive Mayor

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

As the Accounting Officer of Inxuba Yethemba Municipality, I confirm that this 2012/13 Annual Report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003. This is the first attempt of the municipality to produce an annual report in line with National Treasury Circular 63 and we endeavor to improve with time as we become accustomed to this format.

The Annual report is provided in order to:

- Record all activities of the municipality for the period under review
- Report on performance on the pre-determined objectives against budget
- Promote accountability to the local community for decisions made during the year 2013/2014

The Integrated Development Plan (IDP), the approved Budget and Service Delivery Implementation Plan (SDBIP) provide the basis for all service delivery projects implemented during the year. The projects implemented were a product of extensive consultation through the various sessions of the IDP forums and formal adoption by the municipal council.

The focus areas for 2013/14 financial year were as indicated in the Mayor's foreword for the Key Performance Areas identified especially:

- Provision of basic infrastructure such as roads and electricity
- Promotion of Local Economic Development by creating a conducive environment for SMME's (Hawkers facilities) and taxi rank for commuting to work and doing business.
- Financial viability through Revenue Enhancement strategy
- Good governance through strengthening governance structures such as internal auditing

The bad audit report for the past 2 years is a cause of serious concern, and this has prompted the municipality to go out of its usual practice to co-source internal audit services to boost its internal capacity of internal controls. The same has been adopted for preparations of the AFS for 2013/14 so that we can have a bigger picture and address what we have not been doing right leading to bad audit outcomes. The internal audit reports received thus far are beginning to point fingers in the right direction. We trust that the investment we have made in this respect will bear dividends in the long run.

The results of the Revenue Enhancement Strategy project are yet to be seen as the institution continues to experience periodic cash-flow challenges. It would thus be prudent going forward to match expenditure with realizable revenue.

The highlight of achievements in service delivery and as witnessed by performance, reports clearly indicate that more can be achieved with the little we have, and amidst any challenges.

I would like to extend a word of appreciation to the management, political leadership and staff of the Inxuba Yethemba Municipality for the support and their contribution to the progress made during the 2013/14 financial year, together we can do more.

T 1.1.1

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The municipality performs its functions in terms of Section 152 and 153 of the Constitution of the Republic of South Africa, Act 108 of 1996. In addition to the provisions of Section 152 and 153, Schedule 4, Part B of the Constitution provide for the functional areas of the local municipality of the municipality is rendering such services. It should however be borne in mind that some of the function may not be applicable to this municipality while some are rendered by the District Municipality since the municipality does not have capacity. Those services that are not rendered by this municipality are indicated in this document.

Inxuba Yethemba Municipality is situated in the Chris Hani District Municipality in the Eastern Cape Province. It is approximately 240km north of Nelson Mandela Metro. It is comprised of the former Middelburg EC and Cradock Local and Rural councils with their urban centres situated 100km apart. Cradock consists of the suburbs of Cradock, Lingelihle and Michausdal communities, whilst Middelburg has the Middelburg suburb with Kwanonzame Lusaka, and Midros communities.

The two urban centres of Cradock and Middelburg are fairly similar with well developed CBD's and fair infrastructure whilst a lot still needs to be done in the former previously disadvantaged communities. The rural areas of both towns are mostly commercial farms, with small settlements in rural areas of Fish River, Mortimer and Rosmead.

The N10 National Road which is the vital economic link between Port Elizabeth and the North runs through Cradock and skirts Middelburg. The economy of the area is largely based on agriculture and tourism with small and medium enterprises, formal sector like government departments and finance and commercial institutions.

Water

Households in Inxuba Yethemba obtain their water from the sources such as on-site access to water, boreholes, rainwater tanks, dams as well as river streams. Most households have on site access to water and only a small percentage from natural sources. Most of the people in the rural areas of municipality receive water below RDP standards. With the existing growth rates and developments particularly water borne sewer, the water storage capacity requires expansion in the coming years.

Sewerage

The municipality collects waterborne sewerage via bulk sewer and street collectors. The raw sewer is treated at two treatment plants in Cradock and Middelburg.

Electricity

The municipality distributes electricity to Cradock town, Michausdal and the whole of Middelburg. In Lingelihle township Eskom is the distributor. It also has a responsibility to provide and maintain streetlights throughout the municipality. Electricity is purchased in bulk from Eskom and distributed through the municipality's infrastructure and network.

Chapter 1

Waste Management

Waste Management Includes:

- refuse removal
- solid waste disposal
- landfills
- street cleaning
- waste recycling

The removal of household and business refuse industrial waste and medical waste, street sweeping of the central business zone and peripheries. This also includes the management of solid waste disposal side. Removal of refuse from households and business premises is done once a week throughout the municipality. Each household is supplied with a refuse bag on a weekly basis.

Roads

The municipality has a responsibility to construct and maintain roads within the municipal area of jurisdiction.

The strategic objectives of roads section is to ensure that major arterial roads are maintained, tarred/ graded and provided with an effective storm water system. There is 139 km tarred and about 174 km graveled roads in the municipal area. Very few of the roads are in a fair condition the majority are in a very poor state.

Housing

Around 877 households in Inxuba Yethemba presently live within traditional, rental, or informal structures and earn below R6,400 per month per household. It is realistic to assume that this represents an indication of the number of households that are eligible (from an income perspective) for a housing grant in terms of that available housing delivery instruments. This leaves potential for investigating the use of FLISP in smaller towns to cover the demand between R3,500 and R7,500.

Of the above total, 812 households will qualify for the full subsidy amount available from the Department of Human Settlement. The majority – being 13 387 households (or 92.4%) reside in brick structures, followed by 368 (2.5%) in house/ flat/ room in backyard.

The presence of 86 households presently residing in “informal” flats and / or rooms in backyards indicate that there is a limited demand for rental accommodation provision in the urban areas of the municipality.

Land

There is adequate municipal-owned land (situated within the urban edge) available for development with approximately 283.2Ha of municipal land reserved for housing development. Land availability is therefore not a constraint to the development process. In general, rural land is privately owned and has to be purchased and negotiated with private landowners. (HSP 2008-2011).

T 1.2.1

Chapter 1

1.2.1 MUNICIPAL DEMOGRAPHICS

The 2011 Census statistics suggests a population of 65,560 for the whole of Inxuba Yethemba. The IHS Global Insight report of 2012 indicates a population 66,788. The population is concentrated in the urban areas of Cradock and Middelburg. Ward 6 has the largest population compared to all other wards. As with the National norm women constitute 51.69% of the total population on the census 2011 statistics.

The concentration of population in urban centres has huge implications for infrastructure development focus and job opportunity creation.

| AGE GROUP | TOTAL POPULATION | |
|-----------|---------------------|-------------|
| | GLOBAL INSIGHT 2012 | CENSUS 2011 |
| 00-04 | 4 154 | 6987 |
| 05-09 | 3 690 | 6258 |
| 10-14 | 3 148 | 5861 |
| 15-19 | 3 022 | 5965 |
| 20-24 | 3 744 | 5663 |
| 25-29 | 3 550 | 5468 |
| 30-34 | 2 697 | 4325 |
| 35-39 | 2 167 | 4335 |
| 40-44 | 2 169 | 4167 |
| 45-49 | 2 093 | 3736 |
| 50-54 | 2 211 | 3 509 |
| 55-59 | 1 866 | 2 912 |
| 60-64 | 1 474 | 2 291 |
| 65-69 | 1 128 | 1 524 |
| 70-74 | 696 | 1 111 |
| 75+ | 540 | 1 448 |

More than 60% of the population is younger than 35 years of age. There has been an increase in the population between 2001 and 2011, with population growth of 0.8% according to census figures. Most residents in IYM live in Lingelihle, and Michausdal with ward 6 having the highest population of all wards. The population density is low at about 5 persons per km²

T 1.2.2

Chapter 1

Individual Monthly income (Census 2011)

| INCOME | NUMBER OF INDIVIDUALS |
|-----------------------|-----------------------|
| No income | 21 319 |
| R 1- R 400 | 12 156 |
| R 401 - R 800 | 3 001 |
| R 801 - R 1 600 | 11 360 |
| R 1 601 - R 3 200 | 3 437 |
| R 3 201 - R 6 400 | 2 355 |
| R 6 401 - R 12 800 | 2 174 |
| R 12 801 - R 25 600 | 1 437 |
| R 25 601 - R 51 200 | 319 |
| R 51 201 - R 1 02 400 | 102 |
| R 102 401 - R 204 800 | 55 |
| R 204 801 or more | 62 |
| Unspecified | 6 315 |

Income per Household (Census 2011)

| HOUSEHOLD INCOME BRACKET (R) | NUMBER OF HOUSEHOLDS |
|------------------------------|----------------------|
| No income | 1,997 |
| R 1- R 4 800 | 761 |
| R 4801 - R 9600 | 1,209 |
| R 9601 - R 19 600 | 4,014 |
| R 19 601 - R 38 200 | 4,133 |
| R 38 201 - R 76 400 | 2,498 |
| R 76 401 - R 153 800 | 1,767 |
| R 153 801 - R 307 600 | 1,264 |
| R 307 601 - R 614 400 | 571 |
| R 614 001 - R 1 228 800 | 146 |
| R 1 228 801 - R 2 457 600 | 47 |
| R 2 457 601 or more | 56 |

Inxuba Yethemba forms part of the Karoo Midlands, which is predominantly an agricultural area. The tourism industry also contributes significantly to the economy of the area. Both these sectors remain not to reflect the demographics of the municipality in terms of their benefits as they continue to be monopolized by the previously advantaged members of our community.

Source: Census 2011

T1.2.3

Chapter 1

Social Development Indicators

GINI COEFFICIENT

- This gives a summary statistic of income inequality
- The coefficient varies from 0 to 1
 - If it is zero then there is perfect equality
 - If it is 1 there is gross inequality
- This means that the greater the GINI COEFFICIENT the greater there is inequality in income

| POPULATION GROUP | GINI COEFFICIENT | | |
|------------------|------------------|-------------|-------------|
| | EC PROVINCE | CHDM | IYM |
| AFRICAN | 0.56 | 0.55 | 0.50 |
| WHITE | 0.41 | 0.41 | 0.41 |
| COLOURED | 0.51 | 0.55 | 0.54 |
| ASIAN | 0.46 | | |
| TOTAL | 0.61 | 0.58 | 0.60 |

Source: IHS GLOBAL INSIGHT 2012

The table above indicates a total GINI COEFFICIENT of 0.60 which means great inequality in income. Worth noting is the fact that there is an increase of 0.01 compared to 2011 data.

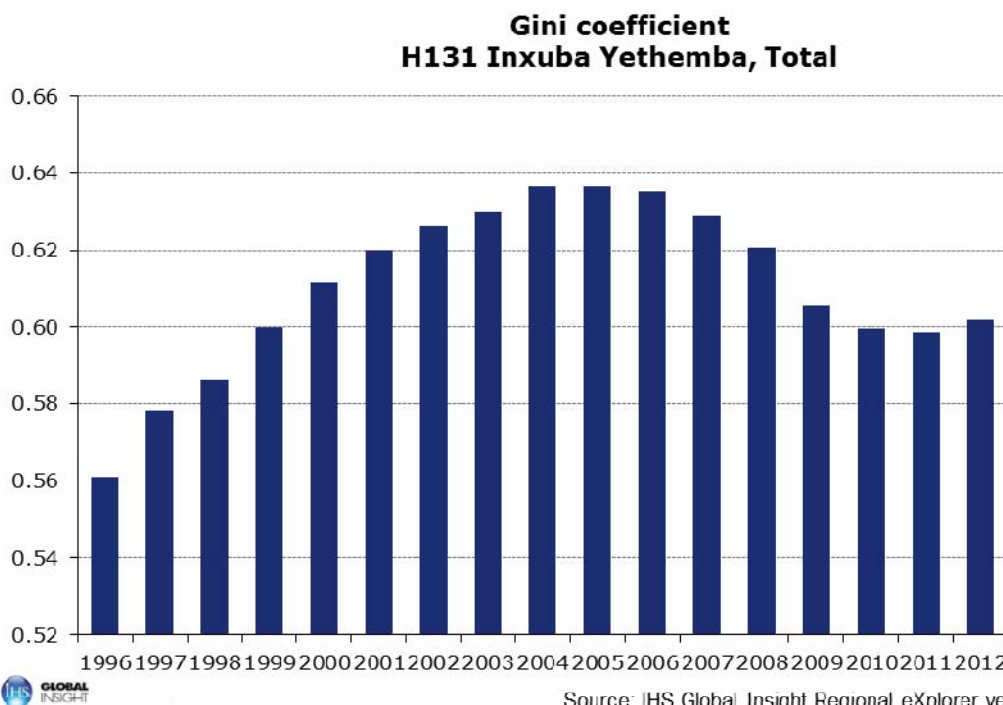


Figure 2.2: Total Gini Coefficient for IYM from 1996 to 2012

Chapter 1

HUMAN DEVELOPMENT INDEX (HDI)

This is a complex index which measures Development. This index measures amongst other variables:

- Life expectancy
- Literacy rate
- Income

The HDI is measured on a scale of 0 to 1

The HDI of a population group or municipality should preferably be above 0.5 to represent an acceptable level of development.

| POPULATION GROUP | HUMAN DEVELOPMENT INDEX | | |
|------------------|-------------------------|-------------|-------------|
| | EC PROVINCE | CHDM | IYM |
| AFRICAN | 0.59 | 0.57 | 0.57 |
| WHITE | 0.89 | 0.88 | 0.88 |
| COLOURED | 0.69 | 0.64 | 0.63 |
| ASIAN | 0.82 | 0.80 | |
| TOTAL | 0.63 | 0.59 | 0.63 |

IHS GLOBAL INSIGHT 2011

| Overview of Neighbourhoods within 'Inxuba Yethemba Municipality' | | |
|--|--------------------------|------------------------|
| Settlement Type | Number of Voters | Population |
| Towns | <i>Per Provincial</i> | <i>Per Census 2011</i> |
| | <i>Gazette 2010 data</i> | |
| Ward 1 | 3,553 | 6,929 |
| Ward 2 | 3,150 | 5,566 |
| Ward 3 | 3,002 | 4,917 |
| Ward 4 | 3,754 | 6,506 |
| Ward 5 | 2,917 | 8,750 |
| Ward 6 | 3,466 | 12,235 |
| Ward 7 | 3,823 | 8,402 |
| Ward 8 | 3,177 | 6,374 |
| Ward 9 | 3,280 | 5,881 |
| Total | 30,122 | 65,560 |
| | | <i>T 1.2.6</i> |

Chapter 1

| Natural Resources | |
|------------------------|--|
| Major Natural Resource | Relevance to Community |
| Arable land | Agricultural production, forestry, employment opportunities, economic development and poverty alleviation. T1.2.7 |

In light of the above information, the following have been identified as the key challenges and opportunities the municipality is faced with:

KEY CHALLENGES:

- Lack of proper and up to standard roads infrastructure and storm water channeling.
- Dilapidated bulk and water network infrastructure.
- Limited capacity of water and waste water treatment plants.
- Unsustainable and unpredictable water source for Middelburg unit.
- Ageing electricity infrastructure in general and in particular limited capacity of power for future business development in Cradock unit.
- Inadequate street lighting with some areas requiring high masts lights.
- Lack of serviced plots for medium and high cost housing development.
- Availability of land for potential development of Emerging farmers and cooperatives.
- Land release to facilitate development and create sustainable livelihoods by parastatals such as Transnet.
- The HIV/AIDS pandemic and its impact on local demographics.
- Lack of job opportunities creating great discontent amongst the youth.
- Drug abuse with increased crime levels.
- Insufficient revenue base due to high levels of poverty.

KEY OPPORTUNITIES:

- An indelible mark left by struggle stalwarts and historical sites that are nationally recognised makes it a compelling place to visit.
- The pristine Karoo environment.
- Abundance of labour including semi skilled to skilled labour.
- The Inxuba River running through the under utilised Industrial Area offers opportunities for industry development.
- Agriculture offers a huge potential in the area and a lot of spin offs through beneficiation can be derived from it.
- The pending Sugar Beet (Bio-fuel) project will offer a lot of other opportunities in other sectors, amongst others.
- Transport.
- Accommodation/ Housing.
- Beneficiation spin offs etc.
- Shale gas fracking will also offer positive benefits should it be successful.
- Schools with a history of good results
- Sporting facilities of high standard eg. Cradock stadium with a tartan track for athletics which is currently the only one in CHDM area.
- Canoeing opportunity in the Great Fish River.

T 1.2.8

Chapter 1

1.3. SERVICE DELIVERY OVERVIEW

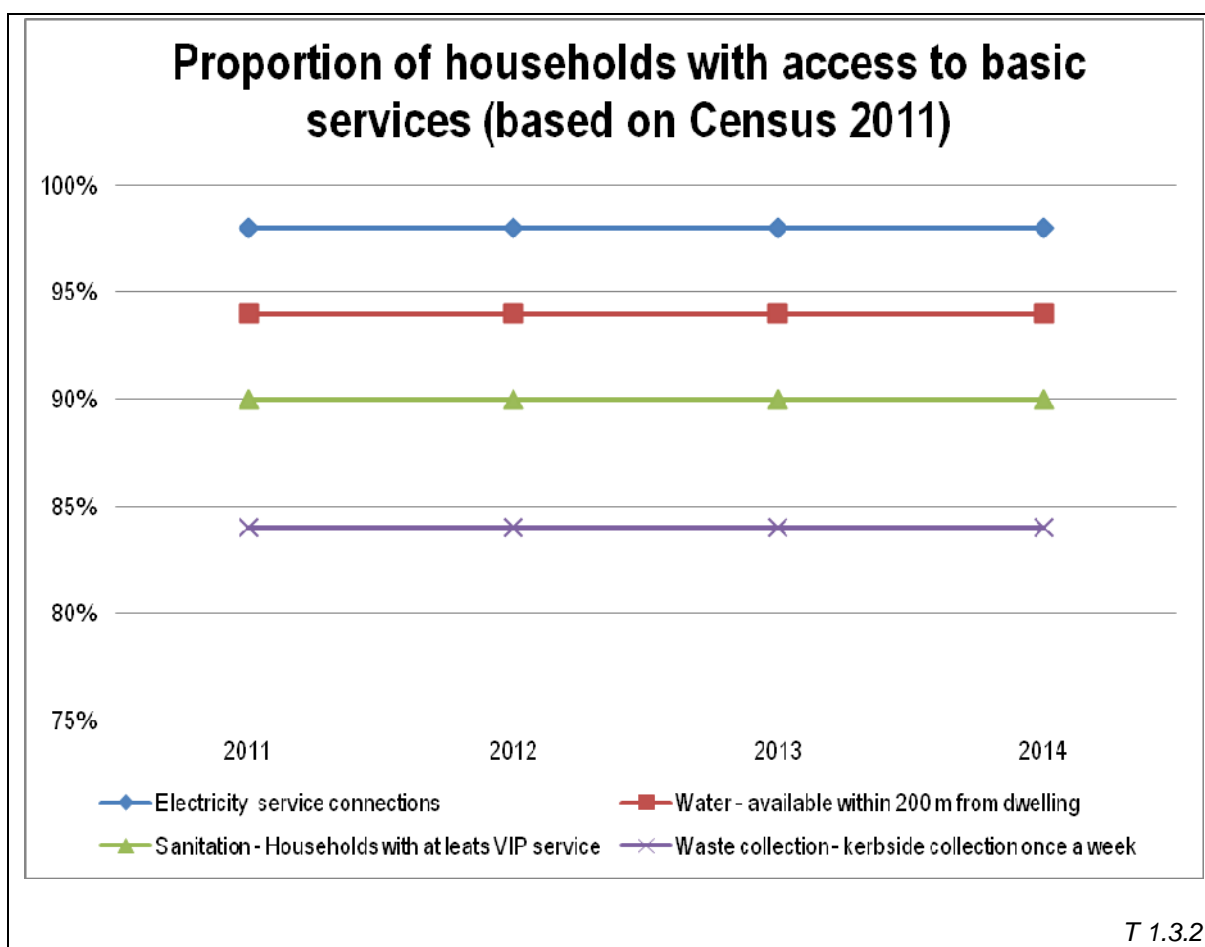
The municipality is responsible for delivery of basic services to its community in terms of the provisions of Schedule 4 of the Constitution of the Republic of South Africa as well as Section 152 which provides for the object of Local Government which requires the municipality to provide the following:

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organisations in the matters of local government.

Section 152 (2) further provides that a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1)

The Integrated Development Plan of the municipality is therefore prepared in line with the provisions of the said Act and all other legislative mandates to ensure service delivery to the constituent communities.

T 1.3.1



Chapter 1

Shortfalls identified in the services provided as per the graph above

Water

Rehabilitation of the bulk water infrastructure and reticulation networks will have to be attended to as a matter of urgency as it has by far exceeded its lifespan. This results in water losses that exceed acceptable levels due to leakages. Water storage and treatment capacity require expansion to meet the increasing demand. Middelburg unit solely relies on ground water and currently ground water levels are at their lowest, posing a serious challenge to the municipality. A lasting solution is required and this can only be achieved by drawing water from Fish River Scheme. This is a huge project which even *the District council as a WSA cannot undertake alone as the project is estimated to be above R100 million*. Rosmead is the area which needs serious attention in terms of up to the erf water provision as is the norm in all other areas in the municipality. The completion of land transfer from Transnet needs to be finalized first before projects can be implemented in this area. A Water Service Master Plan is required to take informed decisions in addressing the challenges.

Sanitation

- Rehabilitation of the bulk sanitation infrastructure and reticulation networks will have to be attended to as a matter of urgency as it has by far exceeded its lifespan.
- This results in constant sewer blockages and spillages.
- Waste water treatment and refurbishment capacity require expansion to meet the increasing demand.
- Rosmead is the area which need serious attention in terms of sanitation services as is the norm in all other areas in the municipality.
- Rosmead which is still owned by Transnet still poses a challenge as it is the only area where the deadline of removing buckets by 2007 could not be met.
- In this respect the process of transfer of land to the beneficiaries/municipality should be sped up.

Electricity

As is the case with water infrastructure the electrical infrastructure requires serious and urgent attention as the municipality is currently unable to meet the increasing current demands. Cradock unit is currently experiencing serious power supply shortcomings due to limited capacity levels. This is happening at a time when the area is experiencing an influx of people wanting to invest and local developers wanting to develop the area and the oncoming huge Sugar Beet Project. The serious challenge in Cradock unit is affecting continuous supply of electricity to Michausdal Township and so far we have not been successful in persuading the DME for a dedicated line direct to Michausdal. This will go a long way in freeing spare capacity for development in the town area. The municipality has currently made provision on its limited own capital budget for this project.

Chapter 1

Waste management services

Shortage of equipment is a major challenge as the equipment that is used is old 1978 - 2001 models of which parts are no longer available and while a vehicle is out of order employees are to work unnecessary overtime to cover the areas. Tractors that are already irreparable are in use and taking longer time to get to the disposal site.

The maintenance cost that is high due to the condition that our equipment is in could be utilized for improving the service.

Landfill sites of both units do not have proper machinery to compact the waste. The minimal work done on landfill sites is never going to reach the maximum effectiveness of a properly operated landfill site as according to N.E.M.A. although the plan is available.

Continued littering of garden refuse and other household material is fast becoming a norm and is a serious concern in most of the wards as this creates unsightly, unregulated dumping sights which also pose a health risk. Properly regulated temporary dumping sites with the necessary facilities are required for each ward. Waste disposal sites in both units are operated without the requisite licenses which is a serious non compliance issue from auditors.

Roads and stormwater

An urgent need exists to upgrade access and collector roads, more particular in the newly established areas. Proper storm water channels are non-existent in the previously disadvantaged communities. The condition of the roads throughout the municipality is a serious cause of concern as this affects access to the communities of essential emergency services such as ambulance services and even the police cannot reach some of these areas. As the result of poor maintenance over the years due to cash flow problems, even those roads thought to be in a fair state are fast deteriorating. The condition of our plant vehicle and equipment further exacerbate the situation.

Housing

There is adequate land within the urban edge that is Municipally-owned land and availability for housing is not a constraint. The problem is with rural land, which is privately owned and therefore has to be negotiated with the private landowners (HSP 2009).The municipality has identified land problems in Rosmead(Transnet land), Mortimer and Fish River and Midros(private land). The municipality is currently negotiating with Transnet for the release of land in Rosmead.

Social Infrastructure – Health Facilities

- Worth mentioning are the long distances traveled to access health facilities in particular by the elderly. In some areas there is a clear need for mobile clinics.
- The delivery of this service is hampered by insufficient clinic staff and lack of medicine in all the clinics. The grey area around transfer of Environmental Health to the District poses another challenge in terms of accountability of staff and general confusion in the community as it happened in the past with ambulance services.
- As both the Primary Health Care and Environmental Health has been transferred to province and district respectively the community is still confused about this arrangement.

T 1.3.3

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Inxuba Yethemba Municipality (IYM) is a low capacity municipality that generates above 75% own revenue and the rest of the income comes from the government grants to fund the operating expenditure of the municipality. IYM has an old infrastructure as far as the provision of basic service delivery is concerned and a lot of operating expenditure is utilized for the maintenance of this infrastructure and other operational requirements. The municipality is responsible for the provision of these basic services in Cradock and Middleburg and some of these are Electricity, water and sanitation, and refuse removal.

The municipality has embarked on a Revenue Enhancement Programme to improve its financial viability. The cash flow problem has been plaguing the municipality for a while and one of the reasons has been the fact that IYM has not been efficient in gathering the correct information in determining how many people can pay and how many people are not able to pay due to the socio economic issues.

A new valuation roll has been completed and it is hoped that it will give the municipality more impetus in its endeavor to maximize its revenue.

Price Waterhouse & Coopers have been assisting the municipality in the Revenue enhancement Programme to ensure that the revenue opportunities for Inxuba Yethemba municipality are fully exploited.

Negative audit outcomes are continuing being a challenge and hence the capacitating in the reporting is being undertaken with the assistance of a service provider.

T 1.4.1

| Financial Overview: Year 2013 - 2014 | | | |
|--------------------------------------|-----------------|-------------------|---------|
| | R' 000 | | |
| Details | Original budget | Adjustment Budget | Actual |
| Income: | | | |
| Grants | 46,423 | 46,423 | 48,577 |
| Taxes, Levies and tariffs | 146,276 | 141,940 | 151,762 |
| Other | 28,631 | 26,240 | 19,282 |
| Sub Total | 221,330 | 214,603 | 219,621 |
| Less: Expenditure | 244,866 | 251,696 | 198,924 |
| Net Total* | -23,536 | -37,093 | 20,697 |
| * Note: surplus/(defecit) | | | T 1.4.2 |

Chapter 1

| Operating Ratios | |
|------------------------------|----------------|
| Detail | % |
| Employee Cost | 33% |
| Repairs & Maintenance | 6% |
| Finance Charges & Impairment | 0% |
| | <i>T 1.4.3</i> |

COMMENT ON OPERATING RATIOS:

The Employee Costs were 33% of the Operational Expenditure. This is above 30% of total operating cost which is a norm. This figure has come down in recent years as at one point it was approximately 50% of the total operating costs. The Repairs and maintenance are well below the norm of 20%.

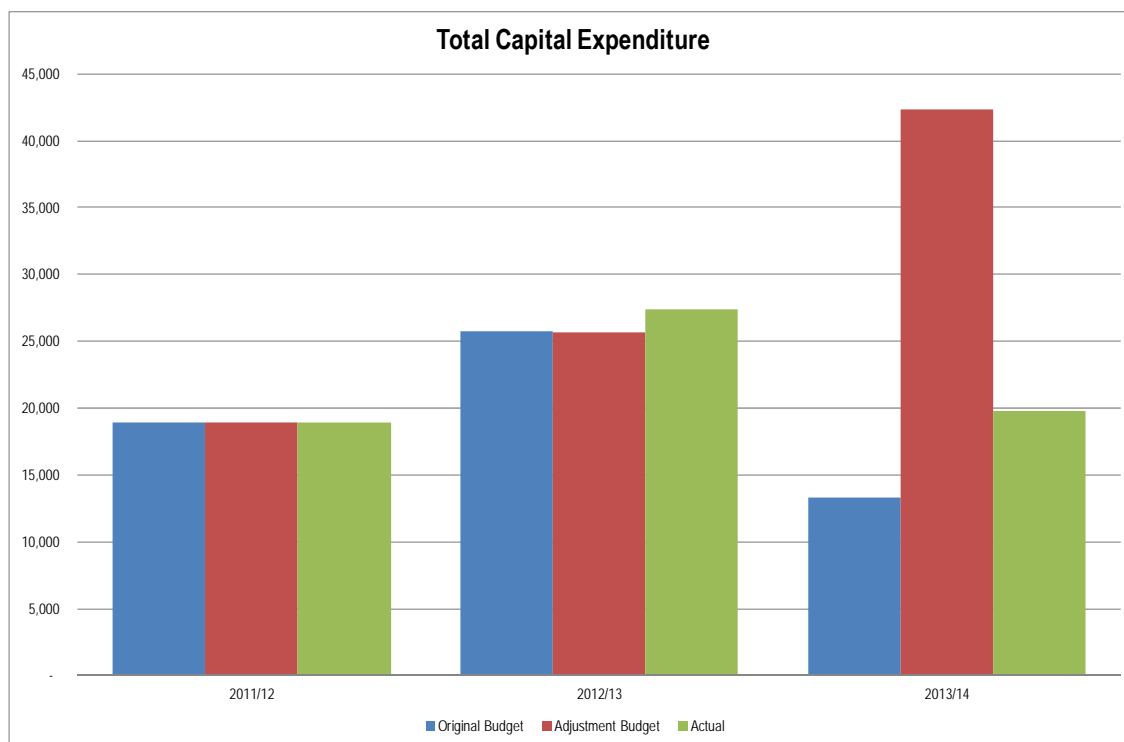
Inxuba Yethemba municipality has a very low revenue base and it has minimal reliance on government grants. This inadvertently means that the municipality has to do more with very little. This expenditure also only includes the price of material and excludes the price of labour which has been included as part of the Employee related costs.

Most of the repairs are done internally and hence that is why there is minimal spending on this item. The finance charges are negligible in terms of the amount spent. This is due to the fact that the Long Term Loan from DBSA owed by the municipality is nearly coming to an end. It is therefore well below the norm of 10%.

T 1.4.3

| Total Capital Expenditure: Year 2011/12 to Year 2013/14 | | | |
|---|---------|---------|----------------|
| | R'000 | | |
| Detail | 2011/12 | 2012/13 | 2013/14 |
| Original Budget | 18,904 | 25,728 | 13,310 |
| Adjustment Budget | 18,904 | 25,619 | 42,315 |
| Actual | 18,904 | 27,398 | 19,750 |
| | | | <i>T 1.4.4</i> |

Chapter 1



COMMENT ON CAPITAL EXPENDITURE:

There were no major variances between the 2 previous years of 2011/12 and 2012/13. An adjustment budget was done to incorporate the Water and Sanitation project which were identified as ideal in dealing with the old infrastructure challenges for the 2013/14 financial period. However there was an underspending of R 22.6 million of Capital Expenditure. This was due to water and sanitation projects that did not take place as it was planned.

These projects were supposed to be funded by the Chris Hani District municipality. Also the MIG projects could not be completed on time resulting in an underspending of R 4.9 million. A roll over has been applied for in order to complete this project in 2014/15.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The municipality is currently undertaking the process of job description writing for those posts that were not evaluated in the first phase of the project and once this has been finished the job descriptions are going to be sent to the District Job Evaluation Committee to be evaluated to ensure correct TASK job grades are assigned. The Corporate Services Manager is the assigned EE Manager as per legislation and works together with the Labor relation Officer and the EE Committee.

Cascading of PMS is still a challenge but it is work in progress as we have not yet cascaded PMS to levels below section 56 managers. There is a function Local Labour Forum and HR policies are developed and reviewed as and when affected parties identify a need to do so through discussion in the LLF. We have an adopted HR Plan by Council which we need to move to the implementation stage as it was adopted in 2012 and deals with issues of training and development, succession planning etc.

T 1.5.1

Chapter 1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2012 - 2013

The municipality received a disclaimer audit opinion with “other matters” in the prior financial year. The financial statements of Inxuba Yethemba Municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality.

The “other matters” were as follows:

Material underspending of the budget:

The municipality has materially underspent the budget to the amount of R15.9 million.

Unaudited supplementary information:

The supplementary information does not form part of the financial statements and is presented as additional information which has not been audited.

Withdrawal from the audit engagement:

Due to the limitation imposed on the audit by management, the Auditor General disclaimed its opinion on the financial statements.

T 1.6.1

COMMENT ON THE ANNUAL REPORT PROCESS:

The annual report process is important in order to ensure that there is sufficient time and co-ordination to ensure that an Annual Report, Budget and IDP are completed and adopted within the legislated timeframes. This enables proper planning in order to ensure that enough resources are pulled together to ensure the successes of the above mentioned. The municipality tried to adhere to these timeframes even though it was not always possible. This ensured at least that the compliance matters were dealt with however there were instances where the poor planning made it difficult to achieve these with ease. The IDP and Budget were not always aligned due to this and there have been some discrepancies identified in the past.

It is hoped that in future this will be adhered to in order to ensure the smooth running of the process.

T 1.7.1.1

Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS

| N o. | Activity | Timeframe |
|----------------|--|---------------------|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). | |
| 3 | Finalise the 4th quarter Report for previous financial year | |
| 4 | Submit draft Annual Report to Internal Audit and Auditor-General | |
| 5 | Municipal entities submit draft annual reports to MM | |
| 6 | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant) | August |
| 8 | Mayor tables the unaudited Annual Report | |
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General | |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase | |
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data | September - October |
| 12 | Municipalities receive and start to address the Auditor General's comments | November |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report | |
| 14 | Audited Annual Report is made public and representation is invited | |
| 15 | Oversight Committee assesses Annual Report | |
| 16 | Council adopts Oversight report | December |
| 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 |
| <i>T 1.7.1</i> | | |

Chapter 2

CHAPTER 2 – GOVERNANCE

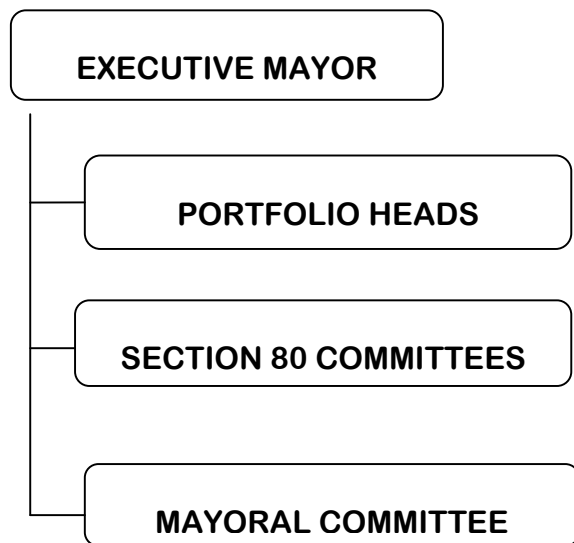
INTRODUCTION TO GOVERNANCE

Inxuba Yethemba Municipality is a category B municipality with an Executive Mayoral Governance System. The Executive Mayor is fulltime and is assisted by 4 Mayoral Committee members with each heading a portfolio committee. Other than the mayor only the Speaker and portfolio head (Chief Whip) Corporate Services are fulltime. The mayoral committee members chair the respective section 80 committees. The municipality has the following portfolio committees, Corporate Services, Community Services, Technical and Local Economic Development Services and Financial Services.

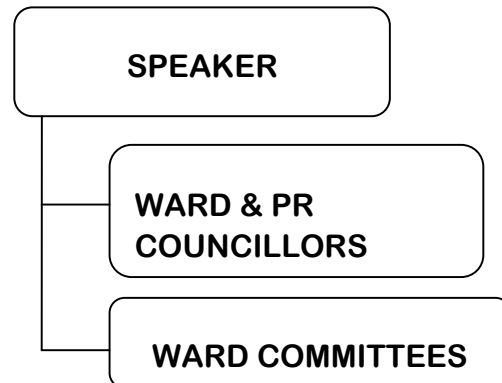
The executive mayor presides over the mayoral committee which has scheduled monthly meetings with municipal manager and managers accounting directly to him in attendance.

The Speaker is the Chairperson of council and is responsible for overseeing the functioning of Council and its committees. The office of the Speaker is further responsible for the establishment and functioning of ward committees.

Executive Structure of Council



Legislative Structure of Council



Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Executive Mayor is the Political Head of the institution. The Mayor is supported by 4 members of the Mayoral Committee and the Speaker.

The Municipal Manager is the Head of the Administration and reports to the Executive Mayor. The administration is comprised of 5 departments headed by managers appointed in terms of section 56 Municipal Systems Act as amended.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Inxuba Yethemba Municipality has a shared Audit Committee service of the Western Cluster of Chris Hani District municipality. This audit committee which covers performance audit as well covers Tsolwana, Inkwanca together with Inxuba Yethemba municipalities.

The municipality has a Municipal Public Account Committee (MPAC) comprised of non-executive councillors established in terms of section 79 of the Municipal Structures Act, Act 117 of 1998. The MPAC serves as an oversight committee of council and provides comments and recommendations to the annual report.

T 2.1.1

POLITICAL STRUCTURE



EXECUTIVE MAYOR

Mrs NC Goniwe

FUNCTION

Section 56 of the Local Government Structures Act, Act No 117 of 1998 states that the Executive Mayor is entitled to receive reports from committees of Council of the municipal council and to forward these report together with a recommendation to the council when the matter cannot be disposed of by the executive mayor in terms of the Executive Mayor's delegated powers.

The Executive Mayor must identify the needs of the municipality, review and evaluate those needs in order of priority, recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans.

Chapter 2



SPEAKER
Mr S. Masawe

FUNCTION

The Speaker presides at Council Meetings. After the demarcation process in 2011 the Council consists of 18 Councillors nine (9) ward councilors and nine (9) proportional representative councilors.

The Speaker performs the duties and exercises the powers delegated to the Speaker in terms of section 59 of the Local Government 59 of the Local Government: Municipal Structures Act, Act 117 of 1998.



CHIEF WHIP
N Mzinzi

MEMBER OF THE MAYORAL COMMITTEE: CLR. N MZINZI
Portfolio Chairperson:
Corporate Service
Function

As Mayoral Committee Member Cllr Mzinzi conducts an advisory and support role towards the Executive Mayor and a mandatory role is to the Department Corporate Services consisting of, Human Resources and Administrative Governance and Committee Services

MEMBER OF THE MAYORAL COMMITTEE: CLR. L DAVIDS
Portfolio Chairperson: Finance
Function

As Mayoral Committee Member Cllr Davids conducts an advisory and support role towards the Executive Mayor and a mandatory role is to the Department Finance responsible for financial viability of the institution.

MEMBER OF THE MAYORAL COMMITTEE: CLR. T BOBO
Portfolio Chairperson:
Community Service
Function

As Mayoral Committee Member Cllr T Bobo conducts an advisory and support role towards the Executive Mayor and a mandatory role is to the Department Community Services responsible for provision of community services.

Chapter 2

MEMBER OF THE MAYORAL COMMITTEE: CLR. L ZIZI

Portfolio Chairperson:
Technical and LED Services
Function

As Mayoral Committee Member Cllr Zizi conducts an advisory and support role towards the Executive Mayor and a mandatory role is to the Departments Technical Services and LED and entails maintenance and development of infrastructure and development of local economy.

AUDIT COMMITTEE

Mr Theophilus Irion
(Chairperson)
Ms S Du Toit (Member)

COUNCILLORS

The council is comprised of eighteen (18) councillors with 9 being ward councillors and 9 proportional representative (PR) councillors allocated different responsibilities within council. There are only two political parties represented in council as follows:

1. African National Congress (ANC) with 12 councillors
2. Democratic alliance (DA) with 6 councillors

The following are Inxuba Yethemba representatives to Chris Hani District Municipality:

Councillor N C Goniwe
Councillor F Erasmus

Refer to **Appendix A** where a full list of Councillors can be found.

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

T 2.1.2

POLITICAL DECISION-TAKING

The process flow for council resolution is that matters are discussed in the relevant standing committee which submits recommendations to council where resolutions are taken. In between council meetings the mayoral committee takes decisions except for matters which cannot be delegated by council and these decisions are ratified by council. Implementation of council and mayoral committee resolutions are reported at each subsequent meeting.

T 2.1.3

Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the head of administration in terms of Section 55 of the Local Government Systems Act and is responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration equipped to carry out the task of implementing the IDP, operating in accordance with the Municipality's budget and performance management system and responsive to the needs of the community to participate in the municipality's affairs. This is achieved through the cooperation of different departmental heads responsible for different functions.

The management of the municipality (departmental heads) is responsible for:

- The provision of services to the community in a sustainable and equitable manner;
- The appointment, training and discipline of staff;
- The administration and implementation of municipal by-laws, policies and strategies;
- Accountability and management of all income and expenditure of the municipality; and
- Compliance with all legislation governing local government.

The structure to execute these functions comprises of the following:

- Community Services Department;
- Corporate Services Department;
- Technical Service Department;
- Local Economic Development Department: and
- Finance Department.

All the above remain the responsibility of the Accounting Officer, the implementation thereof is the responsibility of the departmental heads, who report directly to the Municipal Manager.

T 2.2.1



**TOP ADMINISTRATIVE STRUCTURE
TIER 1
MUNICIPAL MANAGER**

MS TANTSI (MR.)*

Function

The Municipal Manager fulfills a mandate of accountability through the implementation of strategies, programmes and projects guided by the objectives and key performance of human resources aspiring to creating a sound administrative institution which is financially sustainable in providing a service delivery initiative to the community of Inxuba Yethemba

Chapter 2

TIERS 2 AND 3

**EXECUTIVE DIRECTOR:
Local Economic Development**

L JOJIYASI (MR)

To provide a conducive environment for local economic development and maximising the tourism and agricultural potential of the area

**EXECUTIVE DIRECTOR:
Community Services**

N MAJIBA (MRS.)*

To provide community services in the municipal area

**EXECUTIVE DIRECTOR:
Technical Services**

A SALENI (MR.)*

To maintain and develop infrastructure in the municipal area

**EXECUTIVE DIRECTOR:
Chief financial services**

L TUKWAYO (MR.)*

To ensure a financially viable institution that meets its service delivery and other obligations in a sustainable manner

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

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Intergovernmental relations build cooperation among the different spheres of government and between government agencies and partners and partners in development. It also forges a seamless government working together to serve the people better and effectively.

The IGR activities may include:

- Planning and Budgeting: Planning between stakeholders for a common objective
- Consultations: among different spheres of government
- Information sharing: building knowledge and cohesion
- Reporting: reporting to relevant stakeholders as may be prescribed

T2.3.0

Chapter 2

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Inxuba Yethemba municipality is a local municipality and unfortunately cannot participate in legislated National IGR structures.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality attends participates Technical and Political Munimec (Municipalities and MEC) meeting which are arranged quarterly by COGTA EC. The Chris Hani district municipality also convenes District Technical IGR meetings and District Mayors Forums (DIMAFO) to coordinate Intergovernmental Relations at the District level.

The municipality has not been successful in coordination local IGR structure largely due to non-attendance by the government departments at the local level. The municipality will continue reviving the local IGR structure.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality does not have active entities (except for Motlie which has been dormant since 2008 and is in process of deregistration) at the local level.

A complete list of entities and delegated functions should be set out in **Appendix D**. T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Chris Hani district municipality also convenes District Technical IGR meetings and District Mayors Forums (DIMAFO) to coordinate Intergovernmental Relations at the District level. As the municipality we contribute by submitting items for discussion in particular matters that have a direct bearing to the local level. The municipality has not been successful in coordination local IGR structure largely due to non-attendance by the government departments at the local level. The municipality will continue reviving the local IGR structure.

T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

There are systems in place promoting accountability, participation by public as well as informing the public. This is largely achieved through reporting in public meetings, notices in the local press and notice boards, asking for commentary and objections before some transactions involving land use or policy development affecting the public.

T 2.4.0

Chapter 2

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

As mentioned in the overview there are public meetings which are held at ward level by the respective ward councillor to report, share information and receive feedback from the community. It must however be mentioned although they should ideally follow the annual schedule of meetings as adopted by council, there are instances where the schedule is not followed to the latter.

The IDP forums have proven to be very much successful as evidence by attendance figures and the level of participation during discussions in these forums. There were also stakeholder specific meetings such as reviving the LED forum and attempts to establish transport forum.

T 2.4.1

WARD COMMITTEES

Refer to **Appendix E** which contains further details on ward committee.

T 2.4.2

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The Ward Committee System is in place and the Office of the Speaker is responsible for the functioning of the Ward Committees. Generally Ward Committees function within wards to deal with issue that affect their wards in an effort to assist the Ward Councillor to deal with challenges in the ward. Mainly they deal issues of development in wards as well as to deal with how to channel complaint from the ward to the municipality.

The meetings are generally participatory as the community freely raise their issue and expect the municipality to respond. This is of course not the same across wards as participation differs from ward to ward as well as what are the issues that are to be discussed in a particular meeting. The municipality benefits from these fora in that they become aware of what are the shortcomings in service delivery issues that need specific attention.

T 2.4.3.1

Chapter 2

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? | |
| Does the budget align directly to the KPIs in the strategic plan? | Yes |
| Do the IDP KPIs align to the Section 57 Managers | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes |
| * Section 26 Municipal Systems Act 2000 | |
| T 2.5.1 | |

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Inxuba Yethemba municipality as a sphere of government is bound by the prescripts of the supreme law of the country, the Constitution. The Constitution clearly articulates the objects of local government which are:

- To provide democratic and accountable local government to communities
- To ensure provision of services in a sustainable manner
- To promote social and economic development
- To promote a healthy and safe environment
- To encourage involvement of community and community organisations in the matters of local government

In ensuring that the council delivers on its constitutional mandate the following mechanisms amongst others need focus:-

- Clear Risk Management strategy implementation to enable timely identification of risks and threats which might impede achievement of goals so that these can be mitigated
- Promotion of Anti-Fraud and Corruption strategy to promote ethical behaviour
- Ensuring a Supply Chain Framework and policy for procuring goods and services at best value for money whilst supporting local economy

T 2.6.0

Chapter 2

2.6 RISK MANAGEMENT

RISK MANAGEMENT

MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. T 2.6.1

The top five risks identified at the Inxuba Yethemba local municipality level is as follows:

1. Disruption of services as a result of old and dilapidated infrastructure.
2. Loss of revenue as a result of inaccurate inventory balances, planning and non-coordination of activities by the departments.
3. Poor performance as a result of inadequate training regime and induction process. Poor performance due to lack of capacity and motivation and Poor staff morale.
4. Poor management of assets. Inadequate physical security over assets.
5. Poor internal controls over expenditure and procurement.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality has a fraud prevention and anti-corruption strategy in place. Also there is a risk committee that is supposed to be dealing with these matters. However the committee has not been effective as it has not sat the meeting to deal with these issues. There have been workshops done by the District where some senior municipal officials were invited in order to be capacitated in how to deal with the fraud matters.

Also this has not been communicated with sufficient regularity to the staff and the outside stakeholders. This does need to be strengthened in order to endure that the institution is not exposed to the risk of fraud and corruption.

The municipality's Audit Committee recommendations for 2013 - 2014 are set out at **Appendix G**

T 2.7.1

Chapter 2

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The municipality resolved in terms section 111 of Municipal Finance Management Act, No 56 of 2003 to have and to implement the Supply chain management policy.

The policy has been reviewed to ensure that it is aligned with new SCM regulation PPPF and other important legislative requirements.

This is to ensure that all procurement is fair, equitable, transparent, competitive and cost effective as required by the regulatory framework.

Also the staff employed in the unit have met the minimum competency requirement as they have passed the CPMD course which is a minimum competency requirement.

Inxuba Yethemba municipality has fairly new established SCM unit which is still under capacitated at the moment. This is due to the lack of funding as the municipality currently cannot afford to have a fully fledged unit. The lack of capacity has resulted in the unit not being able to fulfill its mandate and also some irregular expenditure incurred which could have been avoided. Also this meant that the procurement processes could not be co-ordinated in a matter befitting a fully fledged and capacitated unit.

Plans are being put in place to ensure that more capacity is added in order to strengthen the SCM unit.

Refer to information on long term contracts which is set out in **Appendix H**. Refer to further comments set out under the Financial Performance – Chapter 5, Component D. T 2.8.1

2.9 BY-LAWS

| By-laws Introduced during Year 0 | | | | | |
|----------------------------------|---------|--|-------------------------------|----------------------------|---------------------|
| Newly Developed | Revised | Public Participation Conducted Prior to Adoption of By-Laws (Yes/No) | Dates of Public Participation | By-Laws Gazetted* (Yes/No) | Date of Publication |
| None | None | Yes | None | None | None |
| | | | | | |

**Note: See MSA section 13.* T 2.9.1

The last By-laws that were gazetted were in the 2012/2013 financial year. Since then the user departments have not undertaken any activity in the form revisiting their by-laws.

T 2.9.1.1

Chapter 2

2.10 WEBSITES

| Municipal Website: Content and Currency of Material | | |
|---|-----------------|------------------------|
| Documents published on the Municipality's / Entity's Website | Yes / No | Publishing Date |
| Current annual and adjustments budgets and all budget-related documents | Yes | 14-May-14 |
| All current budget-related policies | Yes | 25-Nov-13 |
| The previous annual report 2012 - 2013 | No | |
| The annual report 2013 - 2014 published/to be published | No | |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2013 - 2014 and resulting scorecards | Yes | 1-Sep-13 |
| All service delivery agreements (Year 2013 - 2014) | No | |
| All long-term borrowing contracts (Year 2013 - 2014) | No | |
| All supply chain management contracts above a prescribed value for Year 2013 - 2014 | Yes | 3-Mar-14 |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1 | No | |
| Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section | No | |
| Public-private partnership agreements referred to in section 120 made in 2013 - 2014 | No | |
| All quarterly reports tabled in the council in terms of section 52 (d) during Year 2013 - 2014 | No | |
| <i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i> | | |

T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

There are computers available that community members can access the municipalities website in such locations as Vusubuntu Cultural Village, the Youth Centre and both tourist Information offices of which one is located in Cradock and one in Middelburg. The issue regarding insufficient content on the website was addressed to the Municipal Manager and an email was sent out to departments requesting this information but departments have not yet submitted the required info. Information is requested from the manager of that department and it is the responsibility of the manager to inform the staff reporting to him or her.

The municipal Manager will address these issues at the next management meeting.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

A new internal complaint management system is in place. The complaint is logged into the system immediately when it is reported. It is assigned to the relevant technician for fixing. When technician attends to the complaint he logged into the system to indicate that the complaint has been attended to. Throughout the stages the complainant is informed via sms of the status of the complaint until completely addressed. This system has proven to be very much handy and useful to the customers as they know at each point how far the process of addressing the complaint is, and the community is very much satisfied with this approach. The Presidential hotline is also used for those complaints lodged at this level and most of the time our cases are resolved immediately thus maintaining between 95 to 100% status

Chapter 3

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

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

Inxuba Yethemba Municipality is in dire need of support to provide the basic services to our communities, the addition of the Human Resources for the entire department, Plant, Vehicle and Equipment- addition of Tipper Trucks, Excavator, TLB, and Roller to assist in earthworks; and also we are in need of vehicles to be able to do our day to day operations. The above mentioned resources are more in need to assist in the Technical Services Department as the Service delivery department within the Municipality.

T 3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

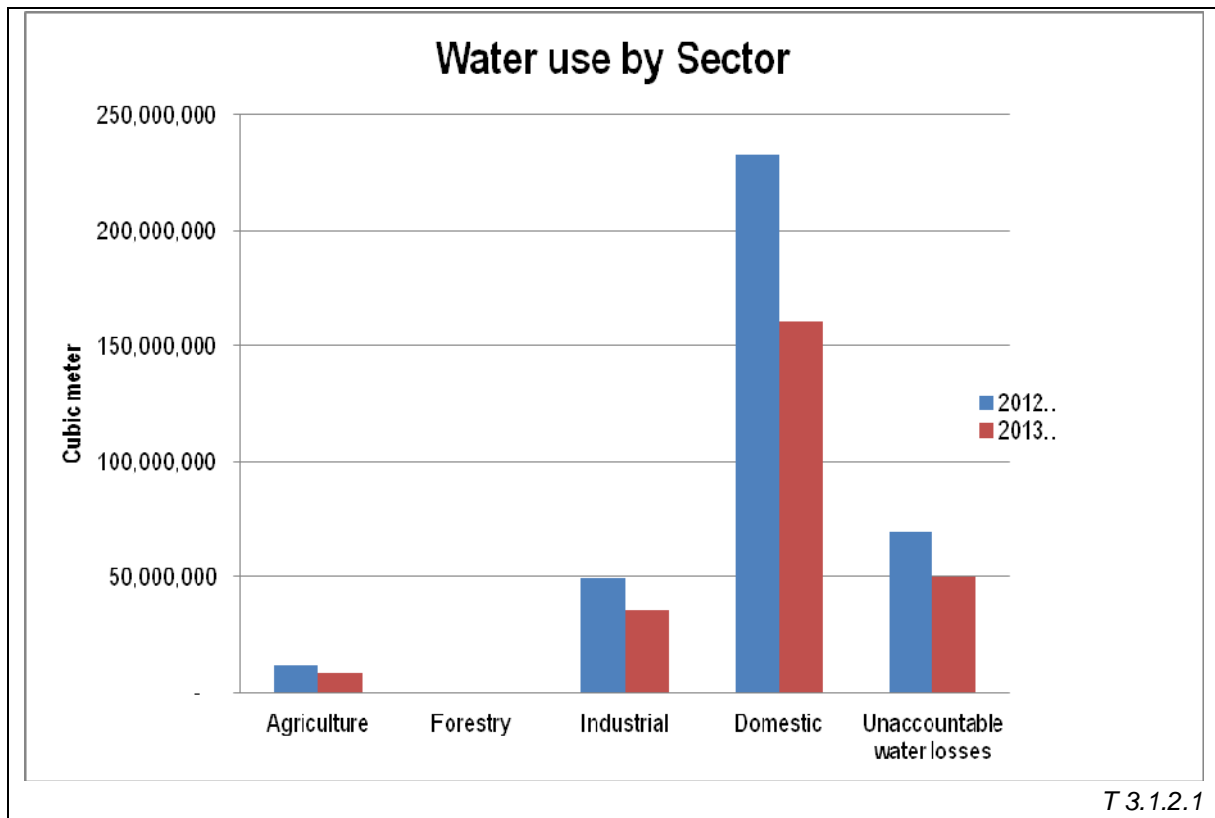
Technical Services Department is one of the departments within the Municipality providing basic services to the community and Water is one of those basic services. Inxuba Yethemba is one of the 8 Municipalities of Chris Hani District Municipality (WSA) as the Water Services Provider (WSP). The Municipality has human resource dedicated to provide the water services to the community within the two Towns of Cradock and Middelburg. The Municipality is being assessed by the department of Water Affairs in order to achieve the Blue Drop status and the results have been not so bad within the provision.

The Municipality has also engaged in the Indigent Household Programme, assisting the communities in fixing leakages within their yards and this is part of water conservation and demand management programme encouraged by the WSA and the Department of Water Affairs. This programme is assisting a lot our communities as we have identified some of the areas within the municipality that are using more water and that need to be monitored and managed in order to conserve this water resource. The municipality is fixing water leakages through the Operations and Maintenance budget and using plumbers within the department to do the service. The plumbers have been sent to training for the Trade Test in order to achieve goals and objectives of the municipality to give proper service delivery to the community.

T 3.1.1

Chapter 3

| Total Use of Water by Sector (cubic meters) | | | | | |
|---|-------------|----------|------------|-------------|----------------------------|
| | Agriculture | Forestry | Industrial | Domestic | Unaccountable water losses |
| 2012 - 2013 | 11,628,519 | - | 49,285,550 | 232,570,396 | 69,479,253 |
| 2013 - 2014 | 8,011,581 | - | 35,238,299 | 160,231,637 | 49,745,030 |
| <i>T 3.1.2</i> | | | | | |

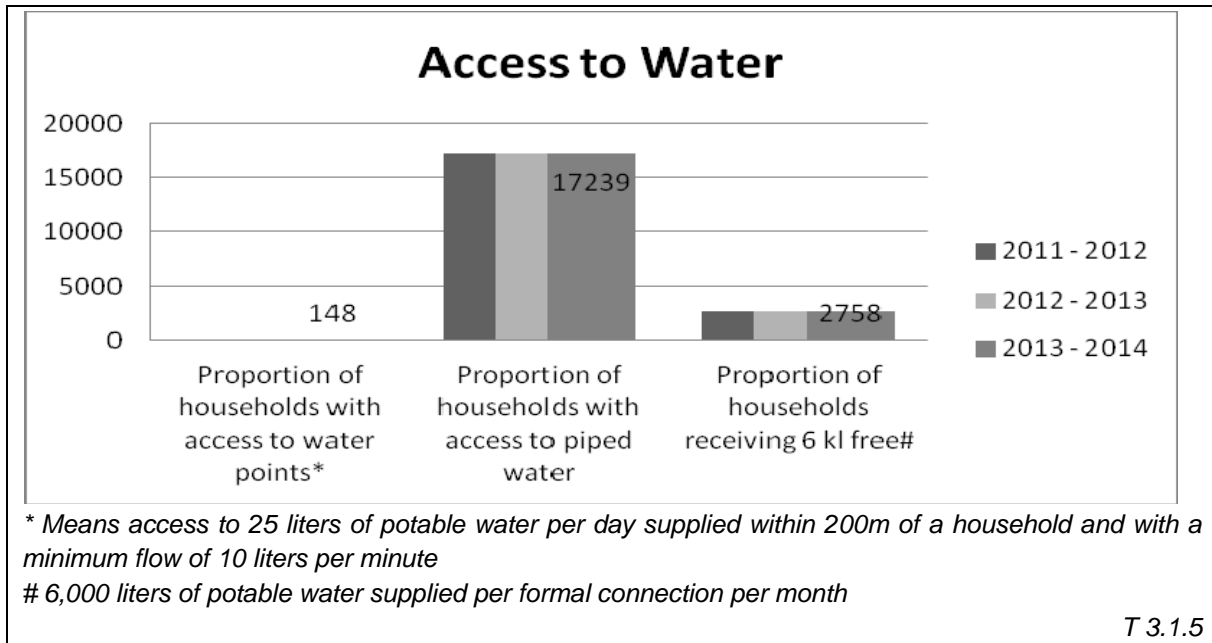


Chapter 3

| Water Service Delivery Levels | | | | |
|---|---------------------------|-------------|-------------|-------------|
| Description | Households (in thousands) | | | |
| | 2010 - 2011 | 2011 - 2012 | 2012 - 2013 | 2013 - 2014 |
| | Actual No. | Actual No. | Actual No. | Actual No. |
| Water: (above min level) | | | | |
| Piped water inside dwelling | 15 | 16 | 16 | 16 |
| Piped water inside yard (but not in dwelling) | 15 | 16 | 16 | 16 |
| Using public tap (within 200m from dwelling) | 1 | 1 | 1 | 1 |
| Other water supply (within 200m) | | | | |
| <i>Minimum Service Level and Above sub-total</i> | 32 | 32 | 32 | 34 |
| <i>Minimum Service Level and Above Percentage</i> | 97% | 97% | 97% | 97% |
| Water: (below min level) | | | | |
| Using public tap (more than 200m from dwelling) | 1 | 1 | 1 | 1 |
| Other water supply (more than 200m from dwelling) | - | - | - | - |
| No water supply | | | | |
| <i>Below Minimum Service Level sub-total</i> | 1 | 1 | 1 | 1 |
| <i>Below Minimum Service Level Percentage</i> | 3% | 3% | 3% | 3% |
| Total number of households* | 33 | 33 | 33 | 35 |
| * - To include informal settlements | | | | T 3.1.3 |

| Households - Water Service Delivery Levels below the minimum | | | | | | |
|--|-------------|-------------|-------------|---------------------|---------------------|------------|
| Description | Households | | | | | |
| | 2010 - 2011 | 2011 - 2012 | 2012 - 2013 | 2013 - 2014 | | |
| | Actual No. | Actual No. | Actual No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| Formal Settlements | | | | | | |
| Total households | 15464 | 15560 | 15625 | R 20,791,924 | R 18,831,452 | 15811 |
| Households below minimum service level | 908 | 908 | 908 | R 1,185,139 | R 1,073,393 | 908 |
| Proportion of households below minimum service level | 5.87% | 5.84% | 5.81% | 5.70% | 5.70% | 5.74% |
| Informal Settlements | | | | | | |
| Total households | 908 | 908 | 908 | R 1,185,139 | R 1,073,393 | 908 |
| Households ts below minimum service level | 908 | 908 | 908 | R 1,185,139 | R 1,073,393 | 908 |
| Proportion of households ts below minimum service level | 100% | 100% | 100% | 100% | 100% | 100% |
| | | | | | | T 3.1.4 |

Chapter 3



| Financial Performance Year 2013 - 2014: Water Services | | | | | | R'000 |
|--|----------------|-----------------|-------------------|---------|--------------------|-------|
| Details | Year - 2012/13 | Year 2013/14 | | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget | |
| Total Operational Revenue | 26,865 | 38,656 | 35,247 | 22,390 | -73% | |
| Expenditure: | | | | | | |
| Employees | 4,933 | 5,241 | 4,936 | 5,554 | 6% | |
| Repairs and Maintenance | 2,337 | 3,860 | 3,185 | 5,308 | 27% | |
| Other | 9,542 | 14,173 | 12,494 | 9,631 | -47% | |
| Total Operational Expenditure | 16,812 | 23,274 | 20,615 | 20,493 | -14% | |
| Net Operational Expenditure | (10,053) | (15,382) | (14,632) | (1,897) | -711% | |
| <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 3.1.8

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

All the Capital projects for Water Services are administered by CHDM and as the municipality we are the beneficiary of the projects and assist in the operations and maintenance of the projects and that is only done once the project is completed. The variations in terms of the allocation and the actual expenditure can only be done during the project implementation stage which is done by CHDM. Not all projects planned could be implemented and all projects as per the needs of our community in the IDP were submitted to CHDM.

T 3.1.10

Chapter 3

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Technical Services Department is providing the service within the municipality and has got 2 Waste Water Treatment Works, Cradock Waste Water Treatment Works and Middelburg Waste Water Treatment Works which are in Cradock and Middelburg respectively. The two treatment works are treating both the domestic and industrial waste water from both towns. Each treatment work has pump stations that are depositing the waste water to the treatment works respectively. The municipality is also being assessed by the department of Water Affairs in order to achieve the Green Drop status. All reports are being developed and compiled for the service in order to have the records in place. The Municipality is a Water Services Provider appointed by Chris Hani District Municipality to provide the service to the communities.

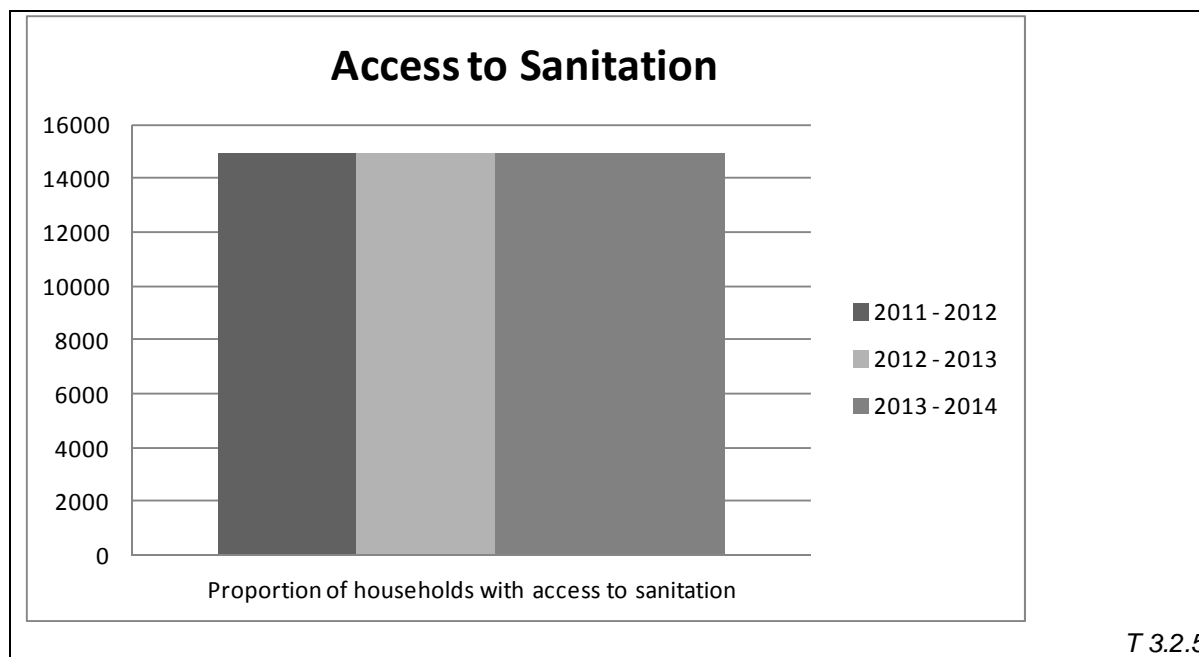
T 3.2.1

| Sanitation Service Delivery Levels | | | | |
|---|----------------------------|-------------|-------------|-------------|
| Description | *Households (in thousands) | | | |
| | 2010 - 2011 | 2011 - 2012 | 2012 - 2013 | 2013 - 2014 |
| | Outcome No. | Outcome No. | Outcome No. | Actual No. |
| <u>Sanitation/sewerage: (above minimum level)</u> | | | | |
| Flush toilet (connected to sewerage) | 12 | 12 | 12 | 12 |
| Flush toilet (with septic tank) | 1 | 1 | 1 | 1 |
| Chemical toilet | 0 | 0 | 0 | 0 |
| Pit toilet (ventilated) | 0 | 0 | 0 | 0 |
| Other toilet provisions (above min.service level) | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | 13 | 13 | 13 | 13 |
| <i>Minimum Service Level and Above Percentage</i> | 100.0% | 100.0% | 100.0% | 100.0% |
| <u>Sanitation/sewerage: (below minimum level)</u> | | | | |
| Bucket toilet | - | - | - | - |
| Other toilet provisions (below min.service level) | - | - | - | - |
| No toilet provisions | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - |
| <i>Below Minimum Service Level Percentage</i> | 0.0% | 0.0% | 0.0% | 0.0% |
| Total households | 13 | 13 | 13 | 13 |
| <i>*Total number of households including informal settlements</i> | | | | T 3.2.3 |

Chapter 3

| Households - Sanitation Service Delivery Levels below the minimum | | | | | | |
|---|-------------|-------------|-------------|--------------|--------------|--------|
| Description | 2010 - 2011 | 2011 - 2012 | 2012 - 2013 | 2013 - 2014 | | |
| | Actual | Actual | Actual | Original | Adjusted | Actual |
| | No. | No. | No. | Budget | Budget | No. |
| Households | | | | | | |
| Formal Settlements | | | | | | |
| Total households | 14,903 | 14,903 | 14,903 | R 13,780,814 | R 13,098,888 | 15811 |
| Households below minimum service level | - | - | - | - | - | - |
| Proportion of households below minimum service level | 0% | 0% | 0% | 0% | 0% | 0% |
| Informal Settlements | | | | | | |
| Total households | 908 | 908 | 908 | R 785,506 | R 746,636 | 1 |
| Formal Settlements | 908 | 908 | 908 | R 12,995,308 | R 12,352,251 | - |
| Proportion of households below minimum service level | 100% | 100% | 100% | 1654% | 1654% | 0% |

T 3.2.4



T 3.2.5

Chapter 3

| Financial Performance Year 2013/2014: Sanitation Services | | | | | |
|--|---------------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year -2012/13 | Year 2013/14 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 16,829 | 6,188 | 6,188 | 17,996 | 66% |
| Expenditure: | | | | | |
| Employees | 3,007 | 2,978 | 3,373 | 3,670 | 19% |
| Repairs and Maintenance | 1,149 | 1,340 | 1,380 | 1,175 | -14% |
| Other | 2,226 | 6,849 | 6,412 | 3,576 | -92% |
| Total Operational Expenditure | 6,382 | 11,167 | 11,165 | 8,421 | -33% |
| Net Operational Expenditure | -10,447 | 4,979 | 4,977 | -9,575 | 152% |
| <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> | | | | | <i>T 3.2.8</i> |

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

All the Capital projects for Sanitation Services are administered by CHDM and as the municipality we are the beneficiary of the projects and assist in the operations and maintenance of the projects and that is only done once the project is completed. The variations in terms of the allocation and the actual expenditure can only be done during the project implementation stage which is done by CHDM. Not all projects planned could be implemented and all projects as per the needs of our community in the IDP were submitted to CHDM.

T 3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The Technical Services Department provides the service within the municipality. The Electrical Services is the section within Technical Services headed by the Chief Electrical Services and has electricians under his supervision who are doing the actual work on site.

All Capital projects are done internally by the municipality with the assistance of appointment of Professional Service Providers in order to develop business plans, management, designs and supervision of those capital projects. The section also assist in the operations and maintenance of all operations within the department, the management and supervision of all substations and the network at large. The section is short of resources like human resource, vehicles, plant and equipment due to lack of funding, the capital funding comes from the department of energy through submitting of business plans and applications. All operations and maintenance of all substations and networks are done through the operational budget of the municipality.

The municipality has a big challenge of dilapidated network which needs an urgent attention but unfortunately as the municipality we are being regarded as those municipalities that has no backlog and we are struggling a lot with lot of outages as we don't meet the criteria used by DOE that they only fund municipalities with backlog yet our network cannot cope with the existing load and new developments and this concern has been sent to DOE for consideration.

T 3.3.1

Chapter 3

| Electricity Service Delivery Levels | | | | |
|---|-------------|-------------|-------------|---------------------------|
| Description | 2010 - 2011 | 2011 - 2012 | 2012 - 2013 | Households 2013 - 2014 |
| | Actual No. | Actual No. | Actual No. | Actual No. |
| Energy: (above minimum level) | | | | |
| Electricity (at least min.service level) | 14,903 | 14,903 | 14,903 | 14,903 |
| Electricity - prepaid (min.service level) | 14,903 | 14,903 | 14,903 | 14,903 |
| <i>Minimum Service Level and Above sub-total</i> | 14,903 | 14,903 | 14,903 | 14,903 |
| <i>Minimum Service Level and Above Percentage</i> | 94.3% | 94.3% | 94.3% | 94.3% |
| Energy: (below minimum level) | | | | |
| Electricity (< min.service level) | 908 | 908 | 908 | 908 |
| Electricity - prepaid (< min. service level) | 908 | 908 | 908 | 908 |
| Other energy sources | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | 908 | 908 | 908 | 908 |
| <i>Below Minimum Service Level Percentage</i> | 5.7% | 5.7% | 5.7% | 5.7% |
| Total number of households | 15,811 | 15,811 | 15,811 | 15,811 |
| <i>T 3.3.3</i> | | | | |

| Households - Electricity Service Delivery Levels below the minimum | | | | | | |
|--|-------------|-------------|-------------|---------------------------|---------------------|------------|
| Description | 2010 - 2011 | 2011 - 2012 | 2012 - 2013 | Households 2013 - 2014 | | |
| | Actual No. | Actual No. | Actual No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| Formal Settlements | | | | | | |
| Total households | 14,903 | 14,903 | 14,903 | R 58,994,153.55 | R 58,790,078.92 | 15,811 |
| Households below minimum service level | - | - | - | - | - | - |
| Proportion of households below minimum service level | 0% | 0% | 0% | 0% | 0% | 0% |
| Informal Settlements | | | | | | |
| Total households | 908 | 908 | 908 | R 3,565,924.45 | R 3,553,589.08 | 15,811 |
| Households ts below minimum service level | 908 | 908 | 908 | R 3,565,924.45 | R 3,553,589.08 | - |
| Proportion of households ts below minimum service level | 100% | 100% | 100% | 100% | 100% | 0% |
| <i>T 3.3.4</i> | | | | | | |

Chapter 3

| Electricity Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|-------------------------------------|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|------------------------|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | Year 2012 - 2013 | | Year 2013 - 2014 | | | Year 2014 - 2015 | Year 2015 - 2016 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| To ensure that all communities receive adequate and uninterrupted supply of electricity. | 14903 | 908 | 908 | 908 | 908 | 908 | 908 | 908 | 908 |
| Ensure adequate street lighting so as to provide safety and security in the community. | | | | | | | | | |
| <p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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 Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p> | | | | | | | | | |

T 3.3.5

Chapter 3

| Financial Performance Year 2013 - 2014: Electricity Services | | | | | | R'000 |
|--|---------------|-----------------|-------------------|----------|--------------------|---------|
| Details | Year -2012/13 | Year 2013/14 | | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget | |
| Total Operational Revenue | 67,736 | 79,298 | 81,470 | 81,520 | 3% | |
| Expenditure: | | | | | | |
| Employees | 3,554 | 3,833 | 4,634 | 4,811 | 20% | |
| Repairs and Maintenance | 1,348 | 1,692 | 1,747 | 1,403 | -21% | |
| Other | 51,284 | 57,035 | 55,962 | 47,169 | -21% | |
| Total Operational Expenditure | 56,186 | 62,560 | 62,343 | 53,383 | -17% | |
| Net Operational Expenditure | (11,550) | (16,738) | (19,127) | (28,137) | 41% | |
| <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 3.3.7 |

| Capital Expenditure Year 2013 - 2014: Electricity Services | | | | | | R' 000 |
|--|--------|-------------------|--------------------|-------------------------------|---------------------|---------|
| Capital Projects | Year 0 | | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value | |
| Michausdal Dedicated Feeder Line | 1,400 | 1,400 | 1,825 | 23% | 1,400 | |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i> | | | | | | T 3.3.8 |

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

All operational projects like day to day maintenance of networks and substations are done through the maintenance budget and all capital projects are funded by the Department of Energy through applications and submission of Business and that is subject to their approval. All the electricity within the municipality is supplied by the municipality except Lingelihle supplied by Eskom and the municipality is in the process of convincing Eskom to handover the supply of the township to the municipality.

Due to the development of the area of Cradock the municipality is experiencing a lot of electricity outages due to overload and is in the process of implementing the Michausdal dedicated feeder project which will be funded internal by the municipality and it will assist to bust the capacity of electricity. The municipality upgraded the Middelburg substation through funding by the Department of Energy and the project has been completed successfully which has yielded positive results as it can be seen there is more stability in Middelburg in terms of electricity supply. We have applied for funding from DOE for the year 2015/16 to do the same upgrading for Cradock substation in order to improve and achieve adequate capacity.

3.3.9

Chapter 3

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

INTRODUCTION TO WASTE MANAGEMENT

Waste Management is the removal of waste from the households businesses and the industrial areas by making use of municipal compactor trucks and personnel; waste is then disposed of at the waste landfill site. The waste disposal site should be constructed in such a way that it reduces nuisance. The waste generators are later charged according to the waste generated per month. The tariffs are determined during the budget process including inputs from the community members.

Refuse collection

Refuse collection is done on a weekly basis. Each household receives four bin liners each month. The bin liner is filled with household waste and placed at the street verge for collection at a known day of the week. Municipal truck with employees picks up the waste and transports it to the disposal site.

Waste disposal and waste disposal site

There are two waste disposal sites, one is in Cradock and another is in Middelburg. Both these disposal sites are not licenced and do not meet the NEMA requirements. The Cradock and Middelburg disposal sites are in the process of closure and rehabilitation. The Cradock site possesses more risk to the environment and the latest geological report has concluded that it needs to be closed and rehabilitated. This site has been identified as rocky and it will be very expensive to be used for an extension of the existing unlicensed site.

The Middelburg disposal site is filled to be used until the calls are used completely and no extra calls may be opened for disposal of the waste. The Cradock Disposal site is fenced but there is no impact as the community members are using any space to deposit all over the place rendering a negative effect to the water courses nearer the site.

Street sweepers and cleaning

The street sweepers function forms part of the refuse removal and the cleanliness of our towns. The street sweepers are permanently placed at strategic areas of the central business district to pick up papers, empty refuse, bins and dewed if there are overgrown areas where they are placed. The street sweepers work seven days of the week and weekends are paid to them as overtime. This team is the pride of our institution as compliments from tourist are received acknowledges the clean central business districts.

Recycling and cooperatives

There are two cooperative that are doing recycling in the Inxuba Yethemba area of jurisdiction. One is in Middelburg and is operating very well. The cleanliness in the area shows that the cooperative is progressing. The Ikamvalethu recycling cooperative that has been funded by Social Development has not progressed at this stage. They started through the assistance of the Middelburg Waste recycling project.

The purpose was to transfer skill until they are capacitated enough to run their own cooperative. Ikamvalethu was also getting a stipend through EPWP project for a period of twelve months. They started having problems after the funding was transferred to their bank accounts by Social

Chapter 3

development and each person waited to be the treasure all efforts that were made by the Manager Community Services to resolve their problem never reaped any fruits. The Social Development was also not giving enough to the solution of Ikamvalethu cooperatives.

Waste management awareness campaigns

The department of environment affairs has appointed Ikamvalethu consultants to do environmental impacts assessments for the Cradock and Middelburg disposal sites. The department also appointed a total number of 14 youth to assist the municipality in the anti-litter campaign (COKISA PROJECT) other members of COKISA are sorting waste at the disposal site for the waste to be baled by the Ikamvalethu. COKISA youth is doing door to door awareness campaigns informing the communities about the dangers of illegal dumping and financial spin offs of recycling.

Bylaws relating to waste management

Inxuba Yethemba has promulgated by law that relate to waste management by law enforcement officers do exist in the protection services section but due to cash flow challenges they could not be appointed.

Measures to be taken to improve performance recycling in Cradock

As the Cooperative in Cradock is not progressing well, the Manager Community Services need to regroup the members of the cooperative to reduce confrontation. This will be followed by including the COKISA youth in recycling. School in Cradock are to be part of recycling, getting them skip containers to collect and sell to the cooperatives. Learners are to sort waste at home reducing the refuse taken to the waste disposal site. Ikamva Consulting has applied for the closure and rehabilitation of the Cradock disposal site. The identification of the two optional sites for Cradock as the old site cannot be identified including the municipal town planning section through special Development Framework of the Municipality.

T 3.4.1

| Solid Waste Service Delivery Levels | | |
|--|--------------|--------------|
| Description | Households | |
| | 2012 - 2013 | 2013 - 2014 |
| | Actual No. | Actual No. |
| <u>Solid Waste Removal: (Minimum level)</u> | | |
| Removed at least once a week | 16,000 | 16,000 |
| <u>Solid Waste Removal: (Below minimum level)</u> | | |
| Removed less frequently than once a week | 204 Rosemead | 204 Rosemead |
| | T 3.4.2 | |

The total number of household that are serviced are 16,000 and the illegal dumping is also to be reported that the building rubble and gardens waste is collected occasional using the TLB and front end loader per need in all wards. There is no area in the Inxuba Yethemba with informal settlements.

Chapter 3

Waste Management Service Policy Objectives Taken From IDP

1. *Provision of weekly collection per household*
 - No waste collection failures for the past 4 years. Illegal dumping that needs awareness campaign that is assisted by the COKISA project. Failure that is identified is the law enforcement.
2. *Failure capacity of existing and earmarked waste disposal sites*

Cradock landfill sites:

- The Cradock site has been identified for closure and rehabilitation. Identification of another site is of utmost important in the coming three years.

Middelburg landfill:

- The landfill site will be used in the next three years but no new cells are to be opened. The distance between Cradock and Middelburg makes it necessary to plan for the new disposal sites for both towns.
3. Proportion of waste that is recycled: Unknown
 4. Proportion of site that is in compliance with NEM 1989: None

Comment on waste management services performance overall

There are no capital projects in the waste management in the 2013/14 financial year. The 5 year target cannot be attained within the approved budget provision unless the revenue collection is enforced or improved.

| Financial Performance Year 2013/14: Solid Waste Management Services | | | | | |
|--|---------------|-----------------|-------------------|--------|--------------------|
| | | | | | R'000 |
| Details | Year -2012/13 | Year 2013/14 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 13,832 | 13,838 | 13,834 | 14,767 | 6% |
| Expenditure: | | | | | |
| Employees | 5,123 | 5,514 | 5,414 | 5,369 | -3% |
| Repairs and Maintenance | 315 | 269 | 518 | 532 | 49% |
| Other | 4,553 | 1,504 | 1,412 | 3,205 | 53% |
| Total Operational Expenditure | 9,991 | 7,287 | 7,344 | 9,106 | 20% |
| Net Operational Expenditure | -3,841 | -6,551 | -6,490 | -5,661 | -16% |
| <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 3.4.7 |

Chapter 3

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

Top three services priorities

Recycling in Middelburg makes an impact to both the environmental and the poverty alleviation directly to the employees of the project and indirect to the community members selling the recyclable waste material. The weekly removal of waste from 95% of the households, making \pm 50% the Rosmead area which is not serviced. The EPWP project which focused on the environmental sector employing 200 household members. This improved our environment and give livelihood to the communities.

Challenges

Minimal budget is allocated for waste management while the visibility of waste in each street corner interferes with a better life for all. Old waste management fleet which makes it very expensive to services the fleet. Revenue enhancement or collection that affects progress. MIG funding that does not prioritise waste management. The transfer of Rosmead site to the municipality by Transnet makes it difficult to financially plan for the area of Rosmead.

Community response to poverty stricken community

All households are issued with refuse bin liners irrespective of their ability to pay for the services or not. All the open spaces that are used as illegal dumping sites are cleared occasionally by the municipal in all wards.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The municipality is in need of the housing development within the areas of both Cradock and Middelburg. The housing Sector Plan is under development and we believe that is going to address all the housing needs within the municipality. The housing section within Technical Services is responsible for the rendering of the service, headed by the Housing Head.

The department is working very close with the department of Human Settlement in order to improve and achieve the standard and quality of houses within Inxuba Yethemba at large. We have a big challenge of houses which were built pre 1994 as they were not built in good standard as a result we are in the process of rectifying them. Some of the post 1998 houses were not included for assessment or rectification we are in the process of doing that as the municipality. The municipality has achieved to register all its rectification projects with the department of Human Settlements and some of those projects are under construction and implementation stage.

T 3.5.1

Chapter 3

| 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 |
| 2010 - 2011 | 15,811 | 14,902 | 94% |
| 2011 - 2012 | 15,811 | 14,902 | 94% |
| 2012 - 2013 | 15,811 | 14,902 | 94% |
| 2013 - 2014 | 15,811 | 14,902 | 94% |
| | | | T 3.5.2 |

| Financial Performance Year 2013/14: Housing Services | | | | | | R'000 |
|--|---------------|-----------------|-------------------|--------|--------------------|---------|
| Details | Year -2012/13 | Year 2013/14 | | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget | |
| Total Operational Revenue | 640 | 792 | 851 | 845 | 6% | |
| Expenditure: | | | | | | |
| Employees | 799 | 963 | 1367 | 1212 | 21% | |
| Repairs and Maintenance | 1 | 7 | 57 | 46 | 85% | |
| Other | 91 | 42 | 46 | 75 | 44% | |
| Total Operational Expenditure | 891 | 1012 | 1470 | 1333 | 24% | |
| Net Operational Expenditure | 251 | 220 | 619 | 488 | 55% | |
| <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 3.5.5 |

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

All capital projects are administered and implemented by the Department of Human Settlements, as the municipality we are the beneficiary of the projects and we are playing a role of identifying the land for housing purposes and we facilitate and coordinate the housing development within our jurisdiction.

The department is busy rehabilitating the informal settlement of 595 houses of Lusaka which were identified in the IDP of the municipality. The rectification 1350 Lingelihle project is also under construction. Also the contractor is about to be appointed for phase one rectification of Middelburg 1700, New Housing Development projects for Kwanonzame 1000, Midros 500, Rosmed 223, Mortimer 30, Fish River 30 in design stages and the projects are expected to Started to start late 2015. Contractor is also about to be appointed for phase two Cradock 1000 rectifications. The municipality is playing a role in monitoring all the mentioned projects.

T 3.5.7

Chapter 3

| Housing Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|-------------------------------------|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|------------------------|
| Service Objectives (i) <i>Service Indicators</i> | Outline Service Targets (ii) | 2013 - 2014 | | 2014 - 2015 | | | 2015 - 2016 | 2016 - 2017 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| 9850 new housing backlog for both Cradock and Middelburg | 80 units from lusaka 595 project | 595 | 80 | 595 | 170 | 0 | 595 | 595 | 595 |
| <p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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 Intergrated Development</i></p> | | | | | | | | | |

T3.5.3

Chapter 3

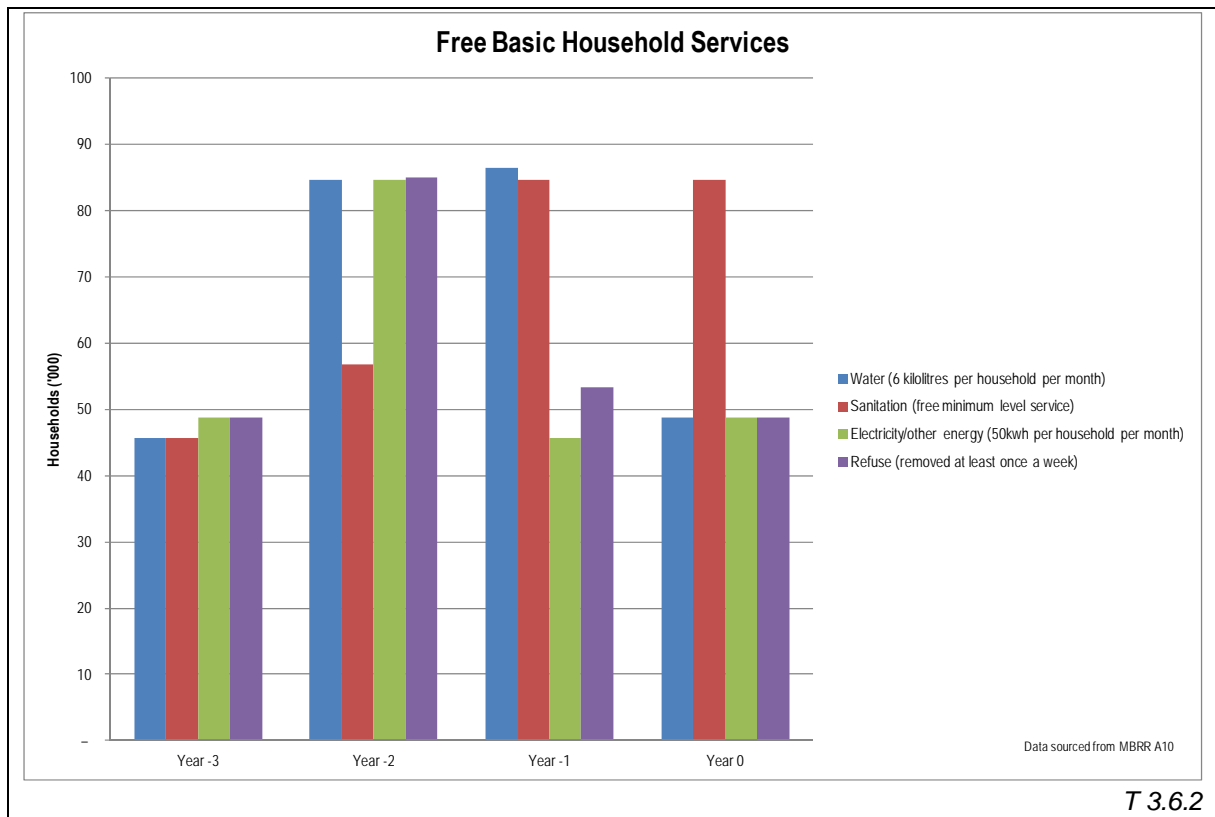
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has an indigent policy which seeks to address the needs of the communities and it supports them by giving support on certain projects ran by the municipality like the Indigent Household Project that fixed their housing water leakages. All lists of challenges within the indigent households are submitted to the department to offer the assistance on all the free basic needs of the community.

It has also been identified that we need to engage in the verification process or an audit as it has been identified that there are people that does not belong to the lists of the indigents and they are still benefitting though they afford themselves and not within the threshold of indigents.

T 3.6.1



Chapter 3

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

Inxuba Yethemba Municipality does not provide the bus services or BRT. The municipality needs to develop the Roads and Storm Water Master Plan which will address all the challenges regarding the storm water and roads developments at large. The project has been funded by MIG and it only needs to be implemented by the municipality.

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

Inxuba Yethemba Municipality implements all its roads projects with the assistance of appointing Professional Service Providers for the development of the Designs, Supervision, Management, Control and Monitoring of the project during the implementation stage on behalf of the municipality. Technical Services Department is responsible for the roads and storm water maintenance and management of all projects. All internal roads within all wards are being maintained using the operational budget and the resources we have like your TLB, Grader, Tipper Trucks, and Water Cut through EPWP framework where also using Labour intensive construction.

T 3.7.1

| Tarred Road Infrastructure | | | | |
|----------------------------|---------------|------------------------------|-------------------------------|----------------------|
| | Kilometers | | | |
| | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| 2011 - 2012 | 2.3km | 0 | 0 | 131.75km |
| 2012 - 2013 | 0 | 0 | 0 | 134.05km |
| 2013 - 2014 | 2.44km | 2.51km | 0 | 139km |
| | | | | T 3.7.3 |

| Cost of Construction/Maintenance | | | | | | |
|----------------------------------|--------|--------------|------------|--------|-----------|------------|
| | Gravel | | | Tar | | |
| | New | Gravel - Tar | Maintained | New | Re-worked | Maintained |
| 2011 - 2012 | - | 5,727 | 250 | 5,727 | - | 400 |
| 2012 - 2013 | - | - | 400 | - | - | 1,679 |
| 2013 - 2014 | - | 10,821 | 422 | 10,821 | 13,846 | 1,500 |
| | | | | | | T 3.7.4 |

Chapter 3

| Road Service Policy Objectives Taken From IDP | | | | | | | | | |
|--|-------------------------|----------------------|--------|--------------------|--------------------|----------------------|----------------------|--------------------|---------------------|
| Service Objectives | Outline Service Targets | 2012 - 2013 | | 2013 - 2014 | | 2014 - 2015 | 2015 - 2016 | | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| (i) To completely eliminate gravel to paving, and also to ensure control of storm water through infrastructure development. | (ii) 171.56KM | 0 | 0 | 2.440km | 171.56km | 2.440km (171.5km) | 174km | 2.3km (176.3km) | |
| <i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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 Intergrated Development</i> | | | | | | | | | T 3.7.6 |

Chapter 3

| Financial Performance Year 2013/14: Road Services | | | | | | R'000 |
|---|---------------|-----------------|-------------------|--------|--------------------|-------|
| Details | Year -2012/13 | Year 2013/14 | | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget | |
| Total Operational Revenue | 1,611 | 14,214 | 17,707 | 125 | -11271% | |
| Expenditure: | | | | | | |
| Employees | 4,271 | 5,167 | 5,483 | 5,142 | 0% | |
| Repairs and Maintenance | 1,220 | 1,772 | 1,772 | 1,826 | 3% | |
| Other | 2,081 | 54,801 | 56,308 | 3,295 | -1563% | |
| Total Operational Expenditure | 7,572 | 61,740 | 63,563 | 10,263 | -502% | |
| Net Operational Expenditure | 5,961 | 47,526 | 45,856 | 10,138 | -369% | |
| 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 3.7.8 | |

| Capital Expenditure Year 2013 - 2014: Road Services | | | | | | R' 000 |
|---|--------------|-------------------|--------------------|-------------------------------|---------------------|--------|
| Capital Projects | Year 2013/14 | | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value | |
| Total All | 20,015 | - | 18,049 | - | 18,049 | |
| Lusaka Paving project | 3,000 | - | 3,000 | - | 3,000 | |
| Upgrading of Wesley Street | 4,381 | - | 3,254 | - | 3,254 | |
| Upgrading of miles street | 3,495 | - | 4,168 | - | 4,168 | |
| Upgrading of manana street | 2,360 | - | 1,869 | - | 1,869 | |
| upgrading of Gala street | 3,540 | - | 588 | - | 588 | |
| upgrading of cetyiwe street | 3,239 | - | 5,171 | - | 5,171 | |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> | | | | | T 3.7.9 | |

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

All our capital projects are funded by MIG and implemented by the Technical Services Department through PMU and Public Works of the Institution. The funding for the capital project is a conditional grant which need to be ring fenced by the municipality in order to achieve its goals and objectives. There are Variances within the allocation vs expenditure in some of the projects as a result of projects that were budgeted in the previous years and only implemented later and by that time there is a lot of escalation of prices.

In the last financial; year we have managed to implement the following projects; Wesley Street, Miles and Cetyiwe street which are all completed and we are currently finalising the following projects; upgrading of Manana Street, Gala Street funded by MIG and we are also implementing Lusaka Paving project, Hillside Paving Project funded by CHDM.

T 3.7.10

Chapter 3

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Inxuba Yethemba Municipality is not responsible for the implementation of the function , the district municipality is responsible and does engage the local municipality in the process.

T 3.8.1

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

All our capital projects are funded by MIG and implemented by the Technical Services Department through PMU and Public Works of the Institution. The funding for the capital project is a conditional grant which need to be ring fenced by the municipality in order to achieve its goals and objectives. There are Variances within the allocation vs expenditure in some of the projects as a result of projects that were budgeted in the previous years and only implemented later and by that time there is a lot of escalation of prices.

In the last financial; year we have managed to implement the following projects; Wesley Street, Miles and Cetyiwe street which are all completed and we are currently finalising the following projects; upgrading of Manana Street, Gala Street funded by MIG and we are also implementing Lusaka Paving project, Hillside Paving Project funded by CHDM.

T 3.9.1

The stormwater measurements and expenditures are included in roads expenditure

T3.9.2

The stormwater measurements and expenditures are included in roads expenditure

T3.9.3

Chapter 3

| Stormwater Policy Objectives Taken From IDP | | | | | | | | | |
|--|---|-------------------------|--------|------------------|-----------------------|--------|-------------------------|-----------------------|-------------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following (x) |
| <i>To develop and complete the roads and stormwater master plan for the entire municipality.</i> | To address all stormwater related challenges. | | | | | | | | |
| <p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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 Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management</i></p> | | | | | | | | | |

T 3.9.5

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

We have a huge backlog in terms of our storm water capacity as it cannot handle its function during heavy storms and the roads and storm water master plan will address the challenge.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

As in most municipalities' IDPs, the challenges we face relate to socio-economic, basic infrastructure, spatial and housing issues as well as social facilities and services.

The key issues some of which are likely to have a fundamental effect on the long-term economic viability are:

- Lack of proper and up to standard roads infrastructure and storm water channeling.
- Dilapidated bulk and water network infrastructure.
- Limited capacity of water and waste water treatment plants.
- Unsustainable and unpredictable water source for Middelburg unit.
- Ageing electricity infrastructure in general and in particular limited capacity of power for future
- business development in Cradock unit.
- Inadequate street lighting with some areas requiring high masts lights.
- Lack of serviced plots for medium and high cost housing development.
- Availability of land for potential development of Emerging farmers and cooperatives.
- Land release to facilitate development and create sustainable livelihoods by parastatals such as Transnet.
- The HIV/AIDS pandemic and its impact on local demographics.
- Lack of job opportunities creating great discontent amongst the youth.
- Drug abuse with increased crime levels.
- Insufficient revenue base due to high levels of poverty.

Chapter 3

The opportunities we offer

The N10 which is a vital economic link between Port Elizabeth and the North runs through the Municipality.

Huge tourism potential exists in the municipality.

The tourism sector plan of the municipality due for revision reflects the following contribution of tourism to the local economy:

- R20.1m in direct tourism spend.
- R52.2 m contribution to the GDP by the tourism economy.
- R76.2m total economic activity generated by tourism (i.e. total demand).
- Supports 137 jobs in the tourism industry.
- Attractive sites worth visiting such as amongst others:
 - Olive Schreiner Museum
 - Fish River Museum with Cradock 4 Gallery
 - Middelburg 3 memorial site
 - Vusubuntu Cultural Village
 - Egg Rock
 - The yet to be completed Cradock 4 Garden of Remembrance
- An indelible mark left by struggle stalwarts and historical sites that are nationally recognised makes it a compelling place to visit
- The pristine Karoo environment
- Abundance of labour including semi-skilled to skilled labour
- The Inxuba River running through the underutilised Industrial Area offers opportunities for industry development.
- Agriculture offers a huge potential in the area and a lot of spin offs through beneficiation can be derived from it.
- The pending Sugar Beet project will offer a lot of other opportunities in other sectors, amongst others
 - Transport
 - Accommodation/ Housing
 - Beneficiation spin offs etc.
- Shale gas exploration will also offer positive benefits should it be successful
- Schools with a history of good results
- Sporting facilities of high standard eg. Cradock stadium with a tartan track for athletics which is currently the only one in CHDM area.
- Canoeing opportunity in the Great Fish River

3.10

Chapter 3

3.10 PLANNING

INTRODUCTION TO PLANNING

Town Planning, Land use and Building control is the section under the Technical services being headed by the Head Town Planner and it is responsible for the spatial planning, land use and sales, Building controls within the municipality. The municipality also managed to develop the by-laws regarded Town Planning and Land use as achieved projects within the section.

T 3.10.1

| Applications for Land Use Development | | | | |
|---------------------------------------|----------------------------|-------------|-------------|-------------|
| Detail | Formalisation of Townships | | Rezoning | |
| | 2012 - 2013 | 2013 - 2014 | 2012 - 2013 | 2013 - 2014 |
| Planning application received | 0 | 0 | 9 | 8 |
| Determination made in year of receipt | 0 | 1 | 0 | 0 |
| Determination made in following year | 0 | 0 | 0 | 0 |
| Applications withdrawn | 2 | 0 | 0 | 0 |
| Applications outstanding at year end | 0 | 0 | 0 | 5 |
| | | | | T 3.10.2 |

| Planning Policy Objectives Taken From IDP | | | |
|---|---|----------------------|---|
| Service Objectives | Outline Service Targets | Target | Actual |
| | | *Previous Year (iii) | (iv) |
| (i) <i>Service Indicators</i> | (ii) | | |
| Review the outdated Municipal Spatial Development framework | 12 weeks to either approve or disapprove any land use application | | Planning decision are taken from standing committee meetings which takes place every 12weeks, its where all land use applications decisions are taken |
| | | | |
| | | | |
| | | | |
| | | | |

Chapter 3

| Financial Performance Year 2013/14: Planning Services | | | | | | R'000 |
|--|---------------|-----------------|-------------------|--------|--------------------|-------|
| Details | Year -2012/13 | Year 2013/14 | | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget | |
| Total Operational Revenue | 162 | 269 | 152 | 153 | -76% | |
| Expenditure: | | | | | | |
| Employees | 2451 | 3778 | 3712 | 3837 | 2% | |
| Repairs and Maintenance | 541 | 527 | 713 | 616 | 14% | |
| Other | 497 | 890 | 895 | 718 | -24% | |
| Total Operational Expenditure | 3489 | 5195 | 5320 | 5171 | 0% | |
| Net Operational Expenditure | 3327 | 4926 | 5168 | 5018 | 2% | |
| <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 3.10.5 | |

All running projects are being funded by Department of Rural development.

T 3.10.6

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The department solely relies on the operational budget and revenue collected from the land sales which assist in the development of the by-laws and the day to day running of the section. The following projects were identified in the IDP and submitted to the department of Rural Development for funding; Review of the Municipal Spatial Development Framework, Land Use Management System and Geographical Information System and the projects are running in the current financial year.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Inxuba Yethemba LED strategy was adopted by the council in March 2009 and is due for a review after July this financial year – 2014/15. The strategy is premised on a detailed analysis of the socio-economic situation in our municipality and seeks to exploit the opportunities available to the municipality.

The vision is the first step of the development of a LED strategy, following the identification of all opportunities and constraints in the situation analysis. The vision of the IYM strategy is: **“IYM is a preferred investment destination with a growing and sustainable local economy that, through partnerships, a secure environment, and equitable development, is able to provide a better life for its citizens”**.

The implementation plan of the strategy identifies Agricultural, Tourism, Commercial and industrial development as strategic sectors in which we need to focus.

Chapter 3

There are clearly articulated objectives and strategic priorities with indicators, targets and milestones. The following are some of the objectives identified in the strategy:

- *Improve local networks by establishing and participating actively in a representative and effective Agricultural Forum in IYM by end 2009 (including commercial & emerging farmers).*
- *Increase local income retention by establishing a small fresh produce market (or padstal) for local farmers by 2012.*
- *To develop and market at least 2 new tourism products by 2010.*
- *To develop a brand & marketing campaign for IYM by 2009*
- *Develop 50 hectare industrial estate (fully serviced and zoned) by 2014*
- *Develop IYM Industrial Road Map by 2009 in partnership with all relevant stakeholders*
- *Facilitate establishment of at least 3 agro-processing investments in IYM by 2014*

The data on socio-economic analysis is formed by reliable and credible data from Census 2011 and HIS Global Insight. The specific sector analysis data need to be brought up to date as reliance is currently put on somewhat outdated data of 2007/8.

Some major strategy proposals have already been implemented while others are still in the implementation phases. The Vusubuntu Cultural village is a case in point, so are the Garden of remembrance, Egg Rock (which is part of diversification of tourist sites), etc. In some respects the strategy is no longer appropriate to the existing economy because even some elements of the situational analysis have changed fundamentally.

The municipality needs to do more to inject a meaningful capital budget to implement its LED strategy. The institutional arrangements are quite adequate compared to other municipalities of similar size. The LED unit needs to be beefed up with an official who would focus on industrial/commercial development and investment. Institutional capacity to implement LED programmes need to be established. There is also a great need for networking with other institutions and forging partnerships to be able to offer support to emerging farmers and SMME's. The potential of tourism benefits is not fully explored as it remains the domain of previously advantaged communities.

Part of the IYM LED strategy is a well-developed business incentive scheme which was adopted by council but never implemented due to challenges with revenue collection. The scheme contains a number of proposals for business attraction and retention like lower electricity rates, water rates, etc. It remains for the municipality to reconsider the implementation of the scheme if the revenue situation has improved.

Following is a summary of some of the activities we engaged in to contribute to job creation in the local economy:

We have paid particular attention to improving infrastructure in the municipal commonages thereby contributing to the growth of the agricultural sector. We are part of the Department of Rural Development and Land Reform's District Land Committee through which we intend to lobby for state farms for local emerging farmers who are using our commonages. This will free up some land in the commonage and reduce overgrazing and thereby contribute to productive and gainful livestock farming.

We also launched a programme of converted motorbikes for young entrepreneurs together with Chris Hani municipality to further capacitate them to run their businesses more effectively and efficiently. We continue to work with our tourism and private sector partners to ensure the success of the annual fish river canoe marathon which generates millions of rands for local businesses. We have recently secured funding for the completion of the Cradock Four Garden of Remembrance and have approached various funders for the Middelburg Tourism Hub.

Chapter 3

We have continued lobbying for the establishment of the bio fuels factory in Cradock which will contribute greatly in turning around the economy of the area. We are busy finalising a feasibility study into a project to turn around and redevelop the Cradock spa which will bring in more tourists to the area and enhance the financial situation of the municipality.

Some of the measures taken to improve performance include engaging the Cogta Eastern Cape to employ an additional LED advisor to strengthen the capacity of the department to deliver services to the people. We have also engaged two interns in the agricultural and smme sections to increase our capacity to service our communities. A number of our co-operatives have been put on the EPWP incentive scheme wherein we pay members an incentive so that they use funds generated from their projects or small enterprises to re-invest/recapitalize the project or enterprise.

| T 3.11.1 | | | |
|-------------------------------------|-------|--|-------------|
| Economic Activity by Sector | | | |
| Sector | | | 2013 - 2014 |
| Agric, forestry and fishing | | | 5% |
| Mining and quarrying | | | 0% |
| Manufacturing | | | 4% |
| Wholesale and retail trade | | | 8% |
| Finance, property, etc. | | | 15% |
| Govt, community and social services | | | 59% |
| Construction | | | 4% |
| Transport | | | 6% |
| Electricity | | | 0% |
| | Total | | 100% |

Source: IHS Global Insight T 3.11.2

| Economic Employment by Sector | | | |
|-------------------------------------|--|--|-------------|
| Sector | | | % |
| | | | 2013 - 2014 |
| Agric, forestry and fishing | | | 24% |
| Mining and quarrying | | | 2% |
| Manufacturing | | | 2% |
| Wholesale and retail trade | | | 7% |
| Finance, property, etc. | | | 3% |
| Govt, community and social services | | | 40% |
| Construction | | | 3% |
| Households | | | 18% |
| Transport | | | 2% |
| Total | | | 100% |

Source: IHS Global Insight T 3.11.3

Chapter 3

COMMENT ON LOCAL JOB OPPORTUNITIES:

Short and longer term prospects for economic growth and development in the tourism sector can be summarised into the following as contained in the municipal IDP:

- Develop the area into the preferred stop-over destination, through the development of facilities and attractions for this market.
- Develop a range of attractions to provide a varied tourism experience.
- Greater promotion & improved facilities of the Inxuba Yethemba Municipal area.
- Greater marketing of the towns within the region - unique charm & history.
- Coordinated marketing of the area through a brand strategy.
- Develop tourism cluster destinations to encourage longer length of stay by targeting niche markets
- Improve cooperation and coordination between product owners
- Develop unique community-based products
- Open-Africa: Middelburg to Steynburg (Karoo Route) – must link with heritage & conservation
- Liberation Heritage Route is being planned by Chris Hani District Municipality – will start route in Cradock
- Development of the steam train heritage
- Train tours
- Stargazing
- Big Sky country
- Sundowners

In relation to street trading the municipality is currently building a taxi rank and hawker's facility which is expected to contribute to a much more conducive and controlled environment for street trading. The hawkers' facility is expected to provide a cleaner and healthier environment for hawkers and thereby enable them to get health department licences for trading. The LED department will be better able to mobilise the various development finance and services institutions to assist the traders.

T 3.11.4

| 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) | | | | |
| Year : 2011 - 2012 | 68 | | 68 | internal data |
| Year : 2012 – 2013 | 70 | | 70 | internal data |
| Year : 2013 - 2014 | 33 | | 33 | internal data |
| Car wash (2013 - 2014) | 5 | | 5 | internal data |
| Bakery (2013 - 2014) | 6 | | 6 | internal data |
| Canal cleaning (2013 - 2014) | 22 | | 22 | internal data |

T 3.11.5

Chapter 3

| Job creation through EPWP* projects | | |
|-------------------------------------|----------------------|--|
| Details | EPWP Projects No. | Jobs created through EPWP projects No. |
| Year 2013 - 2014 | 8 | 34 |
| * - Extended Public Works Programme | | T 3.11.6 |

| Financial Performance Year 2013/14: Local Economic Development Services | | | | | | R'000 |
|--|---------------|-----------------|-------------------|--------|--------------------|----------|
| Details | Year -2012/13 | Year 2013/14 | | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget | |
| Total Operational Revenue | 86 | 185 | 160 | 269 | 31% | |
| Expenditure: | | | | | | |
| Employees | 2628 | 2672 | 2699 | 2744 | 3% | |
| Repairs and Maintenance | 78 | 162 | 161 | 65 | -149% | |
| Other | 1238 | 1531 | 859 | 1247 | -23% | |
| Total Operational Expenditure | 3944 | 4365 | 3719 | 4056 | -8% | |
| Net Operational Expenditure | 3858 | 4180 | 3559 | 3787 | -10% | |
| <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 3.11.9 |

| Capital Expenditure Year 0: Economic Development Services | | | | | | R' 000 |
|--|------------------|-------------------|--------------------|-------------------------------|---------------------|-----------|
| Capital Projects | Year 2013 - 2014 | | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value | |
| Taxi Rank & hawkers facility | 5,911 | 0 | 2,735 | 54% | 5,911 | |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i> | | | | | | T 3.11.10 |

Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Inxuba Yethemba municipality is unable to adequately complete this part of the report. The reason is because the LED department is not funded from the equitable share or own funding of the municipality for capital projects either because of the order of priorities of the municipality. It is from the 2013/14 financial year that we have a major capital project funded from the municipal infrastructure grant.

All other planned capital project are funded from government departments or government agencies. The Cradock Four Garden of Remembrance, which will be funded by the National Tourism Department is a case in point. The municipality has expressed intentions to increase the percentage of the MIG which goes to the LED component so that more capital projects can be funded. The funding of these projects like the Garden of Remembrance are not deposited with the municipality so we don't budget them hence we are unable to adequately respond to the directive on the closing comments.

T 3.11.11

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

T 3.52

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

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

The libraries function is rendered by the municipality through an agency basis for Department of Sports Recreation Arts and Culture. The service level agreement is signed between the two institutions. The operational budget is transferred to the libraries are free of charge.

The support given to the communities that are living in poverty is through awareness campaign on issues affecting the communities. These issues are HIV/ AIDS promotion of library week, environmental awareness etc. The 6 libraries were operating without any chief librarian. It is only this financial year that there have been interviews to appoint a middle manager to lead the library function. The appointment of the services of this function.

T3.12.1

Chapter 3

| Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other | | | | | |
|--|---------------|-----------------|-------------------|--------|--------------------|
| R'000 | | | | | |
| Details | Year -2012/13 | Year 2013/14 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 6 | 2516 | 2519 | 2521 | 0% |
| Expenditure: | | | | | |
| Employees | 1673 | 2276 | 2543 | 1752 | -30% |
| Repairs and Maintenance | 15 | 15 | 15 | 1 | -1400% |
| Other | 75 | 2117 | 2512 | 122 | -1635% |
| Total Operational Expenditure | 1763 | 4408 | 5070 | 1875 | -135% |
| Net Operational Expenditure | 1757 | 1892 | 2551 | -646 | 393% |
| <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 3.12.5 |

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES

The top 3 services delivery priorities of cemeteries are the administration and booking of burial sites. The allocation of burial sites to the public and the maintenance of the cemeteries. The maintenance is done through EPWP environmental sector.

The indigent burial services are the assistance given to households that apply. A burial site is given to the deceased including the coffin. The ward councillor and the social worker are to give a motivation to the Manager Community Services on the financial situation of that particular family for the application to be approved.

MIG has funded the central cemeteries development in Cradock in the 2011/12 financial year to a total amount of R12 000 000.

T 3.13.1

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

HIV & AIDS programmes

HIV/AIDS programmes are coordinated in the Municipality through partnership with other government with other government departments. These departments include the department of Health, Social development, Correctional Services, NGO's, NPO's, Chris Hani District Municipality. The programme includes OVC's Healthy awareness for the communities and employees of the municipality voluntary counselling and testing.

Chapter 3

The partnership with NGO made it possible to donate school uniforms to the vulnerable children of jurisdiction. The vegetable seedling that was given to schools for improved nutrition programmes assisting the schools budget. The fruit trees that were given to indigent households to provide environmental protection and provide fruit per household. The dialogue's that were held per ward to discuss HIV/AIDS, Women and Substance abuse makes our communities aware of what services are around them.

Child care and aged care

The service for child and Aged Care do not fall within the Municipality area of jurisdiction.

T 3.14.1

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

T 3.15.1

The Municipal Health services had developed to Chris Hani District Municipality in 2006. Any pollution control complaints are referred to the local CHDM employees as need arise.

COMPONENT F: HEALTH

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

INTRODUCTION TO HEALTH

Health services are not provided at the local municipality level but rather at a district level.

T 3.17

3.17 CLINICS

INTRODUCTION TO CLINICS

Health services are not provided at the local municipality level but rather at a district level.

T 3.17.1

Chapter 3

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

Health services are not provided at the local municipality level but rather at a district level.

T 3.18.1

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

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Health inspection, food and abattoir services are not provided at the local municipality level but rather at a district level.

T 3.19.1

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

Security services are not provided at a local municipality level but rather at district level.

T 3.20

3.20 POLICE

INTRODUCTION TO POLICE

Policing services are not provided at a local municipality level but rather at a district level.

T 3.20.1

Chapter 3

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

T 3.21.1

Fire services are not provided at a local municipality level but rather at a Chris Hani district municipality level.

The Fire Service is a District Municipality Function, due to the Distance between the fire section of the district Municipality and Inxuba Yethemba Municipality. The Inxuba Yethemba Municipality has identified volunteers within its permanent staff component to work as fire fighters. These fire fighters are on standby on a weekly base in both units.

When there is a fire call out they service the area and are paid overtime allowance per call out. Presently there are no challenges in the services as Chris Hani has allocated two fire machines for the two units. The budget provision to operate the service has been sufficient for the past 3 financial years. Indigent household are receiving the service without any payments and their households are renovated after the fire incident had occurred.

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

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Disaster management:

The disaster management is a District Municipal Function. The Municipality has appointed Chief Protection Services officers including the disaster function in his job description. Fire services volunteers are expected to do disaster functions as well.

The service delivery priorities on disaster management are to have plans for any form of disaster that may strike the vulnerable communities. These plans include what to do before, during and after the disaster strikes ensuring that rehabilitation take place at the minimal fine possible. This function has a minimal budget.

The indigent households that were affected by storm were renovated and the communities were placed back to their homes. The Disaster Management Forum has been established through appointments of all the relevant government department officials.

Animal licensing

The animal licencing service does not exist in the municipality.

Chapter 3

Control of public nuisance:

This function has developed to Chris Hani District Municipality. Please see the information on waste management. The bylaw enforcement officer's vacancies are not funded although they are catered for in the organogram.

T 3.22.1

COMPONENT H: SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

T 3.23

There are six sports fields which are in a good condition. Difference sport activities are held in these facilities. Bookings are made before the facilities are used. Communities that are living in poverty are using the facility free of charge. This service is given to them on approval by the Executive Mayor. The employees maintain these facilities daily. Sporting codes have signed annual contracts for some facilities. The community parks are also maintained by the parks and recreation staff members. Additional work is done making use of the EPWP employees which forms part of environmental sector.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Inxuba Yethemba municipality is a municipality that collects 80% of its revenue and the rest comes from the government grants. There have been cash flow challenges that have plagued the municipality over the years and continue to be a challenge.

The municipality has embarked on a revenue enhancement drive to increase revenue by 5% at minimum. The revenue enhancement strategy has been put in place. Also there has been a revision of the Credit Control and Indigent policy to assist the municipality to collect more revenue.

There have been challenges around meter readings owing to malfunctioning of the devices at times as well as the old meters and leakages. More supervision has been done in order to improve, however the filling of vacancies was not done due to the challenges around current operations.

The meter readers will no longer be hired since the water and sanitation services is going back to Chris HANI District Municipality. Also the municipality does not have the customer care section, and this is considered crucial in addressing the quality service to the community.

Chapter 3

The reporting by the municipality has improved both internally and externally through the appointment of the dedicated BTO unit. The SCM has challenges since it is a new unit and with 2 officials is still very much under capacitated. Various ways are being explored to address this imbalance that is hampering the finance department in fulfilling its mandate and achieving the quality financial information.

GRAP compliant Asset register was compiled but various challenges were picked up by the Auditor General. Current the Asset Management section lacks capacity as it only has an asset clerk. This challenge is being addressed in conjunction with the SCM.

T 3.25.1

| Debt Recovery | | | | | | | | |
|--|------------------------------------|---------------|---|----------------|------------------------------------|---|---|---|
| | | | | | | | | R' 000 |
| Details of the types of account raised and recovered | Year - 2012/13 | | | Year 2013/14 | | | Year 2014/15 | |
| | Actual for accounts billed in year | Cash Receipts | Proportion of accounts value billed that were collected in the year % | Billed in Year | Actual for accounts billed in year | Proportion of accounts value billed that were collected % | Estimated outturn for accounts billed in year | Estimated Proportion of accounts billed that were collected % |
| Property Rates | R 21,784 | R 15,344 | 70% | R 23,555 | R 13,435 | 57% | R 23,456 | R 18,764.80 |
| Electricity - B | R 2,260 | | 0% | R 2,382 | | 0% | R 2,573 | R 2,315.30 |
| Electricity - C | R 65,289 | R 63,099 | 97% | R 77,035 | R 70,888 | 92% | R 82,202 | R 73,982.20 |
| Water - B | R 5,890 | | 0% | R 6,237 | | 0% | | |
| Water - C | R 16,581 | R 16,804 | 101% | R 9,532 | R 11,758 | 123% | | |
| Sanitation | R 16,815 | R 6,400 | 38% | R 17,986 | R 6,495 | 36% | | |
| Refuse | R 13,828 | R 4,935 | 36% | R 14,765 | R 5,221 | 35% | R 14,798 | R 11,838.40 |
| 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.

T 3.25.2

Chapter 3

| Financial Service Policy Objectives Taken From IDP | | | |
|---|--|--------------------------------|--|
| Service Objectives | Outline Service Targets | Year 2013/14 | |
| | | Target | Actual |
| <i>Service Indicators</i> | | *Previous Year | |
| (i) | (ii) | (iii) | (iv) |
| Service Objective xxx | | | |
| <i>Adoption of Credit Control Policy by the council</i> | 30-Sep-13 | 30-Sep-12 | Policy adopted and approved by the council. |
| <i>Adoption of Indigent Policy by the council</i> | 30-Sep-13 | 30-Sep-12 | Policy adopted and approved by the council. |
| <i>Number of additional meter readers appointed.</i> | 3 by August 2013. | None | No achieved |
| <i>Number of Prepaid meters installed</i> | Records of meters installed | | |
| <i>Number of customer care officials appointed.</i> | 2 by September 2013. | None | No achieved |
| <i>New approved valuation roll.</i> | Approved valuation roll by Dec 2013. | None | Valuation roll finished and has been approved. |
| <i>Revenue Enhancement Strategy put in place</i> | Completion of Document of revenue enhancement strategy | None | Policy adopted and approved by the council. |
| <i>Percentage increase in revenue.</i> | 5% increase in revenue | 15% collection of arrear debt. | Achieved 18% increase according to the records (excluding water which had water tariffs reduced). |
| <i>Number of internal reports submitted</i> | 12 Monthly and 4 Quarterly Reports to committees and council | None | 9 -monthly reports and 3 quarterly reports. |
| <i>Number of internal reports submitted</i> | 12 Monthly and 4 Quarterly and 1 annual report to province and National Treasury and AG where required | None | 12 -monthly reports and 4 quarterly reports. |
| <i>Document of complete asset register.</i> | Complete asset register by July 2013 | None | Asset Register could not be completed on time due to the lack of proper document management. |
| <i>Number of full time staff appointed on Supply Chain.</i> | 2 by July 2013. | None | Appointment letter by 2 July 2013 |
| Unqualified Audit Opinion by 2013/14. | Unqualified AG Audit Report | Disclaimer | None |
| <i>Number of full time staff appointed on Budget & Treasury Office.</i> | 2 by July 2013. | None | Appointment letter by 2 July 2013 |

Chapter 3

| Financial Performance Year 2013 - 2014 : Financial Services | | | | | |
|--|--------------|-----------------|-------------------|---------|--------------------|
| Details | Year 2012/13 | Year 2013/14 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 73,682 | 73,504 | 73,873 | 73,595 | 0% |
| Expenditure: | | | | | |
| Employees | 7,280 | 9,084 | 9,285 | 8,016 | -13% |
| Repairs and Maintenance | 10 | 10 | 6 | 7 | -43% |
| Other | 7,165 | 7,866 | 14,321 | 31,241 | 75% |
| Total Operational Expenditure | 14,455 | 16,960 | 23,612 | 39,264 | 57% |
| Net Operational Expenditure | -59,227 | -56,544 | -50,261 | -34,331 | -65% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | T 3.25.5 |

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The finance department does not have any capital projects for the 2013/14 financial or the Medium Term. The 5 targets as set out in the IDP can be attained with the current budget provision looking at the targets from the Operational Budget expenditure.

The employment of meter readers will no longer be done since the water services function has moved to the district. The employment of the customer care officials is expected to take place in the 2014/14 financial period. The ICT Strategy is expected to be adopted in the next ordinary council meeting in September or October.

T 3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

In Human Resources our main objective is to provide a support service to the institution and our major areas of operation are management of leave as this has an impact on our audit outcomes, secondly we are involved in capacity development of both councillors and officials as this will help the municipality to deliver on its mandate and lastly human resources administration is at the heart of our operation like recruitment and selection wherein we have to ensure that personnel employed by the municipality have the right qualifications through verification of their qualifications which has also been an audit issue in the past.

T 3.26.1

Chapter 3

| Human Resource Services Policy Objectives Taken From IDP | | | | | | | | | |
|--|--|--|--|---|-------------------------------------|---|--|--|--|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | 2012 - 2013 | | 2013 - 2014 | | | 2013 - 2014 | 2014 - 2015 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective | | | | | | | | | |
| Performance Management System | To cascade PMS to levels below section 56 | Not in IDP | Not in IDP | Not in IDP | Not in IDP | Not in IDP | To present policy to LLF for consultation | Explore the possibility of automated system | Ensure the processes of cascading are in place |
| To deal with attitudinal issues of employees | Ongoing change management sessions | Not in IDP | Not in IDP | Not in IDP | No in IDP | Not in IDP | Undertake training for champion of change management | Conduct change management sessions throughout the municipality | Conduct change management sessions throughout the municipality |
| Nomination and training of a person responsible to drive the programs | | | | | | | | | |
| Establishment of EE sub-committee. Establish EE Committee | July 2014 EE Committee to be in place | Not in IDP | Not in IDP | Not in IDP | No in IDP | Not in IDP | Adhering to EE targets agreed in the LLF | Adhering to EE targets agreed in the LLF | Adhering to EE targets agreed in the LLF |
| Capacitation for good governance of the municipality. Appointment of a service provider | April 2014 the SP must be on site to continue with the remaining modules | The initial modules of the qualification to be completed | The initial modules of the qualification to be completed | The second session of training to be undertaken | Not all scheduled modules were done | The SP to continue with the other modules for the whole qualification | To finish the qualification for all Ward Committees | To finish the qualification for all Ward Committees. | To finish the qualification for all Ward Committees. |
| | | | | | | | | | |

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -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.*

Chapter 3

| Financial Performance Year 2013/14: Human Resource Services | | | | | |
|--|---------------|-----------------|-------------------|--------|--------------------|
| Details | Year -2012/13 | Year 2013/14 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 198 | 363 | 132 | 152 | -139% |
| Expenditure: | | | | | |
| Employees | 4,675 | 5,577 | 5,963 | 5,708 | 2% |
| Repairs and Maintenance | 19 | 20 | 23 | 22 | 9% |
| Other | 3,499 | 4,042 | 4,050 | 3,740 | -8% |
| Total Operational Expenditure | 8,193 | 9,639 | 10,036 | 9,470 | -2% |
| Net Operational Expenditure | 7,995 | 9,276 | 9,904 | 9,318 | 0% |
| <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 3.26.5 |

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

At Human Resources we only have one capital project which we are in the process of procuring. This is a dedicated HR System because Promun which is the system currently in the municipality is more biased towards finance and we have discovered over the year that it is not assisting HR. HR in this system is actually a stepchild which is why we are in the process of getting a fully HR functional system.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT Department is located in the Finance Department. It currently is being run with the assistance of the service provider. The municipality is making plans to hire staff to fill in the vacancies.

The Inxuba Yethemba municipality has reviewed the ICT policies in order to strengthen the internal controls. Currently the ICT strategy is still in Draft and it is expected to be work shopped and discussed by the ICT governance committee.

Training is being arranged in order to increase capacity within ICT and the financial systems running on IT.

T 3.27.1

Chapter 3

| ICT Services Policy Objectives Taken From IDP | | | |
|--|---------------------------------------|----------------|--|
| Service Objectives <i>Service Indicators</i> | Outline Service Targets | Year 2013/14 | |
| | | Target | Actual |
| | | *Previous Year | |
| (i) | (ii) | (iii) | (iv) |
| To have an IT strategy to guide IT operations | Adopted strategy by 30 September 2013 | None | IT Strategy still in draft and need to be work-shopped |
| To ensure that the IT environment is governed | Adopted policy by 30 September 2013 | None | IT Policies have been adopted by the council. |
| To ensure that staff is capacitated to utilize IT to its maximum potential | At least 4 per annum | None | 4 IT training by June 2014 (2 Caseware training- financial system have been organised, R-Data Capacity Training and Advance Excel Training). |

| Financial Performance Year 2013/14: ICT Services | | | | | R'000 |
|--|--------------|-----------------|-------------------|--------|--------------------|
| Details | Year 2012/13 | Year 2013/14 | | | Variance to Budget |
| | Actual | Original Budget | Adjustment Budget | Actual | |
| Total Operational Revenue | 0 | 0 | 0 | 0 | 0% |
| Expenditure: | | | | | |
| Employees | 261 | 459 | 354 | 0 | 0% |
| Repairs and Maintenance | 5 | 3 | 0 | 2 | -50% |
| Other | 1465 | 1751 | 1536 | 1782 | 2% |
| Total Operational Expenditure | 1731 | 2213 | 1890 | 1784 | -24% |
| Net Operational Expenditure | 1731 | 2213 | 1890 | 1784 | -24% |
| <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 3.27.5 |

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The finance department does not have any capital projects for the 2013/14 financial or the Medium Term. The 5 targets as set out in the IDP can be attained with the current budget provision looking at the targets from the Operational Budget expenditure.

The ICT Strategy is expected to be adopted in the next ordinary council meeting in September or October.

T3.27.7

Chapter 3

COMPONENT J: MISCELLANEOUS

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

INTRODUCTION TO MISCELLANEOUS

Delete Directive note once comment is completed – Provide brief introductory comments. Set out 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 this service during the year.

T 3.29.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

| | Reference |
|---|-----------|
| 1 Service delivery targets and performance indicators for Good governance and public participation | 3.30.1 |
| 2 Service delivery targets and performance indicators for Institutional Development and Transformation | 3.30.2 |
| 3 Service delivery targets and performance indicators for Financial Viability | 3.30.3 |
| 4 Service delivery targets and performance indicators for LED | 3.30.4 |
| 5 Service delivery targets and performance indicators for Basic Infrastructure (Community Service) | 3.30.5 |
| 6 Service delivery targets and performance indicators for Basic Infrastructure (Technical Service) | 3.30.6 |

Chapter 3

| PLAN 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS | | | | | | | | | | | | | | |
|--|-------------------------|---|--|----------------------------------|----------------------|---------------------------------|-----------------|------------------|------------------|--------------------------------|---------------------------------------|--|------------------------|-----------------------|
| IDP Ref.No. | Project | Strategic Focus Area (IDP) | Key Performance Indicator | Baseline (Previous years actual) | Annual Target (Year) | Means of verification | Unit of Measure | Quarterly Target | Quarterly actual | Status (Achieved/Not Achieved) | Measures taken to improve performance | Performance Monitoring Quality Assurance comment | Internal Audit Comment | Portfolio of Evidence |
| 4F1.1 | Delegation Framework | To develop a delegation system to maximize administrative and operational efficiency | Reviewed Framework | Requires review | Sep-13 | Document and Council Resolution | document | Approve | Approved | Achieved | To be workshoped | in order | see report | available |
| 4F1.2 | Audit Committee | To have an audit committee that is capacitated and meets the legal requirements | Number of meetings of audit committee | 4 | At least 4 per annum | Minutes | number | 4 | 5 | Achieved | none | in order | see report | available |
| | | | Capacity building sessions attended | 0 | At least 2 per annum | Attendance register | number | 2 | 1 | Partially | scheduled sessions | in order | see report | available |
| 4F1.3 | Internal Audit | To establish an internal audit unit that is capacitated | Number of full-time staff for unit | 1 | 2 by Sept 2013 | Appointment letters | number | 2 | 3 | Achieved | none | in order | see report | available |
| | | | Number of capacity building sessions attended | 0 | 4 by June 2014 | Attendance register | number | 3 | 4 | Partially | ave planned sessions | in order | see report | available |
| 4F1.4 | Ward meetings | To ensure that communities participate in affairs of municipality in a structured manner | Number of ward meetings held | | | At least 6 per ward | number | 6 | 8 | | all wards to submit reports | Cannot be verified | see report | available |
| 4F1.5 | IDP forums | To ensure that communities participate in the development agenda of the municipality | Number of forums held | 6 held | | At least 6 forums by May 2014 | number | 6 | 5 | achieved | stick to schedule | inorder | see report | available |
| 4F1.6 | Budget Consultations | To ensure that communities participate in the development agenda of the municipality | Number of consultation meetings held | All wards | | 9 by May 2011 | number | 9 | 9 | | minutes to be kept | | see report | available |
| 4F1.7 | IGR | To forge intergovernmental Relations for cooperative governance at local level | Number of meetings held | Not functional | | 4 per annum | number | 4 | 0 | not achieved | report govt depts | | see report | available |
| 4F1.8 | Mayoral Outreaches | To provide a platform for listening and giving feed back to the community | Number of outreaches held in a year | Not frequently | 2 per annum | Attendance/Minutes | number | 2 | 0 | no achieved | stick to schedule | | see report | available |
| 4F1.9 | Petitions Management | To develop a system of responding to petitions | Documented and adopted system | None | 41881 | Document | document | doc | none | not achieved | do in Q1 | | see report | available |
| 4F1.10 | Declaration of Interest | To ensure that all councillors and managers annually declare their interest to guard against conflict of interest | Number of Councillors and Managers who have signed | July | 100% annually | Records | % | 100 | 98 | achieved | monitor councillor submission | | see report | available |
| 4F1.11 | Performance Agreements | To ensure that all managers sign performance agreements in line with their employment contracts | Agreements signed in required timeframe | Signed in 2013 | 41486 | Document | documents | signed | signed | Achieved | none | inorder | see report | available |

Chapter 3

| PLAN 2: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS | | | | | | | | | | | | | | |
|--|------------------------|--|--|--------------------------------------|--|---|-----------------|------------------|------------------|--------------------------------|---------------------------------------|--|------------------------|-----------------------|
| IDP Ref.No. | Project | Strategic Focus Area (IDP) | Key Performance Indicator | Baseline (Previous years actual) | Annual Target (Year) | Means of verification | Unit of Measure | Quarterly Target | Quarterly actual | Status (Achieved/Not Achieved) | Measures taken to improve performance | Performance Monitoring Quality Assurance comment | Internal Audit Comment | Portfolio of Evidence |
| 4E1.1 | Work place Skills Plan | To ensure that there is an informed plan to guide training of staff | Document available and submitted in time | Submitted annually | As per timeline set by DOL | Document | Doc | Proof | Proof | Achieved | none | in order | see report | available |
| 4E1.2 | Human Resource Plan | To ensure that the plan is implemented | Progress in implementation of the plan | Adopted Plan | Quarterly reports | Progress reports | Reports | 4 | 4 | achieved | none | | see report | available |
| 4E1.3 | Policies and By-laws | To coordinate the gazetting of By-laws and policies so as to effect implementation | Number of By-laws and policies gazetted | None for financial year | June 2014 of all adopted before March 2014 | Gazettes | number | | none | no by-laws developed | | | see report | available |
| 4E1.4 | Employment Equity Plan | To develop an employment equity plan with numerical goals in line with the Employment Equity Act | Progress on development of plan | Outdated plan | Dec-13 | New Plan and council resolution | Doc | P r | | | | | see report | available |
| 4E1.5 | Skills Development | To ensure that staff has the capacity in terms of skills to perform optimally | % of budgeted amount spent on skills development | Training not followed due to finance | 80% by June 2014 | Records | | Plan | plan | achieved | none | | see report | available |
| 4E1.6 | Employee Induction | To ensure that incoming staff is inducted into the institution | Number of new staff members inducted | Not taking place currently | All new employees be inducted within 30 days of employment | Attendance registers | registers | all | 2 sessions | achieved | to be compulsory | | see report | available |
| 4E1.7 | Cascading of PMS | To develop a framework to | Adopted framework | None | Dec-13 | Document | doc | doc | none | not achieved | onsult stakeholders | | see report | available |
| 4E1.8 | PMS Automation | To have an automated System to improve monitoring and reporting | Implementation of the system | None | Mar-14 | Records | system | online | not | not achieved | consultations | | see report | available |
| 4E1.9 | Change management | To have a program in place to deal with culture of doing things in line with Batho Pele principles | Number of change management sessions conducted | None | At least 4 per annum | Attendance registers | number | 4 | 1 | not achieved | to be rolled out | | see report | available |
| 4E1.10 | Employee Relations | To strive to create an environment conducive for sound employee relations | Number of LLF meetings held | | 4 per annum | Minutes of meetings | number | 4 | 4 | Achieved | | | see report | available |
| | | Reduction in number of disputes lodged as a result of non adherence to disciplinary procedures | % reduction | None | 100% reduction | Records on cases of disciplinary procedures | | | | | | | see report | available |

Chapter 3

Chapter 3

| PLAN 3: FINANCIAL VIABILITY SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS | | | | | | | | | | | | |
|---|----------------------------------|--|--|----------------------------------|----------------------------------|-----------------|--------------------------|----------------------------------|---------------------------------|--|------------------------|-----------------------|
| IDP Ref.No. | Project | Strategic Focus Area (IDP) | Key Performance Indicator | Baseline (Previous years actual) | Means of verification | Unit of Measure | Quarterly Target | Quarterly actual | Status (Achieved/ Not Achieved) | Measures taken to improve performance | Internal Audit Comment | Portfolio of Evidence |
| 4D1.1 | Credit control policy | Develop, revise and implement finance policies to facilitate revenue enhancement | Adopted policy by council | Requires review | Document and council resolution | Doc | approved | approved | achieved | | see report | available |
| 4D1.2 | Indigent policy | | Adopted policy by council | Not as a stand alone policy | Document and council resolution | Doc | approved | approved | achieved | | see report | available |
| 4D1.3 | Free basic service policy | | Adopted policy by council | none | Document and council resolution | Doc | approved | no doc | not achieved | | see report | available |
| 4D1.4 | Meter reading | To put in place systems which will enhance revenue collection | Number of additional meter readers appointed | none | Appointment letters | number | 3 | 0 | not achieved | field workers used | see report | available |
| 4D1.5 | Prepaid meter systems | | Number of new meters installed | none | Records | | all new meters installed | not all installed | partially | technical service personel to be bolstered | see report | available |
| 4D1.7 | Customer care | | Number of dedicated personnel for the centre | none | Appointment letters | Letters | 2 | 0 | not achieved | develop job descriptions | see report | available |
| 4D1.8 | Valuations | To embark on new valuations so as to increase revenue base | Approved valuation roll | Expired roll | Document and council resolution | doc | approved | approved but later than expected | Achieved | timelines to be adhered to | see report | available |
| 4D1.9 | Revenue Enhancement strategy | To develop a revenue enhancement strategy which will improve collection rate of municipality | Completion of strategy | Appointed service provider | Document | Doc | complete | complete | achieved | | see report | available |
| | | | % increase in revenue | | Records | % | 5% | no figures | not achieved | review if projectis value for money | see report | available |
| 4D2.1 | Internal reproting | To improve accountability by ensuring reporting in accordance with prescripts and standards | Number of reports submitted | None | Records | number | 12 | 12 | achieved | reports to bedone in time | see report | available |
| 4D2.2 | External reporting | | Number of reports submitted | None | Records | number | 12 | 12 | achieved | | see report | available |
| 4D2.3 | Asset register | To ensure assets are properly maintained and safeguarded | Document of complete asset register | incomplete | Document | doc | complete | incomplete | not achieved | record management system to be implemented | see report | available |
| 4D2.4 | Supply Chain | To ensure a capacitated supply chain unit which delivers on its mandate | Number of full-time staff appointed | 1 | Appointment letter | Letters | 1 | 1 | achieved | | see report | available |
| 4D2.5 | Clean Audit | To ensure an Unqualified audit for the 2013/14 financial year | Audit opinion | disclaimer | AG report | | | | | | see report | available |
| 4D2.6 | Budget and treasury office (BTO) | Established and functional BTO | Number of Fulltime BTO staff appointed | intern | Appointment letters | Letters | 1 | 1 | achieved | | see report | available |
| 4D3.1 | Strategy | To have an IT strategy to guide IT operations | Adopted strategy Document | none | Document and council resolution | Doc | adoption | adopted | achieved | appointment of IT manager very urgent | see report | available |
| 4D3.2 | IT policies | To ensure that the IT environment is governed | Number of IT policies adopted | drafts | Documents and council resolution | | | | | | see report | available |
| 4D3.3 | IT Capacity building | To ensure that staff is capacitated to utilize IT to its maximum potential | Number of IT training sessions organised | none | Records | proof | training | none | not achieved | speed up process of IT manager | see report | available |

Chapter 3

Chapter 3

| PLAN 4: LOCAL ECONOMIC DEVELOPMENT SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS | | | | | | | | | | | | | |
|--|--|---|--|------------------------------------|----------------------------------|---|-----------------|--------------------|----------------------------|--------------------------------|---------------------------------------|--------------------------|------------------------|
| IDP Ref.No. | Project | Strategic Focus Area (IDP) | Key Performance Indicator | Baseline (Previous years actual) | Annual Target (Year) | Means of verification | Unit of Measure | Quarterly Target | Quarterly actual | Status (Achieved/Not Achieved) | Measures taken to improve performance | Internal Audit Comment | Portfolio of Evidence |
| 4C1.1 | Promote & Develop SMME's | Increase in number and enhance capacity for SMME's | Number of new SMME's established and operational | | 5 by June 2014 | Records | number | 5 | 7 | achieved | | see report | available |
| 4C1.3 | Wool & Mohair | Revitalization of project to achieve its goals | Nature of support provided | | Quarterly reports | Reports | number | 4 | 4 | achieved | | see report | available |
| 4C1.4 | Sugar Beet Factory | Facilitate the realization of a Bio-fuels (Ethanol) Factory in IYM | Lobbying done with relevant stakeholders | ongoing | Quarterly reports | Reports | number | 4 | 4 | achieved | | see report | available |
| 4C1.6 | Marketing & investment attraction campaign | Develop a framework to implement investment incentive package scheme | Adopted Framework | Incentive scheme package available | Complete by Dec 2013 | Documented Framework and resolution | Doc | Approved Framework | none | not achieved | service provider to be sourced | see report | available |
| 4C1.7 | Business Forum | Strengthening the existing business forum | Nature of support provided | Minimal to none | Reports | Reports | reports | reports | none | not achieved | to organise this sector | see report | available |
| 4C1.8 | LED Forum | Establish and sustain the forum | Established and functional forum | none | Reports and attendance registers | Reports and attendance registers | Reports | functional forum | established and functional | achieved | | see report | available |
| 4C1.9 | LED strategy | To review the existing LED strategy | Revised Strategy | Current strategy | Document and council resolution | Document and council resolution | Doc | Revised strategy | None | not achieved | mobilise funding | see report | available |
| 4C1.10 | Partnerships | Coordinate establishment of partnerships | Number of functional partnerships established | none | Partnership Agreement | Partnership Agreement | number | at least 1 | Dci, GADI, Dept of Tourism | achieved | | see report | available |
| 4C2.1 | Taxi Rank and Hawkers facilities | Conduct public transport and hawking in a controlled environment | % scope of project completed | Service provider appointed | Signing off of project | Signing off of project | certificate | complete | almost complete | partially | contractor delays to be monitored | see report | available |
| 4C2.2 | Working for Water Working on Land | Job creation through conserving ecological systems | Number of beneficiaries employed | ongoing | 120 | (Records with SANPARKS as implementers) | number | 120 | 120 | | project implemented by SANPARKS | | |
| 4C2.8 | Brick Making | To create a conducive environment for brick makers | Availability of water in identified area | Land available | Jun-14 | Installation completed | certificate | complete | completed | achieved | | see report | available |
| 4C3.3 | Craddock Spa | To prepare a bankable feasibility study | % scope of project completed | Service provider appointed | Sep-13 | Documented study | Doc | Documented study | Draft complete | partially | funds to be made available in time | see report | available |
| 4C3.4 | Middelburg Caravan Park | Source funding for developing the Caravan Park so as to attract tourists | Funding proposals submitted | None | Oct-13 | Document | Doc | Business Plan | Completed | achieved | Document sent for funding | see report | available |
| 4C3.5 | Middelburg Tourism Village | To develop a tourism village in the MBG unit | Funding proposals submitted | Original proposal | Dec-13 | Document | Doc | Business Plan | completed | achieved | Document sent for funding | see report | available |
| 4C3.6 | Garden of remembrance | To lobby for funding and complete Phase 2 | Amount of funding % completion of project | 0 | R10m 100% by June 2014 | Handover | progress | funding | 2,9m from | | | see report see report | available available |
| 4C3.7 | Garden of Remembrance | To develop a story line on the Craddock 4 | % completion of project | Tender issued | 100% by October 2013 | Storyline document | Doc | complete | complete | achieved | | see report | available |
| 4C3.8 | Tourism sector plan | To review and update the sector plan | Reviewed sector plan | Outdated plan | Jun-13 | Document and council resolution | Doc | sector plan | none | not achieved | lobby for funds | see report | available |
| 4C4.1 - 4C4.6 | Agricultural related projects | To provide support to all agriculture related projects to ensure their viability | Progress on support provided | ongoing | Quarterly reports | Reports | reports | 4 | 4 | achieved | | see report | available |
| 4C4.7 | Partnership with local FET | Establish a partnership with local Agricultural FET College to improve local technical and artisan skills | Progress on interventions by partnership | none | Quarterly reports (Sept 2013) | Reports | reports | 4 | 4 | achieved | | see report | available |
| 4C4.8 | Develop a local brand | Promote and market local products | Promotion and marketing strategy | none | Aug-13 | Document | Doc | strategy | none | not achieved | | see report | available |

Chapter 3

| PLAN 5: 5. BASIC SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS (COMMUNITY SERVICES) | | | | | | | | | | | | | |
|---|--------------------------------------|---|---|----------------------------------|-----------------------------------|---|------------------|------------------|-----------------------------|--------------------------------|--|------------------------|-----------------------|
| IDP Ref.No. | Project | Strategic Focus Area (IDP) | Key Performance Indicator | Baseline (Previous years actual) | Annual Target (Year) | Means of verification | Unit of Measure | Quarterly Target | Quarterly actual | Status (Achieved/Not Achieved) | Measures taken to improve performance | Internal Audit Comment | Portfolio of Evidence |
| 4B1.2 | Maintenance of Sport facilities | Ensure that all facilities are properly maintained | % customer satisfaction | No survey conducted | 70% customer satisfaction overall | Quarterly Survey results | results | survey results | none | not achieved | conduct survey | see report | available |
| 4B2.2 | Maintenance of all cemeteries | To ensure that facilities are clean and sites accessible | % customer satisfaction | No survey conducted | 60% customer satisfaction overall | Quarterly Survey results | results | survey results | none | not achieved | conduct survey | see report | available |
| 4B2.3 | Kwanonzame cemetery toilet facility | Ensure that there are toilet facilities in Kwanonzame cemetery | Availability of facilities | None | Completed structure by June 2014 | Structure in place | structure | completed | none | not achieved | plan capital budget properly | see report | available |
| 4B3.1 | HIV/AIDS workplace Strategy | Development of Workplace strategy to curb any form of discrimination and to educate workforce | Documented strategy | document | 100% by June 2014 | physical inspection Certificate of completion | doc | complete | complete | achieved | | see report | available |
| 4B3.2 | Awareness Programme | To increase level of awareness in youth | Number of awareness sessions held | none | At least 4 by June 2014 | Reports on sessions held | records | 4 | 4 | achieved | | see report | available |
| 4B3.6 | OVC Program | To take stock and give support to orphans and vulnerable children | Number of known OVC's reached per ward | none | All known OVC's | Reports | reports | | | | need a baseline to work on | see report | available |
| 4B4.1 | Disaster Management Plan | Revise Disaster Management Plan | Revised Disaster Management Plan adopted by council | none | Aug-13 | Document & Council resolution | doc | Plan | Draft submitted | partially | to be taken to council for approval | see report | available |
| 4B4.2 | Equip the Disaster Management Centre | To have an equipped and capable centre | Availability of Basic disaster Equipment | none | By June 2014 | Records | equipment | new acquisition | none | not achieved | need to lobby for funds | see report | available |
| 4B4.3 | Disaster Management Forum | To have a functional Disaster Management Forum in place | An established forum | none | Aug-13 | Minutes/ attendance registers | functional forum | minutes of forum | none | not achieved | mobilise all stakeholders | see report | available |
| 4B5.1 | Integrated Waste Management Plan | Develop an Integrated Waste Management Plan for the municipality | An approved Integrated Waste Management Plan | none | Jun-14 | Document & Council resolution | Document | IWMP doc | CHDM developed plan is used | partially | the plan need customisation and revision | see report | available |
| 4B5.3 | Urban Greening | To promote a clean environmentally Friendly communities | Number of parks developed and maintained | Existing ones in very poor state | 1 in each ward | Reports & physical inspection | Reports | 4 | 4 | | identify park which can be showcased as examples | see report | available |
| 4B5.4 | Solid Waste Disposal sites | An established compliant Disposal site | Disposal sites that are licensed | tendering | Aug-13 | Certificates | doc | certificate | none | work in progress | Dept of Environmental Affairs to speed process | see report | available |
| 4B5.6 | EPWP environmental project | Creating jobs through EPWP and ensuring that the environment is clean | Number of jobs created | 0 | 200 by June 2014 | Records | number | 200 | above 200 | achieved | | see report | available |
| 4B6.1 | Speed Bumps | Put in place traffic calming measures in high risk areas | Number of speed bumps in identified areas | 0 | At least 6 by June 2014 | Physical inspection | structures | 6 | 6 | achieved | | see report | available |
| 4B6.2 | Road Signage | To have visible signs to Control traffic flow | Number of signs replaced | To be identified | 75% identified signs by June 2014 | Physical inspection | | done | done | | have a baseline and target to monitor success | see report | available |
| 4B6.3 | Traffic Law Enforcement | To increase capacity for for traffic law enforcement | Number of new traffic officers employed | 3 | 2 by Sept 2013 | Employment contracts | contract | 2 | 2 | achieved | | see report | available |
| 4B6.4 | Pounding facilities | To reduce dangers /accidents caused by stray animals | Number of Operational pounding facilities | 1 in MBG | 2 by Sept 2013 | Reports | | 2 | 1 | partially | cradock facility to be speeded up | see report | available |

Chapter 3

Chapter 3

| PLAN 6: BASIC SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS (TECHNICAL SERVICE) | | | | | | | | | | | | | | |
|---|--|--|--|----------------------------------|-----------------------------|---------------------------------|-----------------|--------------------|--------------------|---------------------------------|---|--|------------------------|-----------------------|
| IDP Ref.No. | Project | Strategic Focus Area (IDP) | Key Performance Indicator | Baseline (Previous years actual) | Annual Target (Year) | Means of verification | Unit of Measure | Quarterly Target | Quarterly actual | Status (Achieved/ Not Achieved) | Measures taken to improve performance | Management Response | Internal Audit Comment | Portfolio of Evidence |
| 4A1.4 | Sewer Pump station Lingelihle | Replace existing ineffective Pump-station to stop spillages | New pump installed | | Jun-14 | Handover certificate | certificate | complete | not started | | Project of water Service authority, to be removed | Implementor is CHDM | see report | available |
| 4A3.1 | Rosmead Rural Water | To ensure up to erf connection of water for Rosmead households | Number of households with up to erf connection | Bulk connectors | All households by June 2014 | Handover certificate | | | | | Project of water Service authority, to be removed | Implementor is CHDM | see report | available |
| 4A3.2 | Cradock Water Treatment Works (WTW) | Repair the WTW to provide potable water | Complete the repairs | Tender preparation | Apr-14 | | | | | | Project of water Service authority, to be removed | Implementor is CHDM | see report | available |
| 4A3.3 | Primary Clear water Tank (WTW) | Provide potable water to community | Completion of project | Tender preparation | Complete by March 2014 | | | | | | Project of water Service authority, to be removed | Implementor is CHDM | see report | available |
| 4A3.10 | Middelburg Ground Water Supply | Increase sources and capacity of providing water | Number of new boreholes commissioned | | Jun-14 | Project hand over | | | | | Project of water Service authority, to be removed | Implementor is CHDM | see report | available |
| 4A2.1 | Lusaka Low Cost Housing | To provide housing units for the dilapidated structures in | Number of units | 0 | 80 by Sept 2013 | Physical inspection | number | 80 | 80 | achieved | | | see report | available |
| 4A2.9 | Inxuba Yethemba Municipality Housing Chapter | To have a housing chapter which will inform current and future development | Adoption of Revised Housing Chapter | Document available | Aug-13 | Document and Council resolution | resolution | resolution | not yet to council | partially | to be sourced from department | | see report | available |
| 4A5.2 | Michausdal bulk supply line (Ring Feed) | Reduce power failure in Michausdal | % completion of bulk supply line | 0 | 100% by June 2014 | Completion certificate | certificate | complete | complete | achieved | | | see report | available |
| 4A6.1 | Wesley Street upgrading | Ensure accessibility of the ward | Km of road surfaced | 0 | 0.720 Sept 2013 | Completion certificate | certificate | complete | complete | achieved | | | see report | |
| 4A6.2 | Cetyiwe Street | To resurface Cetyiwe street for smooth flow of traffic | Km of road surfaced | 0 | 1.150 Sept 2013 | Completion certificate | certificate | complete | complete | achieved | | | see report | |
| 4A6.3 | Miles street | Ensure Upgrading and surfacing | Kms upgraded and surfaced | 0 | 0.820 Sept 2013 | Completion certificate | certificate | complete | complete | achieved | | | see report | |
| 4A6.4 | Manana street | Ensure Upgrading and surfacing | Kms upgraded and surfaced | 0 | 0.40 by April 2014 | Completion certificate | certificate | complete | 80% complete | partially | delays by contractor to be monitored | | see report | |
| 4A6.5 | Gala street | Ensure Upgrading and surfacing | Kms upgraded and surfaced | 0 | 1.0 by June 2014 | Completion certificate | certificate | complete | 10% complete | not achieved | verify competence of service provider before appointing | appointed contractor could not perform | see report | |
| 4B1.1 | Phiti stadium | To ensure a stadium with basic facilities for sport | % scope of project completed | 0 | 100% Completed by June 2014 | Completion certificate | certificate | phase 1 completion | 25% complete | not achieved | appointed contractor to be able to perform | appointed contractor could not perform | see report | |

Chapter 4

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

INTRODUCTION

The municipality has an organogram that was adopted by Council in June 2013 and there is a schedule to fill vacant posts from July 2013 to June 2014 as the challenges of cash flow have necessitated that we do not fill approved posts in the organogram all at once but rather stagger them over the whole financial year.

The municipality is in the process writing job descriptions for all posts which were not part of the initial project in 2006 or were not in the organogram at the time. The purpose of these job descriptions is to subject them to the Job Evaluation process which will be re-launched early in the 2014/15 financial year.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

| Description | Employees | | | |
|------------------------------------|------------------|--------------------------|------------------|------------------|
| | 2012 - 2013 | 2013 - 2014 | | |
| | Employees No. | Approved Posts No. | Employees No. | Vacancies No. |
| Water | 50 | 43 | 35 | 8 |
| Waste Water (Sanitation) | 18 | 20 | 18 | 2 |
| Electricity | 22 | 39 | 33 | 6 |
| Waste Management | 50 | 76 | 52 | 24 |
| Housing | 3 | 4 | 3 | 1 |
| Waste Water (Stormwater Drainage) | 28 | 57 | 15 | 11 |
| Local Economic Development | 5 | 22 | 20 | 2 |
| Planning (Strategic & Regulatory) | 11 | 5 | 3 | 2 |
| Community & Social Services | 42 | 57 | 46 | 12 |
| Security and Safety | 3 | 5 | 5 | 0 |
| Sport and Recreation | 59 | 84 | 61 | 23 |
| Corporate Policy Offices and Other | 66 | 78 | 68 | 10 |
| Totals | 357 | 490 | 359 | 101 |

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3

Chapter 4

| Vacancy Rate: 2013 - 2014 | | | |
|---|------------------------------|---|--|
| Designations | *Total Approved Posts No. | *Vacancies (Total time that vacancies exist using fulltime equivalents) No. | *Vacancies (as a proportion of total posts in each category) % |
| Municipal Manager | 1 | 0 | 0.00 |
| CFO | 1 | 0 | 0.00 |
| Other S57 Managers (excluding Finance Posts) | 4 | 0 | 0.00 |
| Other S57 Managers (Finance posts) | 0 | 0 | 0.00 |
| Police officers | 0 | 0 | 0.00 |
| Fire fighters | 0 | 0 | 0.00 |
| Senior management: Levels 13-15 (excluding Finance Posts) | 0 | 0 | 0.00 |
| Senior management: Levels 13-15 (Finance posts) | 0 | 0 | 0.00 |
| Highly skilled supervision: levels 9-12 (excluding Finance posts) | 16 | 16 | 100.00 |
| Highly skilled supervision: levels 9-12 (Finance posts) | 3 | 3 | 100.00 |
| Total | 25 | 19 | 76.00 |

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

T 4.1.2

| Turn-over Rate | | | | |
|-----------------|---|---|---|-----------------|
| Details | Total number of employees as of beginning of Financial Year No. | Total Appointments as of beginning of Financial Year No. | Terminations during the Financial Year No. | Turn-over Rate* |
| Year -2011-2012 | 523 | 20 | 16 | 3% |
| Year -2012-2013 | 558 | 35 | 28 | 5% |
| Year -2013-2014 | 588 | 29 | 19 | 3% |

** 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:

All section 55 and 56 vacancies are filled. Those posts which are regarded as scarce skills posts are being filled with the guidance of the Scarce Skills Policy. Even though the municipality has tried to develop the above mentioned policy there is no guarantee of employees staying long enough due to the low grade of the municipality which was as a result of the Job Evaluation process which led to the categorisation of municipalities as per the Job Evaluation Collective Agreement. The skills base is low internally due to the fact that historically training has not been prioritized by the municipality in the past.

T 4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality has a consultative structure which is composed of both employer and labour components, namely the Local Labour Forum. The structure deals with a variety of labour relations issues including employment equity as we also have a sub-committee which deals specifically with employment equity issues. We also have a range of HR Policies though they may not be exhaustive as we regard this as work in progress. Policies are reviewed annually or when a need arises as well as developing new policies depending on what transpires in our collective interaction.

SA 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.

T 4.2.0

4.2 POLICIES

Please see table on next page.

Chapter 4

| HR Policies and Plans | | | | |
|-----------------------|---|-----------------------------|-------------------|--|
| | Name of Policy | Completed | Reviewed | Date adopted by council or comment on failure to adopt |
| | | % | % | |
| 1 | Affirmative Action | Not in place | Not in place | N/A |
| 2 | Attraction and Retention | Not in place | Not in place | N/A |
| 3 | Code of Conduct for employees | 100 | Not reviewed | 2007 |
| 4 | Delegation, Authorisation & | 100 | Not reviewed | 2013 December |
| 5 | Disciplinary Code and Procedures | 100 | 100 | This is the product of a Collective Bargaining at SALGBC |
| 6 | Essential Services | 100 | 100 | Not reviewed since the last strike by unions in 2012 |
| 7 | Employee Assistance/Wellness | 80 | Not yet finalised | Still to be tabled at the LLF. The delay was caused by the resignation of EAP Practitioner who was driving the process |
| 8 | Employment Equity | Not in place | Not in place | N/A |
| 9 | Exit Management | 100 | 100 | Ours is called Termination Policy and was adopted in 2012 |
| 10 | Grievance Procedure | 100 | 100 | A product of collective bargaining, thus not a local competence |
| 11 | HIV/AIDS | 100 | 100 | A product of collective bargaining, thus not a local competence for uniformity purposes |
| 12 | Human Resources Development | 100 | 100 | Adopted 2008 and has since not been reviewed |
| 13 | Information Technology | 100 | 100 | Adopted September 2013 |
| 14 | Job Evaluation | 100 | 100 | There is a Job Evaluation Guideline from SALGA |
| 15 | Leave | 100 | 100 | December 2012 |
| 16 | Occupational Health and Safety Policy | Draft stage | Draft stage | Draft stage |
| 17 | Official Housing | 100 | 100 | Adopted in 2011 |
| 18 | Official Journeys | 100 | 100 | Our policy is called Subsistence & Travel Policy |
| 19 | Official Transport to attend funeral | No policy | No policy | N/A |
| 20 | Official working Hours and Overtime | Overtime Policy is in place | 100 | Adopted in 2008 not reviewed since then |
| 21 | Organisational Rights | 100 | 100 | Organisational Rights Agreement (ORA) is a product of collective bargaining at national level. |
| 22 | Payroll Deductions | No policy | No policy | N/A |
| 23 | Performance Management and | Draft stage | Draft stage | N/A |
| 24 | Recruitment, Selection and | 100 | 100 | Reviewed in 2012 |
| 25 | Remuneration Scales and Allowances | Not in place | Not in place | Salaries are a competence of wage negotiations at national level and collective agreements come out of those negotiations. |
| 26 | Resettlement | Not in place | Not in place | N/A |
| 27 | Sexual Harassment | Not in place | Not in place | N/A |
| 28 | Skills Development | 100 | 100 | Adopted in 2008 |
| 29 | Smoking | 100 | 100 | Adopted in 2012 |
| 30 | Special Skills | 100 | 100 | We call it Scarce Skills Policy and was adopted in 2013. |
| 31 | Work Organisation | Not in place | Not in place | N/A |
| 32 | Uniforms and Protective Clothing | Not in place | Not in place | N/A |
| 33 | Other: Telephone Usage; Study Loan; Use and Control of Municipal Vehicles | 100 | 100 | These policies have not been reviewed |

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

T 4.2.1

Chapter 4

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Policy Development for HR is an ongoing process and in the year under review we developed and adopted Scarce Skills Policy and have a draft EAP Policy which we still need to consult on with unions.

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

| Number and Cost of Injuries on Duty | | | | | |
|---------------------------------------|----------------------------|-------------------------------------|--|---|-------------------------------|
| Type of injury | Injury Leave Taken Days | Employees using injury leave No. | Proportion employees using sick leave % | Average Injury Leave per employee Days | Total Estimated Cost R'000 |
| Required basic medical attention only | 0 | 0 | 0% | 0 | 0 |
| Temporary total disablement | | | | | |
| Permanent disablement | | | | | |
| Fatal | | | | | |
| 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 Days | Proportion of sick leave without medical certification % | Employees using sick leave No. | Total employees in post* No. | *Average sick leave per Employees Days | Estimated cost R' 000 |
| Lower skilled (Levels 1-2) | 85 | The Collective Agreement on Conditions of Service - Allows the Employee to take 2 days Paid Sick Leave, without a Medical Certificate within the cycle of 8 weeks. | 10 | 19 | 0.22 | 1 |
| Skilled (Levels 3-5) | 1011 | | 111 | 235 | 2.63 | 145 |
| Highly skilled production (levels 6-8) | 243 | | 37 | 61 | 0.63 | 14 |
| Highly skilled supervision (levels 9-12) | 222 | | 35 | 60 | 0.58 | 15 |
| Senior management (Levels 13-15) | 14 | | 3 | 3 | 0.04 | 0 |
| MM and S57 | 10 | | 3 | 6 | 0.03 | 0 |
| Total | 1585 | | | 199 | 384 | 4.13 |

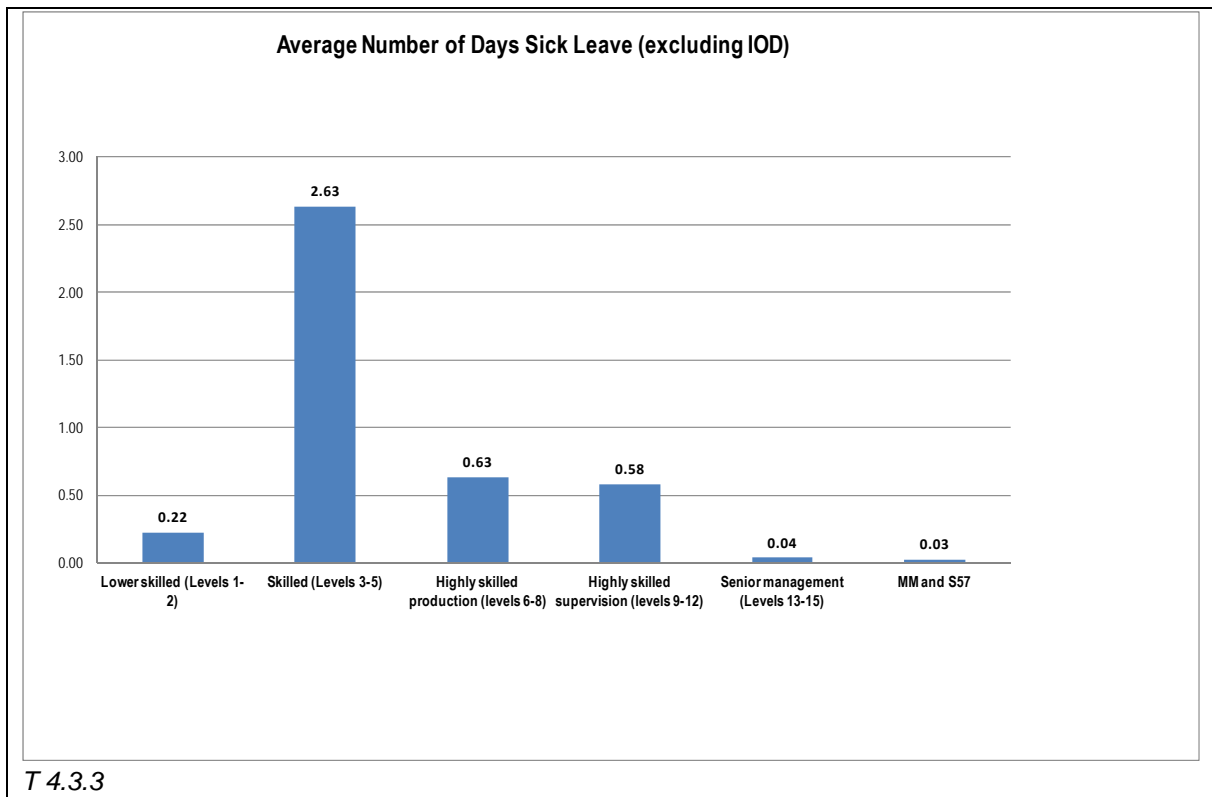
* - Number of employees in post at the beginning of the year

*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2

The above figures are for 6 Months, as the three year sick leave cycle started on 1 January 2014. Each employee is entitled to 80 days of sick leave per three year cycle. S57 managers are entitled to 36 days in a three year cycle.

Chapter 4



COMMENT ON INJURY AND SICK LEAVE:

In the municipality we did not have any work related injuries in the year under review, therefore this section is not applicable to us. When such injuries occur employees go to their own doctors, however, the municipality pays the bill.

T 4.3.4

| 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 |
| PMU MANAGER | FRAUD - EXTIMATED COST NOT SUBMITTED | DISCIPLINARY ACTION TAKEN - RESIGNED BEFORE THE HEARING COULD BE FINILIZED | 31/05/2014 |
| | COST OF S & T'S OF PANEL - NOT SUBMITTED | | |
| | ESTIMATED COST OF SALARY PAID FOR THE ESTIMATED TIME OF 6 MONTHS ON SUSPENSION WITH PAYMENT = R203 478.00 | | |
| | | | <i>T 4.3.6</i> |

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Please refer nature of allegation and disciplinary action taken above.

T 4.3.7

Chapter 4

4.4 PERFORMANCE REWARDS

| Performance Rewards By Gender | | | | | |
|---|---------------------|------------------------------------|-------------------------|---|--|
| Designations | Beneficiary profile | | | | |
| | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards Year 1 R' 000 | Proportion of beneficiaries within group % |
| MM and S57 | Female | 1 | 1 | 40 | 100% |
| | Male | 5 | 5 | 200 | 100% |
| Total | | 56 | 27 | | |
| Has the statutory municipal calculator been used as part of the evaluation process ? | | | | | Yes |
| <p><i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p> | | | | | T 4.4.1 |

COMMENT ON PERFORMANCE REWARDS:

The Performance Management System has not yet been cascaded to levels lower than section 55 and 56 employees as we are still developing the relevant policy that will be applied to such project.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Training Committee is in place and it is charged with the responsibility of ensuring capacity building of employees at all levels. However the previous year was not particularly successful as for the better part of the year we did not have a Skills Development Facilitator as the previous one resigned and we had internal challenges filling the post. We did undertake some programmes for certain employees though not at the scale we would have wished for.

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

| 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 | 0 | 1 | 1 | 1 | 1 |
| Chief financial officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Senior managers | 4 | 0 | 4 | 4 | 4 | 4 |
| Any other financial officials | 0 | 0 | 0 | 0 | 0 | 0 |
| Supply Chain Management Officials | | | | | | |
| Heads of supply chain management units | 0 | 0 | 0 | 0 | 0 | 0 |
| Supply chain management senior managers | 1 | 0 | 1 | 1 | 0 | 1 |
| TOTAL | 7 | 0 | 7 | 7 | 6 | 7 |

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

T 4.5.2

| Skills Development Expenditure | | | | | | | | | R'000 | |
|--|---|---|-----------------|---|-----------------|-------------------------|-----------------|--------------|-----------------|--------|
| Management level | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development Year 2013 - 2014 | | | | | | | Total | |
| | | Learnerships | | Skills programmes & other short courses | | Other forms of training | | Total | | |
| | | No. | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual |
| MM and S57 | 6 | | | | | | | | | |
| Legislators, senior officials and managers | 18 | | 322 | 850 | | | | 850 | 322 | |
| Professionals | 13 | | | 20 | | | | 20 | | |
| Technicians and associate professionals | 21 | | | 1,310 | | | | 1,310 | | |
| Clerks | 80 | | | 120 | 154 | | | 120 | 154 | |
| Service and sales workers | 16 | | | 25 | | | | 25 | | |
| Plant and machine operators and assemblers | 34 | | | 390 | | | | 390 | | |
| Elementary occupations | 211 | | | 1,547 | | | | 1,547 | | |
| Total | 399 | - | 322 | 4,262 | 154 | - | - | 4,262 | 476 | |

*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.

T4.5.3

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

As alluded to in the previous section, we did not undertake much skills development during the period under review due to capacity challenges. All section 55 and 56 employees have undergone training on Financial Competency as per National Treasury Regulations though two of six managers are completing during the current financial year.

Chapter 4

There are also interns that have been employed by the municipality who are also attending the relevant training in term of the regulations. The Municipal Manager has asked for an extension for the two managers who could not complete by the 2013 deadline.

T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

All issue related to workforce expenditure are in Finance as our payroll in terms of the system we use is under finance, therefore this section should be dealt with under finance.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

| Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded | | |
|---|--------|----------------|
| Beneficiaries | Gender | Total |
| Lower skilled (Levels 1-2) | Female | 0 |
| | Male | 0 |
| Skilled (Levels 3-5) | Female | 0 |
| | Male | 0 |
| Highly skilled production (Levels 6-8) | Female | 0 |
| | Male | 0 |
| Highly skilled supervision (Levels9-12) | Female | 0 |
| | Male | 0 |
| Senior management (Levels13-16) | Female | 0 |
| | Male | 0 |
| MM and S 57 | Female | 0 |
| | Male | 0 |
| Total | | 0 |
| <i>Those with disability are shown in brackets '(x)' in the 'Number of</i> | | <i>T 4.6.2</i> |

Chapter 4

| Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation | | | | |
|---|---------------------|----------------------|--------------------|---|
| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
| TOWN TREASURER | 1 | T12 | 296,304 | Merger of Cradock & Middelburg Municipalities to form IYM |
| SUPERINTENDENT: PUBLIC WORKS HSING & E | 1 | T11 | 280,380 | |
| SENIOR PLUMBER MBG | 1 | T10 | 212,460 | |
| ELECTRICIAN | 1 | T10 | 212,460 | |
| ELECTRICIAN | 1 | T10 | 208,284 | |
| BUILDING INSPECTOR: CDK | 1 | T10 | 208,284 | |
| ADMINISTRATION OFFICIAL | 1 | T10 | 229,944 | |
| ADMINISTRATIVE OFFICIAL | 1 | T07 | 148,560 | |
| SECRETARY LED MANAGER | 1 | T06 | 148,560 | |
| SEWER PURI OPERATOR GRADE 1 MBG | 1 | T06 | 183,144 | |
| SEWER PURI OPERATOR GRADE 2 MBG | 1 | T06 | 151,536 | |
| RECEPTION & DATA CAPTURER | 1 | T06 | 142,152 | |
| CLERK: HOUSING | 1 | T06 | 179,544 | |
| SECRETARY: PROTECTION SERVICES | 1 | T06 | 183,144 | |
| ADMIN CLERK NATIS | 1 | T06 | 151,536 | |
| SENIOR CLERK LICENSING | 1 | T06 | 148,560 | |
| HIV AIDS CO-ORDINATOR ASSISTAN | 1 | T06 | 116,904 | |
| SNR LIBRARIAN ASSISTANT MBG | 1 | T06 | 183,144 | |
| SNR LIBRARIAN ASSISTANT MIDROS | 1 | T06 | 128,364 | |
| SNR LIBRARIAN ASSISTANT MICHDAL | 1 | T06 | 125,844 | |
| SNR LIBRARIAN ASSISTANT | 1 | T06 | 116,904 | |
| PREPAID SYSTEM OPERATOR | 1 | T06 | 148,560 | |
| CLERK: ASSET MANAGEMENT | 1 | T06 | 148,560 | Merger of Cradock & Middelburg Municipalities to form IYM |
| BANK RECON CLERK | 1 | T06 | 145,320 | |
| CLERK: CREDITORS | 1 | T06 | 183,144 | |
| CLERK: ASSESS. RATES VALUATION & CLEARA | 1 | T06 | 212,460 | |
| CLERK: BILLING & DATA CAPTURING | 1 | T06 | 148,560 | |
| ENQUIRY CLERK: CRADOCK | 1 | T06 | 139,248 | |
| RATES CLERK: CRADOCK | 1 | T06 | 139,248 | |
| INCOME CLERK | 1 | T06 | 121,248 | |
| INCOME CLERK | 1 | T06 | 121,248 | |
| ENQUIRY CLERK: CRADOCK | 1 | T06 | 121,248 | |
| SECRETARY: SPEAKER | 1 | T06 | 139,248 | |
| COMMITTEE CLERK | 1 | T06 | 179,544 | |
| REGISTRY ARCHIVES CLERK | 1 | T06 | 148,560 | |
| SECRETARY CORPORATE DEPARTMENT | 1 | T06 | 148,560 | |
| OPERATOR (GRADER LOADER) | 1 | T05 | 102,924 | |
| TRACTOR DRIVER CDK | 1 | T05 | 97,968 | |
| OPERATOR (GRADER LOADER) | 1 | T05 | 125,844 | |
| OPERATOR (GRADER LOADER) | 1 | T05 | 109,188 | |
| CASHIER | 1 | T05 | 120,204 | |
| TRACTOR DRIVER STREET CLEANERS | 1 | T05 | 105,348 | |
| CASHIER | 1 | T05 | 109,188 | |
| CASHIER | 1 | T05 | 109,188 | |
| CASHIER | 1 | T05 | 105,348 | Merger of Cradock & Middelburg Municipalities to form IYM |
| RELIEF CASHIER | 1 | T05 | 105,348 | |
| SWITCHBOARD OPERATOR CDK | 1 | T05 | 179,544 | |
| SWITCHBOARD OPRATOR MBG | 1 | T05 | 128,364 | |
| CARETAKER MDAL | 1 | T05 | 125,844 | |
| SNR LIBRARIAN ASSISTANT CDK | 1 | T04 | 125,844 | |
| SNR LIBRARY ASSISTENT MASIZAME | 1 | T04 | 123,480 | |
| SEMI-SKILLED WORKER ELEC. ASSISTANT | 1 | T03 | 128,364 | |
| GENERAL WORKER: MECHANICAL WORKSHO | 1 | T03 | 85,860 | |
| GENERAL WORKER | 1 | T03 | 96,720 | |
| CLEANER: CDK | 1 | T03 | 109,188 | |
| CHALET CLEANER | 1 | T02 | 73,440 | |
| GENERAL WORKER LEVEL II (CLEAN | 1 | T02 | 73,440 | |
| | 57 | | | |

T 4.6.3

Chapter 4

| Employees appointed to posts not approved | | | | |
|---|-------|---------------------|---------------|---|
| Department | Level | Date of appointment | No. appointed | Reason for appointment when no established post exist |
| | | | | |
| No such appointments noted | | | | |
| | | | | <i>T 4.6.4</i> |

DISCLOSURES OF FINANCIAL INTERESTS

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

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

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

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

T 5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

| Reconciliation of Table A1 Budget Summary | | | | | | | |
|--|-----------------|--|--------------------------|---|--|----------------|----------------|
| Description | Year 2013/14 | | | | | | |
| | Original Budget | Budget Adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget | Actual Outcome |
| R thousands | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Financial Performance | | | | | | | |
| Property rates | 21,900 | (576) | 21,324 | | | 21,324 | 21,409 |
| Service charges | 121,251 | (3,000) | 118,251 | | | 118,251 | 127,988 |
| Investment revenue | 80 | (25) | 55 | | | 55 | 432 |
| Transfers recognised - operational | 60,257 | 5,533 | 65,790 | | | 65,790 | 48,577 |
| Other own revenue | 31,676 | (3,313) | 28,363 | | | 28,363 | 18,905 |
| Total Revenue (excluding capital transfers and contributions) | 235,164 | (1,381) | 233,783 | | | 233,783 | 217,311 |
| Employee costs | 67,165 | 3,718 | 70,883 | | | 70,883 | 65,142 |
| Remuneration of councillors | 6,220 | 172 | 6,392 | | | 6,392 | 6,294 |
| Debt impairment | 8,112 | | 8,112 | | | 8,112 | |
| Depreciation & asset impairment | 57,686 | (13) | 57,673 | | | 57,673 | |
| Finance charges | 559 | | 559 | | | 559 | |
| Materials and bulk purchases | 52,565 | (221) | 52,344 | | | 52,344 | 44,096 |
| Transfers and grants | 169 | | 169 | | | 169 | 42 |
| Other expenditure | 51,490 | 5,321 | 56,811 | | | 56,811 | 83,349 |
| Total Expenditure | 243,966 | 8,977 | 252,943 | - | - | 252,943 | 198,923 |
| Surplus/(Deficit) | (8,802) | (10,358) | (19,160) | | | | |
| Transfers recognised - capital | | | - | | | - | |
| Contributions recognised - capital & contributed assets | | | - | | | - | |
| Surplus/(Deficit) after capital transfers & contributions | (8,802) | (10,358) | (19,160) | | | - | - |
| Share of surplus/ (deficit) of associate | | | - | | | - | |
| Surplus/(Deficit) for the year | | | | | | | |
| Capital expenditure & funds sources | | | | | | | |
| Capital expenditure | | | | | | | |
| Transfers recognised - capital | 14,461 | | 14,461 | | | 14,461 | |
| Public contributions & donations | | | - | | | - | |
| Borrowing | | | - | | | - | |
| Internally generated funds | | | - | | | - | |
| Total sources of capital funds | | | | | | | |
| Cash flows | | | | | | | |
| Net cash from (used) operating | 26,812 | | 26,812 | | | 26,812 | |
| Net cash from (used) investing | (24,310) | | (24,310) | | | (24,310) | |
| Net cash from (used) financing | (429) | | (429) | | | (429) | |
| Cash/cash equivalents at the year end | 2,073 | | 2,073 | | | 2,073 | |

Chapter 5

| Financial Performance of Operational Services | | | | | | | R '000 |
|---|------------------|-----------------|--------------------|----------------|-----------------------|--------------------|--------|
| Description | Year - 2012/2013 | Year 2013/2014 | | | Year 2013/14 Variance | | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget | |
| Operating Cost | | | | | | | |
| Water | 41,407 | 24,864 | 20,765 | 20,494 | -21.32% | -1.32% | |
| Waste Water (Sanitation) | 41,014 | 11,745 | 11,165 | 8,421 | -39.47% | -32.59% | |
| Electricity | 53,192 | 62,560 | 62,344 | 53,382 | -17.19% | -16.79% | |
| Waste Management | 19,828 | 7,287 | 7,343 | 9,106 | 19.98% | 19.36% | |
| Housing | 833 | 1,012 | 1,470 | 1,333 | 24.08% | -10.28% | |
| Component A: sub-total | 156,274 | 107,468 | 103,087 | 92,736 | -15.89% | -11.16% | |
| Waste Water (Stormwater Drainage) | - | - | - | - | 0.00% | 0.00% | |
| Roads | 7,203 | 61,741 | 63,564 | 10,263 | -501.59% | -519.35% | |
| Transport | 2,100 | 2,613 | 2,446 | 2,313 | -12.97% | -5.75% | |
| Component B: sub-total | 9,303 | 8,455 | 8,624 | 9,554 | 11.50% | 9.73% | |
| Planning | | | | | 0.00% | 0.00% | |
| Local Economic Development | 3,299 | 3,427 | 4,036 | 4,296 | 20.23% | 6.05% | |
| Component B: sub-total | 3,299 | 3,427 | 4,036 | 4,296 | 20.23% | 6.05% | |
| Planning (Strategic & Regulatory) | 3,539 | 5,194 | 5,330 | 5,171 | -0.44% | -3.07% | |
| Local Economic Development | 3,329 | 4,365 | 3,709 | 4,056 | -7.62% | 8.56% | |
| Component C: sub-total | 6,868 | 9,559 | 9,039 | 9,227 | -3.60% | 2.04% | |
| 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 | 251 | 316 | 390 | 437 | 27.69% | 10.76% | |
| Security and Safety | 656 | 695 | 649 | 741 | 6.21% | 12.42% | |
| Sport and Recreation | 5,441 | 5,736 | 5,864 | 6,831 | 16.03% | 14.16% | |
| Corporate Policy Offices and Other | 2,286 | 47,402 | 55,277 | 65,484 | 27.61% | 15.59% | |
| Component D: sub-total | 18,848 | 62,817 | 72,674 | 82,755 | 24.09% | 12.18% | |
| Total Expenditure | 194,592 | 191,727 | 197,460 | 198,568 | 3.45% | 0.56% | |
| In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. | | | | | | T 5.1.2 | |

COMMENT ON FINANCIAL PERFORMANCE:

~~Delete Directive note once comment is completed~~ – Comment on variances above 10%.

T5.1.3

Chapter 5

5.2 GRANTS

| Grant Performance | | | | | | |
|---|------------------|---------------|--------------------|---------------|-----------------------|------------------------|
| | | | | | | R' 000 |
| Description | Year - 2012/2013 | Year 2013/14 | | | Year 2013/14 Variance | |
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| Operating Transfers and Grants | | | | | | |
| National Government: | 41,358 | 41,448 | 41,246 | 41,246 | | |
| Equitable share | 40,558 | 40,558 | 40,356 | 40,356 | | |
| Municipal Systems Improvement | 800 | 890 | 890 | 890 | | |
| Department of Water Affairs | | | | | | |
| Levy replacement | | | | | | |
| Other transfers/grants [insert description] | | | | | | |
| Provincial Government: | - | - | - | - | | |
| Health subsidy | | | | | | |
| Housing | | | | | | |
| Ambulance subsidy | | | | | | |
| Sports and Recreation | | | | | | |
| Other transfers/grants [insert description] | | | | | | |
| District Municipality: | - | - | - | - | | |
| [insert description] | | | | | | |
| Other grant providers: | - | - | - | - | | |
| [insert description] | | | | | | |
| Total Operating Transfers and Grants | 41,358 | 41,448 | 41,246 | 41,246 | | |
| <i>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.</i> | | | | | | T 5.2.1 |

Chapter 5

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

T 5.3.1

Repair and Maintenance Expenditure: Year 2013 - 2014

| R' 000 | | | | |
|-------------------------------------|-----------------|-------------------|--------|-----------------|
| | Original Budget | Adjustment Budget | Actual | Budget variance |
| Repairs and Maintenance Expenditure | 10,486 | 10,596 | 11,505 | -10% |

T 5.3.4

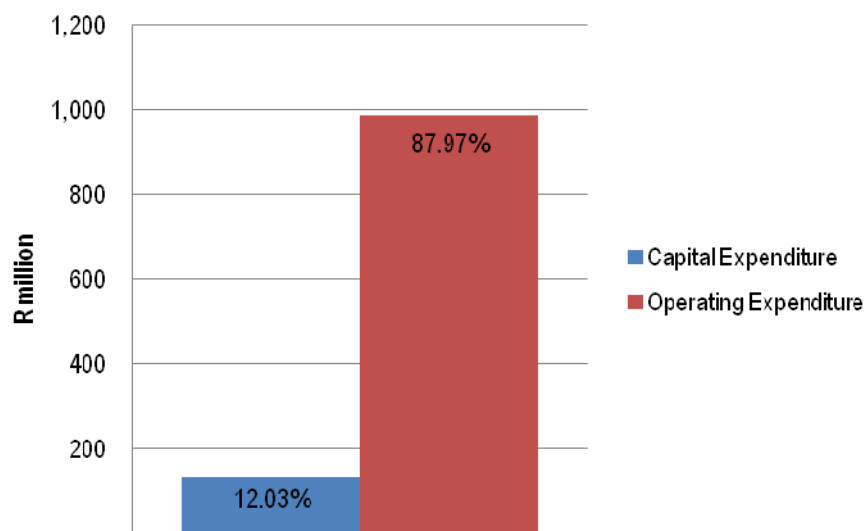
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

T 5.5.0

5.5 CAPITAL EXPENDITURE

Capital Expenditure: 2013 - 2014



T 5.5.1

Chapter 5

5.6 SOURCES OF FINANCE

| Capital Expenditure - Funding Sources: Year -2012/13 to Year 2013/14 | | | | |
|---|---------------|----------------------|-------------------|--------------|
| R' 000 | | | | |
| Details | Year -2012/13 | Year 2013/14 | | |
| | Actual | Original Budget (OB) | Adjustment Budget | Actual |
| Source of finance | | | | |
| External loans | 0 | 0 | 0 | 0 |
| Public contributions and donations | 0 | 0 | 0 | 0 |
| Grants and subsidies | 15828 | 14104 | 14104 | 14104 |
| Other | 1900 | 2500 | 2500 | 2500 |
| Total | 17728 | 16604 | 16604 | 16604 |
| <i>Percentage of finance</i> | | | | |
| External loans | 0.0% | 0.0% | 0.0% | 0.0% |
| Public contributions and donations | 0.0% | 0.0% | 0.0% | 0.0% |
| Grants and subsidies | 89.3% | 84.9% | 84.9% | 84.9% |
| Other | 10.7% | 15.1% | 15.1% | 15.1% |
| Capital expenditure | | | | |
| Water and sanitation | 0 | 0 | 0 | 0 |
| Electricity | 3000 | 1000 | 1000 | 2453 |
| Housing | 0 | 0 | 0 | 0 |
| Roads and storm water | 14728 | 8193 | 7839 | 7656 |
| Other | 0 | 5911 | 6265 | 2915 |
| Total | 17728 | 15104 | 15104 | 13024 |
| <i>Percentage of expenditure</i> | | | | |
| Water and sanitation | 0.0% | 0.0% | 0.0% | 0.0% |
| Electricity | 16.9% | 6.6% | 6.6% | 18.8% |
| Housing | 0.0% | 0.0% | 0.0% | 0.0% |
| Roads and storm water | 83.1% | 54.2% | 51.9% | 58.8% |
| Other | 0.0% | 39.1% | 41.5% | 22.4% |
| <i>T 5.6.1</i> | | | | |

Chapter 5

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

| Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs | | | | | | R' 000 |
|--|--------|--------------------|--------|----------|--------------------|---|
| Details | Budget | Adjustments Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Budget | Adjustments Budget | |
| Infrastructure - Road transport | | | | | | |
| <i>Roads, Pavements & Bridges</i> | 5,899 | 5,899 | 1,356 | 43% | 43% | |
| <i>Storm water</i> | | | | | | |
| <i>Other Specify:</i> | | | | | | |
| Cradock Hawks Facility | 6,265 | 6,265 | 2,915 | 46% | 46% | |
| Upgrading of Phili Stadium | 1,500 | 1,500 | 282 | 11% | 11% | |
| Total | | | | 100% | 100% | |
| <p><i>* 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.</i></p> | | | | | | T 5.8.3 |

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Delete Directive note once comment is completed – Give a brief comment on the importance of cash flow management. Refer to the scope of this activity as indicated in this component and what you regard as the key management features of your municipality's approach. Refer to any other cash flow issues of current relevance to your municipality that are not adequately provided for in the format of this component.

T 5.9

Chapter 5

5.9 CASH FLOW

| Cash Flow Outcomes | | R'000 |
|---|-----------------|-----------------|
| Description | Year -2012/13 | |
| | Audited Outcome | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Receipts | | |
| Ratepayers and other | 107,396 | |
| Government - operating | 47,969 | |
| Government - capital | 12,662 | |
| Interest | 3,383 | |
| Dividends | | |
| Payments | | |
| Suppliers and employees | (136,665) | |
| Finance charges | | |
| Transfers and Grants | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 34,745 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Receipts | | |
| Proceeds on disposal of PPE | (1) | |
| Decrease (Increase) in non-current debtors | | |
| Decrease (increase) other non-current receivables | | |
| Decrease (increase) in non-current investments | | |
| Payments | | |
| Capital assets | (27,398) | |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (27,400) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts | | |
| Short term loans | (340) | |
| Borrowing long term/refinancing | (638) | |
| Increase (decrease) in consumer deposits | | |
| Payments | | |
| Repayment of borrowing | | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (978) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 6,368 |
| Cash/cash equivalents at the year begin: | (4,683) | |
| Cash/cash equivalents at the year end: | 14,265 | |
| <i>Source: MBRR A7</i> | | <i>T 5.9.1</i> |

Chapter 5

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Delete Directive note once comment is completed – Explain briefly the relevance of borrowing and investments to you municipality with reference to the tables below and your municipality's requirements in the year. Information may be sourced from **table SA3 AND SA15 in the MBRR.**

T 5.10.1

| Actual Borrowings: 2011 - 2014 | | | |
|--|---------------|---------------|--------------|
| R' 000 | | | |
| Instrument | Year -2011/12 | Year -2012/13 | Year 2013/14 |
| Municipality | 1634 | 1294 | 911 |
| Long-Term Loans (annuity/reducing balance) | 1634 | 1294 | 911 |

T 5.10.3

| Municipal and Entity Investments | | | |
|----------------------------------|---------------|---------------|--------------|
| R' 000 | | | |
| Investment* type | Year -2011/12 | Year -2012/13 | Year 2013/14 |
| | Actual | Actual | Actual |
| Municipality | | | |
| Deposits - Bank | R 222 | R 855 | R 432 |
| Consolidated total: | 222 | 855 | 432 |

T 5.10.4

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Refer Chapter 2, section 2.8.

T 5.12.1

Chapter 5

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

Refer to Chapter 6 for audit report findings.

T 5.13.1

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 section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

Delete Directive note once comment is 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.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR 2012 - 2013 (PREVIOUS YEAR)

| Auditor-General Report on Financial Performance: Year -2012/13 | |
|---|--|
| Audit Report Status*: | |
| Non-Compliance Issues | Remedial Action Taken |
| Disclaimer | Audit Action Plan was approved by the council in January 2014. Regular monitoring is set to take place. |
| <i>Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i> | |
| T 6.1.1 | |

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

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

Signed (Chief Financial Officer)..... Dated

T 6.2.5

GLOSSARY

GLOSSARY

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|---|--|
| Accessibility indicators | Explore whether the intended beneficiaries are able to access services or outputs. |
| Accountability documents | Documents used by executive authorities to give “full and regular” 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 “what we do”. |
| Adequacy indicators | The quantity of input or output relative to the need or demand. |
| Annual Report | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General. |
| Approved Budget | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive. |
| Baseline | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| Basic municipal service | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment. |
| Budget year | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| Cost indicators | The overall cost or expenditure of producing a specified quantity of outputs. |
| Distribution indicators | The distribution of capacity to deliver services. |
| Financial Statements | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| General Key performance indicators | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| Impact | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |

GLOSSARY

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| 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. |
| 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. |

GLOSSARY

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|--|--|
| Performance Targets: | <p>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.</p> |
| Service Delivery Budget Implementation Plan | <p>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.</p> |
| Vote: | <p>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.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><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></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p> |

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| 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 | |
| | | | | % | % | |
| Ms N C Goniwe | Full Time | Mayoral Committee | ANC | 100% | | |
| Mr L D Zizi | Part Time | Mayoral Committee, Chairperson Technical | ANC, Ward 8 | 93% | 7% | |
| Ms L Davids | Part Time | Mayoral Committee, Chairperson Finance | ANC | 80% | 20% | |
| Ms N G Mzinzi | Part Time | Mayoral Committee, Chairperson Corporate | ANC | 87% | 13% | |
| Mr T E Bobo | Part Time | Mayoral Committee, Chairperson Community | ANC, Ward 1 | 87% | 13% | |
| Mr S V Masawe | Part Time | Mayoral Committee, Speaker | ANC | 100% | | |
| Mr S Goniwe | Part Time | Technical Services | ANC, Ward 3 | 100% | | |
| Ms J Saptoe | Part Time | Community Services | DA, Ward 4 | 100% | | |
| Mr R H Schulze | Part Time | Finance Committee | DA, Ward 5 | 80% | 20% | |
| Mr S W Njobo | Part Time | Finance Committee | ANC, Ward 6 | 93% | 7% | |
| Ms C A Sammy | Part Time | Corporate Services | DA, Ward 7 | 100% | | |
| Ms N E Maki | Part Time | Finance Committee | ANC, Ward 9 | 100% | | |
| Ms T E Miners | Part Time | Community Services | ANC | 100% | | |
| Mr F N Erasmus | Part Time | Technical Services | DA | 87% | 13% | |
| Ms Z Bani | Part Time | Community Services | ANC | 80% | 20% | |
| Ms C E B Miles | Part Time | Community Services | DA | 93% | 7% | |
| Ms E Kruger | Part Time | Technical Services | DA | 93% | 7% | |
| Ms N E Ngcingolo | Part Time | Chairperson MPAC, Corporate Services | ANC, Ward 2 | 100% | | |
| <i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i> | | | | | | T A |

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

| Committees (other than Mayoral / Executive Committee) and Purposes of Committees | |
|--|--|
| Municipal Committees | Purpose of Committee |
| Corporate Services Committee | To exercise oversight on corporate services matters. |
| Public Safety Committee | To exercise oversight on Public Safety matters. |
| Technical Services Committee | To exercise oversight on Technical Services matters. |
| Community Services Committee | To exercise oversight on Community Services matters. |
| Finance Committee | To exercise oversight on Financial matters. |
| Rules and Ethics Committee | Oversight role on the code of conduct of Councillors. |
| Local Geographical Names Committee | Standardization and renaming of identified features and public facilities. |
| Budget steering committee | Evaluate the income and expenditure activities of the municipality and make recommendations to section 80 committees for oversight. |
| Local Aids Forum Council | Creating awareness on the scourge of HIV and AIDS pandemic including coordination HIV awareness programmes in various workplaces |
| Local labour Forum Committee | Advice on issues of mutual interest involving management and the workforce. |
| Municipal Public Account Committee | <ul style="list-style-type: none"> To report to Council on the activities of the Committee, To review the municipality and municipal entity's annual report and develop the oversight report on the annual report, To promote good governance, transparency and public accountability, To examine the Mid Year Review document, To examine the financial statements and audit reports of the municipality and municipal entities, and is doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented, To recommend any investigations in its area of competence to EXCO or Council, To seek any information and have access to it from any councilor/employee, To conduct investigation in the recovery of unauthorized, irregular or fruitless and wasteful expenditure in terms of Section 32 (2) of Municipal Finance Management Act (MFMA), To perform any other function assigned by resolution of Council |
| Women caucus | Playing an advocacy role in the protection of the rights and interests of the vulnerable groups comprising women, youth and people with disability. |

T B

APPENDICES

APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

| Third Tier Structure | |
|---------------------------------|--|
| Directorate | Director/Manager (State title and name) |
| Corporate Services | Mr. B Sigenu - Corporate Services Manager |
| Local Economic Development | Mr. L Jojyasi - LED Services Manager |
| Community Services | Mrs. N Majiba - Community Services Manager |
| Technical Services | Mr. A Saleni - Technical Services Manager |
| Finance | Mr. L Tukwayo - Chief Financial Officer |
| Office of the Municipal Manager | Mr. M Tantsi - Municipal Manager |
| | |
| | |

TC

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

| Municipal / Entity Functions | | |
|---|---|--|
| MUNICIPAL FUNCTIONS | Function Applicable to Municipality (Yes / No)* | Function Applicable to Entity (Yes / No) |
| Constitution Schedule 4, Part B functions: | | |
| Air pollution | Yes | N/A |
| Building regulations | Yes | N/A |
| Child care facilities | Yes | N/A |
| Electricity and gas reticulation | Yes | N/A |
| Firefighting services | Yes | N/A |
| Local tourism | Yes | N/A |
| Municipal airports | Yes | N/A |
| Municipal planning | Yes | N/A |
| Municipal health services | Yes | N/A |
| Municipal public transport | Yes | 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 | Yes | N/A |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | N/A | 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 | No | N/A |
| Beaches and amusement facilities | N/A | N/A |
| Billboards and the display of advertisements in public places | Yes | N/A |
| Cemeteries, funeral parlours and crematoria | Yes | N/A |
| 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 | No | N/A |
| Fencing and fences | No | N/A |
| Licensing of dogs | No | 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 | Yes | 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 |
| <i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i> | | <i>T D</i> |

APPENDICES

APPENDIX E – WARD REPORTING

| 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 |
|--------------------|--|----------------------------------|---|--|
| 1 | Bobo T | Yes | 8 | 4 |
| 2 | Nggingolo N | Yes | 8 | 6 |
| 3 | Goniwe S | Yes | 8 | 6 |
| 4 | Sadtoe J | Yes | 8 | 8 |
| 5 | Schultz K | Yes | 8 | 8 |
| 6 | Njobo B | Yes | 8 | 4 |
| 7 | Sammy I | Yes | 8 | 8 |
| 8 | Zizi L | Yes | 8 | 8 |
| 9 | Maki N | Yes | 8 | 8 |

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

| Municipal Entity/Service Provider Performance Schedule | | | | | | |
|--|---|-------------------------|--------|-----------------------|-----------------------|--------|
| Name of Entity & Purpose (i) | (a) Service Indicators (b) Service Targets (ii) | Year 0 | | Year 1 | | |
| | | Target | Actual | Target | | Actual |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) |
| <i>Not applicable as Inxuba Yethemba Municipality does not have a municipal entity</i> | | | | | | |

VOLUME II

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

| Disclosures of Financial Interests | | |
|--|--|--|
| Period 1 July to 30 June of Year 2013 - 2014 | | |
| Position | Name | Description of Financial interests* (Nil / Or details) |
| (Executive) Mayor | | |
| Member of MayCo / Exco | | |
| Corporate Services | Mr. B Sigenu - Corporate Services Manager | Member of Nonesi Developments CC which is dormant. |
| Local Economic Development | Mr. L Jojyasi - LED Services Manager | Nil for financial interest. Erf 179 held. |
| Community Services | Mrs. N Majiba - Community Services Manager | Shareholder of Alukhuni trading. No business operated as yet. |
| Technical Services | Mr. A Saleni - Technical Services Manager | 100% Shareholder in AMS Developers and Project Management. Erf 2730 held. |
| | | |
| Councillor | | |
| <i>Speaker</i> | S.V. Masawe | Nil |
| <i>Councillor</i> | Lena Davids | Nil |
| <i>Ward Councillor</i> | N.E. Maki | Xhongo Construction |
| <i>Councillor</i> | L.D. Zizi | Nil |
| <i>Councillor</i> | S.V. Njojo | 25 shares held in Sasol Inzalo . Residential property R38,000 |
| <i>PR Councillor</i> | Z Bani | Nil |
| <i>Councillor: Ward 7</i> | C.A. Sammy | Nil for financial interests. Residential property of R160,000. |
| <i>Councillor: Ward 5</i> | R.H. Schulze | Nil for financial interests. Residential property of R600,000 |
| <i>Councillor</i> | N. G. Mzinzi | Nil |
| <i>Councillor</i> | E. Kruger | 100% shareholder of GDE Leather CC. |
| | | |
| Municipal Manager | Mr. M Tantsi - Municipal Manager | 196 shares in Multichoice and 100 shares held in Vodacom. Residential Erf 2619 occupied. |
| Chief Financial Officer | Mr. L Tukwayo | Nil |
| | | |
| Other S57 Officials | | |
| | | |
| | | |
| | | |
| | | |
| | | |

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

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APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

| R' 000 | | | | | | |
|---|----------------|-----------------------|-----------------|----------------|-----------------------|--------------------|
| Vote Description | Year -2012/13 | Current: Year 2013/14 | | | Year 2013/14 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| Council | | | | | | |
| Executive Mayor | 2,232 | | | | | |
| Municipal Manager | | | | | | |
| Corporate Services | 198 | 363 | 132 | 156 | 57% | -18% |
| Finance | 72,363 | 73,504 | 71,728 | 73,595 | 0% | -3% |
| Community Services | 9,783 | 20,821 | 20,036 | 21,478 | -3% | -7% |
| Technical Services | 96,106 | 139,417 | 141,417 | 123,029 | 12% | 13% |
| Local Economic Development | 1,021 | 761 | 730 | 1,607 | -111% | -120% |
| 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 | 181,703 | 234,866 | 234,043 | 219,865 | (0) | (0) |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i> | | | | | | T K.1 |

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APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

| Revenue Collection Performance by Source | | | | | | | R '000 |
|--|----------------|-----------------------|--------------------|----------------|-----------------------|--------------------|--------|
| Description | Year -2012/13 | Current: Year 2013/14 | | | Year 2013/14 Variance | | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget | |
| Property rates | 21,784 | 21,900 | 21,324 | 21,409 | -2% | 0% | |
| Property rates - penalties & collection charges | 809 | 848 | 848 | 495 | -71% | -71% | |
| Service Charges - electricity revenue | 46,550 | 79,229 | 79,229 | 79,417 | 0% | 0% | |
| Service Charges - water revenue | 22,414 | 22,004 | 19,004 | 15,809 | -39% | -20% | |
| Service Charges - sanitation revenue | 16,829 | 6,188 | 6,188 | 17,996 | 66% | 66% | |
| Service Charges - refuse revenue | 2,316 | 13,831 | 13,830 | 14,765 | 6% | 6% | |
| Service Charges - other | 172 | 226 | 160 | 174 | -30% | 8% | |
| Rentals of facilities and equipment | 1,725 | 1,654 | 1,609 | 2,095 | 21% | 23% | |
| Interest earned - external investments | 855 | 80 | 55 | 432 | 81% | 87% | |
| Interest earned - outstanding debtors | 5,894 | 6,890 | 6,500 | 6,100 | -13% | -7% | |
| Dividends received | | | | | | | |
| Fines | 177 | 119 | 174 | 295 | 60% | 41% | |
| Licences and permits | 2,631 | 3,126 | 2,366 | 2,742 | -14% | 14% | |
| Agency services | 4,405 | 16,214 | 16,214 | 6,565 | -147% | -147% | |
| Transfers recognised - operational | 49,160 | 46,423 | 46,423 | 48,577 | 4% | 4% | |
| Other revenue | 3,384 | 2,600 | 681 | 814 | -219% | 16% | |
| Gains on disposal of PPE | | | | | | | |
| Environmental Protection | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | 179,105 | 221,332 | 214,605 | 217,685 | -1.68% | 1.41% | |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i> | | | | | | | T K.2 |

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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 | |
| Financial Management Grant | 1,550 | 1,550 | 1,587 | -2% | -2% | |
| Municipal Systems | | | | | | |
| Improvements Grants | 890 | 890 | 890 | 0% | 0% | |
| Expanded public Works Grants | 1,000 | 1,000 | 1,000 | 0% | 0% | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| <i>Other Specify:</i> | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | 3,440 | 3,440 | 3,477 | | | |
| <p><i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i></p> | | | | | | T L |

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

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

| Capital Expenditure - New Assets Programme* | | | | | | | |
|---|---------------|-----------------|-------------------|--------------------|-----------------------------|---------------|---------------|
| R '000 | | | | | | | |
| Description | Year -2012/13 | Year 2013/14 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 2014/15 | FY + 2015/16 | FY + 2016/17 |
| Capital expenditure by Asset Class | | | | | | | |
| Infrastructure - Total | 7,237 | 11,810 | 22,935 | 12,716 | 5,550 | 15,820 | 15,516 |
| Infrastructure: Road transport - Total | 4,637 | 5,899 | 16,670 | 9,801 | 4,800 | 800 | - |
| <i>Roads, Pavements & Bridges</i> | 4,637 | 5,899 | 16,670 | 9,801 | 4,800 | 800 | |
| <i>Storm water</i> | | | | | | | |
| Infrastructure: Electricity - Total | 2,600 | - | | - | - | - | - |
| <i>Generation</i> | 2,600 | | | | | | |
| <i>Transmission & Reticulation</i> | | | | | | | |
| <i>Street Lighting</i> | | | | | | | |
| Infrastructure: Other - Total | - | 5,911 | 6,265 | 2,915 | 750 | 15,020 | 15,516 |
| <i>Waste Management</i> | | | | | | | |
| <i>Transportation</i> | | 5,911 | 6,265 | 2,915 | | | |
| <i>Gas</i> | | | | | | | |
| <i>Other</i> | | | | | 750 | 15,020 | 15,516 |
| Community - Total | 3,118 | - | - | - | 7,500 | - | - |
| Parks & gardens | | | | | | | |
| Sportsfields & stadia | | | | | 3,500 | | |
| Community halls | | | | | 4,000 | | |
| Cemeteries | 3,118 | | | | | | |

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| Capital Expenditure - New Assets Programme* | | | | | | | | R '000 |
|--|---------------|-----------------|-------------------|--------------------|-----------------------------|---------------|---------------|--------|
| Description | Year -2012/13 | Year 2013/14 | | | 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 | 3,832 | - | | - | - | - | - | |
| General vehicles | 3,799 | | | | | | | |
| Specialised vehicles | | | | | | | | |
| Plant & equipment | | | | | | | | |
| Computers - hardware/equipment | 20 | | | | | | | |
| Furniture and other office equipment | 10 | | | | | | | |
| Other | 3 | | | | | | | |
| | | | | | | | | |
| Total Capital Expenditure on new assets | 14,187 | 11,810 | 22,935 | 12,716 | 13,050 | 15,820 | 15,516 | |

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2013 – 2014

| Capital Programme by Project: Year 2013 - 2014 | | | | | |
|--|-----------------|-------------------|--------|------------------------|-----------------------|
| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
| R' 000 | | | | | |
| Water | | | | | |
| Rosmead Rural Water | 3000 | 0 | 0 | 0% | -100% |
| Cradock Water Treatment Works | 3500 | 0 | 0 | 0% | -100% |
| Cradock Clear Water Reservoir | 1900 | 1900 | 0 | -100% | -100% |
| Refurbishment of bulk water reticulation line | 0 | 1000 | 0 | -100% | 0% |
| Bulk Water Meters | 0 | 1000 | 0 | -100% | 0% |
| Investigation of the Water Losses and Water Demand vs Water Supply | 0 | 3000 | 0 | -100% | 0% |
| Security and Fencing of the Water Services Properties, e.g. Reservoirs | 0 | 500 | 0 | -100% | 0% |
| Term Tender for Operations and Maintenance of Electrical Pumps, Boreholes and Electrical Panes | 0 | 3000 | 0 | -100% | 0% |
| Term Tender for Supply of Coagulants and the chorine for all our WWTW, WTW and Pumps | 0 | 912 | 0 | -100% | 0% |
| Retrofitting Project - Indigent Household Projects | 0 | 3360 | 0 | -100% | 0% |
| Blue and Green Drop | 0 | 3000 | 0 | -100% | 0% |
| Sanitation/Sewerage | | | | | |
| Lingelihle Sewer Pump Station | 500 | 0 | 0 | 0% | -100% |
| Refurbishment of the Electrical Panel at the WW | 0 | 2500 | 0 | -100% | 0% |
| Electricity | | | | | |
| Project -Michausdal MV Line 3 km | 1216 | 1216 | 525 | -57% | -57% |
| Housing | | | | | |
| Refuse removal | | | | | |
| Roads & Stormwater | | | | | |
| Lusaka Paving Project | 0 | 1500 | 1500 | 0% | 0% |
| Hillside Paving Project | 0 | 2000 | 0 | -100% | 0% |
| Upgrading of Wesley Street | 2284 | 3116 | 2198 | -29% | -4% |
| Upgrading of Miles Street | 2513 | 3083 | 3447 | 12% | 37% |
| Upgrading of Cetyiwe Street | 1158 | 4572 | 2800 | -39% | 142% |
| Upgrading of Gala Street | 3540 | 3540 | 614 | -83% | -83% |
| Upgrading of Manana Street | 2360 | 2360 | 742 | -69% | -69% |
| Economic development | | | | | |
| Cradock Hawkers Facility | 5911 | 6265 | 2915 | -53% | -51% |
| Sports, Arts & Culture | | | | | |
| Phili Stadium | 1500 | 1500 | 282 | -81% | -81% |

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APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

| Service Backlogs: Schools and Clinics | | | | |
|---|-------|------------|-------------|------------------------|
| Establishments lacking basic services | Water | Sanitation | Electricity | Solid Waste Collection |
| Schools (NAMES, LOCATIONS) | | | | |
| Zambodla A.,B(lingelihle) | Yes | Yes | Yes | Yes |
| Macembe E (lingelihle) | Yes | Yes | Yes | Yes |
| Carinus P.S (michausdal) | Yes | Yes | Yes | Yes |
| Middlandse (midros) | Yes | Yes | Yes | Yes |
| Ekuphumleni (Kwanonzame) | Yes | Yes | Yes | Yes |
| Kudekwalapha (lingelihle) | Yes | Yes | Yes | Yes |
| Solomon Akena (lingelihle) | Yes | Yes | Yes | Yes |
| J.A Ncaca (lingelihle) | Yes | Yes | Yes | Yes |
| Michausdal High (michausdal) | Yes | Yes | Yes | Yes |
| Michausdal Primary (michausdal) | Yes | Yes | Yes | Yes |
| Nxuba (Lingelihle) | Yes | Yes | Yes | Yes |
| Van der Merwe (midros) | Yes | Yes | Yes | Yes |
| Ellen Ollivier (Midros) | Yes | Yes | Yes | Yes |
| N.G Kerk Primary(rosmead) | No | No | No | No |
| Rosmead Primary (rosemead) | No | No | No | No |
| Matthew Goniwe (lingelihle) | Yes | Yes | Yes | Yes |
| J.A Calata (lingelihle) | Yes | Yes | Yes | Yes |
| Clinics (NAMES, LOCATIONS) | | | | |
| Philani (lingelihle) | Yes | Yes | Yes | Yes |
| Lingelihle (lingelihle) | Yes | Yes | Yes | Yes |
| Michausdal (michausdal) | Yes | Yes | Yes | Yes |
| Cradock town clinic | Yes | Yes | Yes | Yes |
| Middelburg Town Clinic | Yes | Yes | Yes | Yes |
| Midros Town Clinic | Yes | Yes | Yes | Yes |
| Kwanonzame New Clinic | Yes | Yes | Yes | Yes |
| Kwanonzame Old Clinic | Yes | Yes | Yes | Yes |
| <p><i>Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned. Yes means that the services are in place.</i></p> | | | | T P |

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APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Not applicable as Inxuba Yethemba Municipality provides services to the community. Another community service provider within the sphere of government is not involved.

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VOLUME II: ANNUAL FINANCIAL STATEMENTS

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