

GARIEP LOCAL MUNICIPALITY

30/06/2014

DRAFT PERFORMANCE REPORT FOR FINANCIAL YEAR 2013/2014

Presented in terms section 46 of MSA



ISSUED BY

OFFICE OF THE MUNICIPAL MANAGER
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(i) STATEMENT OF THE MUNICIPAL MANAGER

I am obliged by Section 46 (1) of the Municipal Systems Act of 2000, as amended, to prepare for each financial year a performance report reflecting;

- i) the performance of the municipality and of each external service provider during that financial year;
- ii) a comparison of the performances referred to paragraph (i) with targets set for and performances in the previous financial year; and
- iii) measures taken to improve performance


An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.

Accordingly; I certify that this annual performance report has been prepared in accordance with Section 46 (1) of the Municipal Systems Act 32 of 2000 as amended. I further certify that to my knowledge the information contained within the report is a true reflection of the performance of the municipality during the 2011/12 financial year.

This information is based on the performance of the municipality as per Service Delivery and Budget Implementation Plan of the Gariiep Local Municipality as approved by the Honourable Mayor, Cllr Ncedo William Ngoqo during the month of July in 2013 and dully revised in February 2014 after the mid-year budget and performance assessment was performed and it became clear that other activities would not materialise owing to under performance in revenue collection. Further, some revisions were necessitated by the Audit finding during the 2012/2013 regularity audit. The audit of pre-determined objectives had identified weaknesses in the formulation of certain of the municipality's objectives as well as in the articulation between the SDBIP, IDP and the Budget

CREDIBILITY OF INFORMATION

I certify that the information herein presented is credible and has been personally verified by me



**THEMBINKOSI MAWONGA
MUNICIPAL MANAGER**

30/06/2014

1.1 INTRODUCTION

It seems useful to begin the report by restating what may seem obvious to many an informed reader. The White Paper on Local Government enjoins municipalities to work with communities to find sustainable ways to meet their needs and improve their quality of lives. This, it says, is the basis for the developmental local government at the heart of which is the concept of Integrated Development Planning. To give effect to this policy imperative, the Parliament of the Republic of South Africa enacted a legislative instrument in the form of the Local Government: Municipal Systems Act, 2000 (Act No 56 of 2003). In chapter five of the aforesaid act, a lot of attention is given to the mechanisms that the municipality should employ in working with citizens to “find sustainable ways to meet their needs and improve their quality of lives”. Public participation is therefore affirmed as the ethos that should underpin the new developmental local government and development planning in general.

Over the last twelve and a half years since the start of the democratic local government, a lot has been achieved in placing the municipality at centre of all endeavours to bring about changes in the lives of its communities. It is necessary that these achievements, which are by no means insignificant, are drawn to the attention of the reader from the onset. This is so because the financial viability challenges which have unfortunately received an inordinate amount of coverage in the past two years or so may obscure the objective view on the achievements of the municipality.

1.1.1 Service Delivery Record of the Municipality

The municipality is proud that, as the report will show, it has very effective public participation processes through which citizens are engaged before decisions that affect their lives are taken. This is evidenced by the fact that despite the apparent lack of resources leading to the municipality’s slow response in meeting some of the identified needs, there have never been significant incidents of service delivery protests as seen elsewhere in the country.

Further, the report compiled by the Department of Local Government and Traditional Affairs (DLGTA) in the Eastern Cape; called the Consolidated Section 46 report for Eastern Cape Municipalities, confirms the municipality’s good performance in this regard through the score allocated for this Key Performance Area in the published report. Further, *Table 3* below also shows the performance rating by Statistics South Africa, through Census 2011, on the delivery of basic services by the municipality. As can be seen in the Census 2011, the municipality has far exceeded the RDP standards in the delivery of basic services and is rated among the best in the country. In all basic services, access stands at over 80 per cent with piped water and the use of electricity for lighting standing at an impressive 98.1 and 90.7 per cent, respectively. These will be discussed in more detail in the broader annual report.

1.1.2 Financial Viability Challenges

However, the municipality has, by its own admission, been experiencing financial viability challenges manifesting in a number of ways. These have been duly disclosed in the accompanying Annual Financial Statements (AFS). Also, numerous studies and fact finding visits to the municipality by other government departments as well as the municipality’s own assessments, which are in no short supply, identifies different reasons for the challenges. We merely proceed to mention some of these, without any detailed discussions for purposes of this report. These are; non-payment for service, very low equitable share allocation from the nationally raised revenue, low rates base, failing infrastructure especially in black

townships; distribution of electricity by Eskom in the areas where the municipality provides basic services, high unemployment rate, rising bulk services accounts due to high increases granted to Eskom by the regulator over the last few years and internal inefficiencies due to inability to attract relevant skills in certain technical areas.

1.1.3 Mid-Year Review of the IDP and SDBIP

As was the case in the last financial year, pursuant to the receipt of the Auditor General's report on Performance against predetermined objectives, the municipality undertook its normal Mid-Year Budget and Performance review during January 2014. Once again, the municipal council used the opportunity and reviewed its IDP, Budget and the SDBIP. This was done in order to address some of the issues raised by both the report of the Auditor General on the predetermined objectives for the year ended 30 June 2013 and the Internal Audit report on the same issue for second quarter of 2013/2014 financial year. Both reports found misalignment between the IDP objectives and the operational plans. Council took an extra ordinary step to review the IDP mid-year because to have done nothing would have perpetuated problem and by the next phase of the review in terms of the process plan, a whole year would have gone by with the same limitations. This should help those readers of this report who have the original copy of the IDP and are unaware of the changes that were made during the mid-year assessment.

2. SOCIO-ECONOMIC OVERVIEW OF THE MUNICIPALITY

2.1 OUR VISION

"...Creation of a conducive environment for an improved quality of life for all"

2.2 OUR MISSION

Fighting poverty by creating opportunities for employment; stimulating entrepreneurial spirit, thus encouraging self-employment and reliance.

2.3 OUR CORE VALUES

Quality of Service and Performance Excellence

Commitment and Teamwork

Integrity, Honesty and Respect

Accountability and Transparency

Participation and Empowerment

Learning and Development

2.4 GEOGRAPHY

The Gariiep municipal area is located in the west of the Joe Gqabi District Municipality. Gariiep Local Municipality is located south of the Orange River and Gariiep Dam and shares boundaries with the following local municipalities: Inkwanca to the southeast, Tsolwana to the south, Inxuba Yethemba to the southwest and Maletswai to east. Gariiep Local Municipality covers an area of 8821 square kilometres. Gariiep has three main towns namely Burgersdorp, Steynsburg and Venterstad. The seat of the municipality where the main administrative offices are located is in Burgersdorp. This is in terms of the determination by the Municipal Demarcation Board, promulgated by the MEC for Local Government and Traditional Affairs in the Province in terms of section 12 of the Local Government: Municipal Structures Act, 1998.

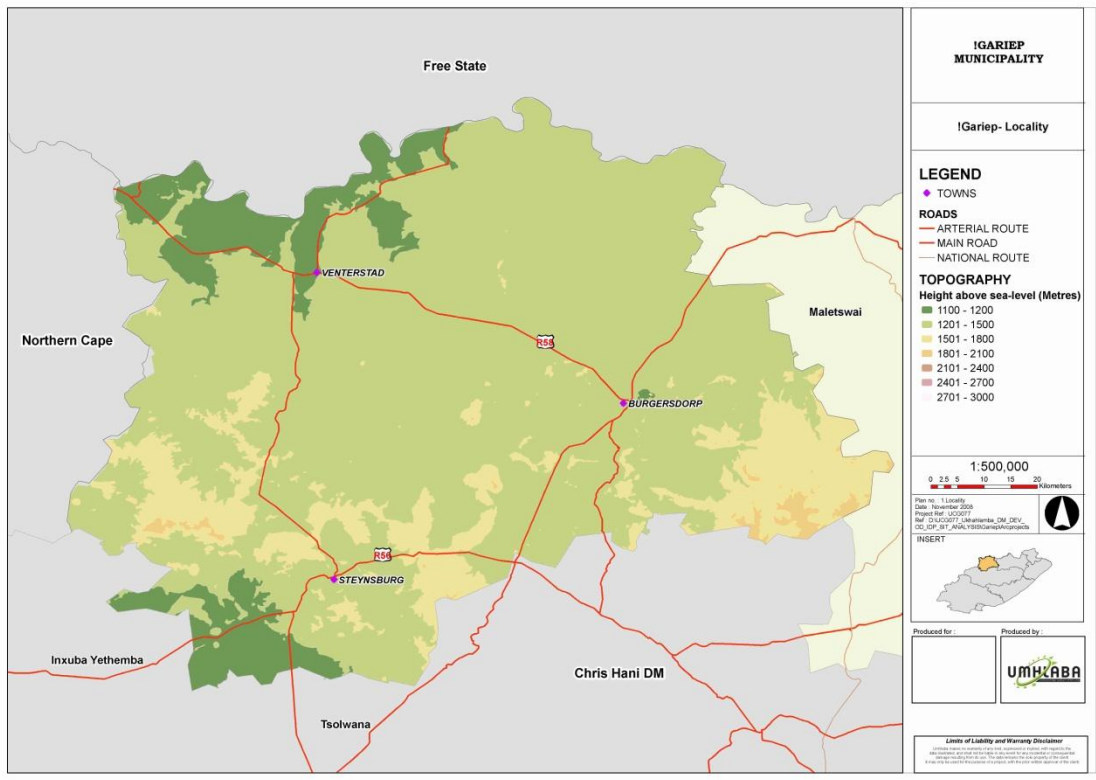


Figure1: map of the Gariep area (source – Umhlaba)

2.5 THE POPULATION

The table below indicates the total population of Gariep currently at thirty three thousand, six hundred and seventy seven (33, 677). The biggest portion of the population is found amongst the black African communities at twenty four thousand, five hundred and forty three (24,543) followed by coloureds and whites as shown below.

RACE	POPULATION
Black African	24,543
Coloured	6,000
Indian or Asian	92
White	2,920

Table 1: Gariep population by race (Census 2011)

Compared to the population of 31 313 in 2001, the current population represent a marginal growth. The gender distribution of the population shows slight balance between male and female across all races while the African females enjoy the majority across the municipality. The significance of this is seen in the dominance of women in a number of poverty alleviation projects within the municipality. Race distribution is shown in the table below;

RACE GROUP	MALE	FEMALE	GRAND TOTAL
Black African	11 898	12 646	24 543
Coloured	2 985	3 015	6 000
Indian or Asian	59	33	92
White	1 390	1 530	2 920
Other	89	32	121
Grand Total	16 420	17 256	33 677

Table 2 – gender and race distribution of the population (Census 2011)

Again, over fifty per cent of this population reside in the town of Burgersdorp as can be seen in the table below;

WARD	HOUSEHOLD
21404001 - Ward 1	6,184
21404002 – Ward 2	4,727
21404003 – Ward 3	10,149
21404004 – Ward 4	5,250
21404005 – Ward 5	7,368
Total	33, 677

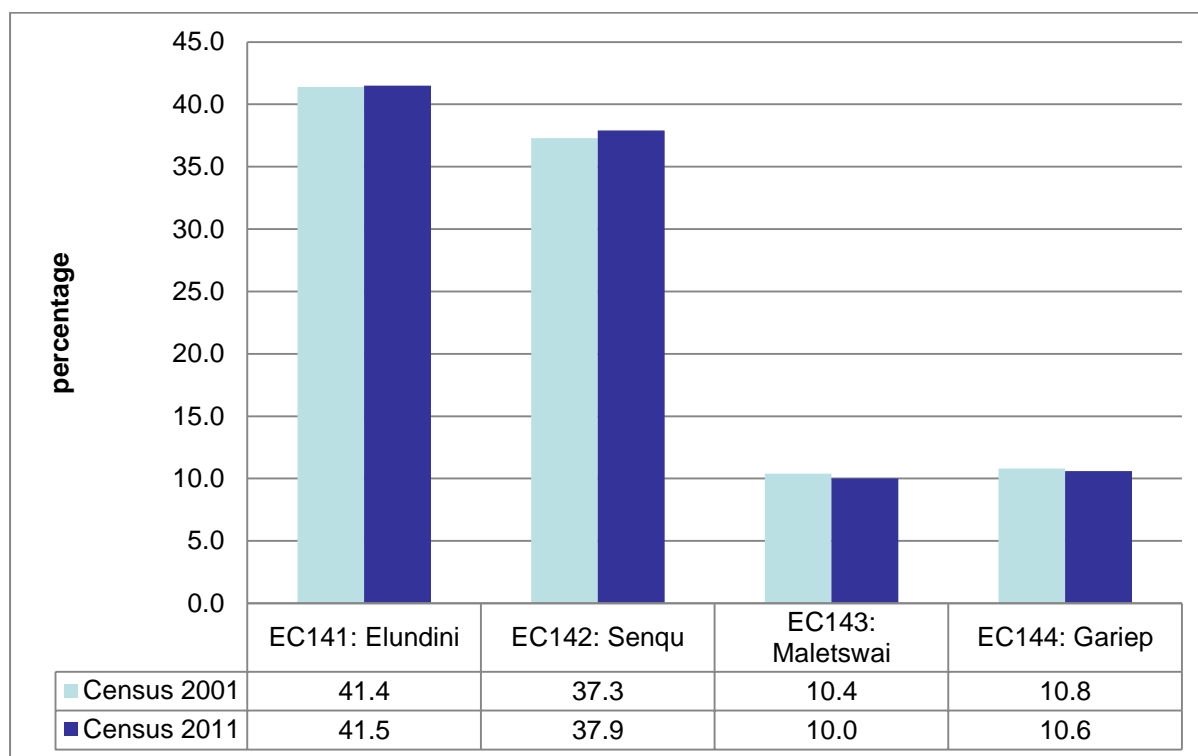
Table 3: Population distribution per ward (Census 2011)

This population accounts for 7.69% of the total population residing in the Joe Gqabi District making it the least populous local municipality in the district. More than half of the population within the Gariiep Local Municipality is females. The majority of the households are headed by women. Overall, the Gariiep Local Municipality is made up of 53% females and 47% males. Black Africans constitute the majority of the population.

Approximately 51.11% of the municipal population falls in the 20-65 age categories which can be seen as the economically active sector of the population, with 42.27% of the population below the age of 20. This suggests continuing population growth in the area with a need for educational facilities and a focus on education and skills training. Data obtained from the Census 2011 that 36% of the Gariiep population has received education up to Grade 6. 10.6% of the population aged above 20 have received no schooling, compared to 10.8% in 2001. Further, a small percentage has some form of tertiary education. There are 23 primary, 4 secondary and 4 combined schools in Gariiep local municipality. The municipal area has no tertiary facilities. Please see the table below;

EDUCATION

Percentage of the population aged above 20 in each municipality within Joe Gqabi with no education



2.6 SOCIAL ECONOMIC TRENDS

The data from the 2011 Census indicates that 28.64% of the population of Gariep earn no income and that a further 32.12% earn between R1 and R1600 per month. This is compared to 50.58% of the district population with no income and 59.34% of the provincial population with no income. This has implications with regard to affordability of services and the sustainability of these services. Many people are dependent on social grants and government pensions. The average unemployment rate of the Gariep Municipal area is 20%.

The percentage of people who are unemployed but not looking for work is 47%, compared to 54% for the district and 48% for the province. There are 3 874 people employed in Gariep (26.64% of the population), compared to 25% in the district and 29% in the province. The urban areas and commercial farming district are the highest employers, where people have found employment in the agriculture, commercial and service sectors.

2.7 KEY ISSUES EMERGING FROM CENSUS 2011

It is clear from the Census 2011 that the municipality has experienced a marginal growth in its population. Further, there is a sharp decline in unemployment in the area. This is, to say the least, very controversial. First, because all the available evidence points to the closing of employment opportunities evidenced by the South African Railways from the area. What is clear is that the Expanded Public Works Programmes have been taken as formal employment and added to the increased statistics in employment. The down side of this approach for the municipality is that it distorts the indigence figures significantly. This is so because the people employed by the EPWP are part-time, working only 3 days a week at a rate of

R480.00 per month for a general worker and R3000.00 per month for supervisors. This is hardly noteworthy form of employment, given that the most of these people fall within our indigent threshold. Even though supervisors marginally escape the threshold by a few hundred rand, they are hardly able to make ends meet at that salary. This is evidenced by the fact that most of these people reside in low cost houses.

3. UNIVERSAL ACCES TO BASIC SERVICES AND SERVICE STANDARDS

The municipality always strives to ensure uninterrupted supply of basic services to the community. As can be discerned in the tables that follow, the municipality has a very high rate of access to all basic services. The tables that follow have been taken directly from the Census 2011 and show a drastic improvement that has occurred between the 2001 and the 2011 Census. If one were to consider the 1996 Census, an even clearer picture of strides made begin to emerge. The movement towards universal access has been fast-tracked. This is largely attributable to the targets set by central government on each of the services. The tables that follow have been confined to the following services only; Water, Sanitation, Electricity and Refuse Removal. The other services such as Houses and Roads have been excluded mainly because they are not part of the basic services category and therefore were not tied to national targets.

Again, access for its own sake, without any guarantee of continued access is not sufficient. For this reason, the municipality has adopted services standards to guide its conduct in respect of restoration of any interruptions whether caused by planned maintenance or technical faults. To this extent, the table that is placed just before the National Key Performance Indicators gives all the service standards as adopted and elsewhere in the report, we give an account of performance against each of the service standards. The following tables give further details on the access to basic services as obtained from Census 2011.

HOUSEHOLD SERVICES

Percentage of households with access to piped

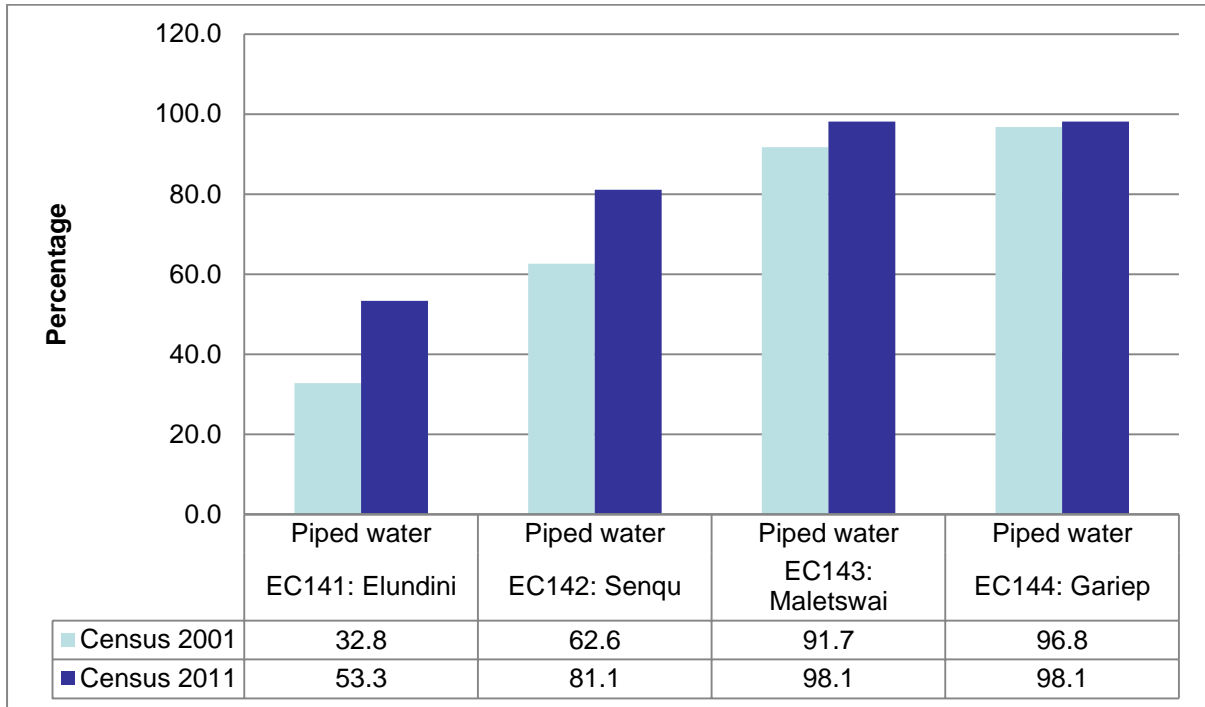
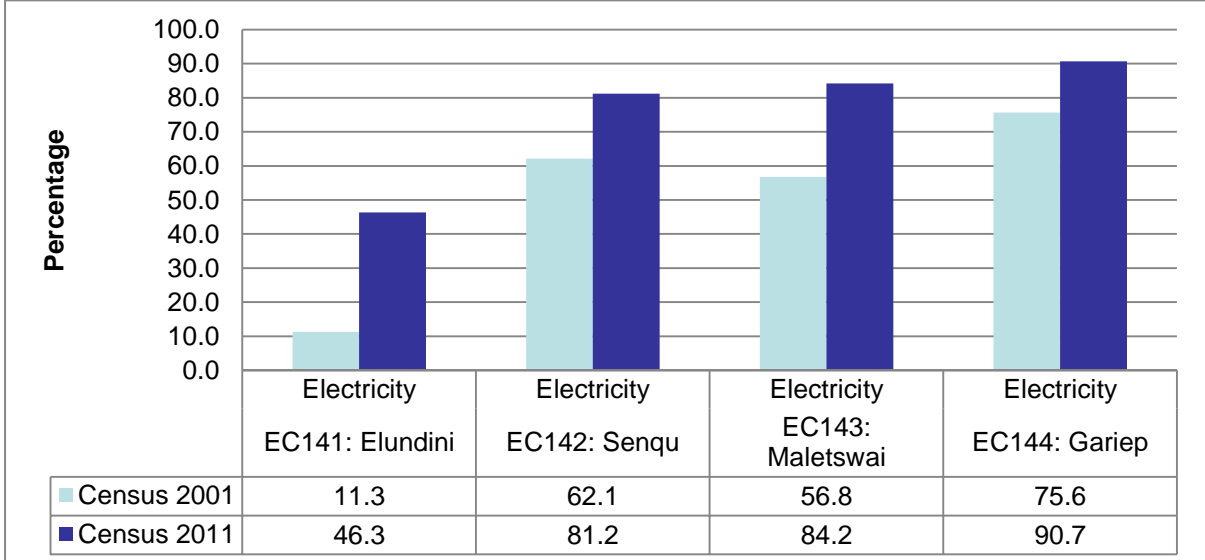


Figure 2: Access to piped water

HOUSEHOLD SERVICES
 Percentage of households that energy used for lighting,
 Joe Gqabi



HOUSEHOLD SERVICES
 Percentage of households that had weekly refuse removal,
 Joe Gqabi by municipalities

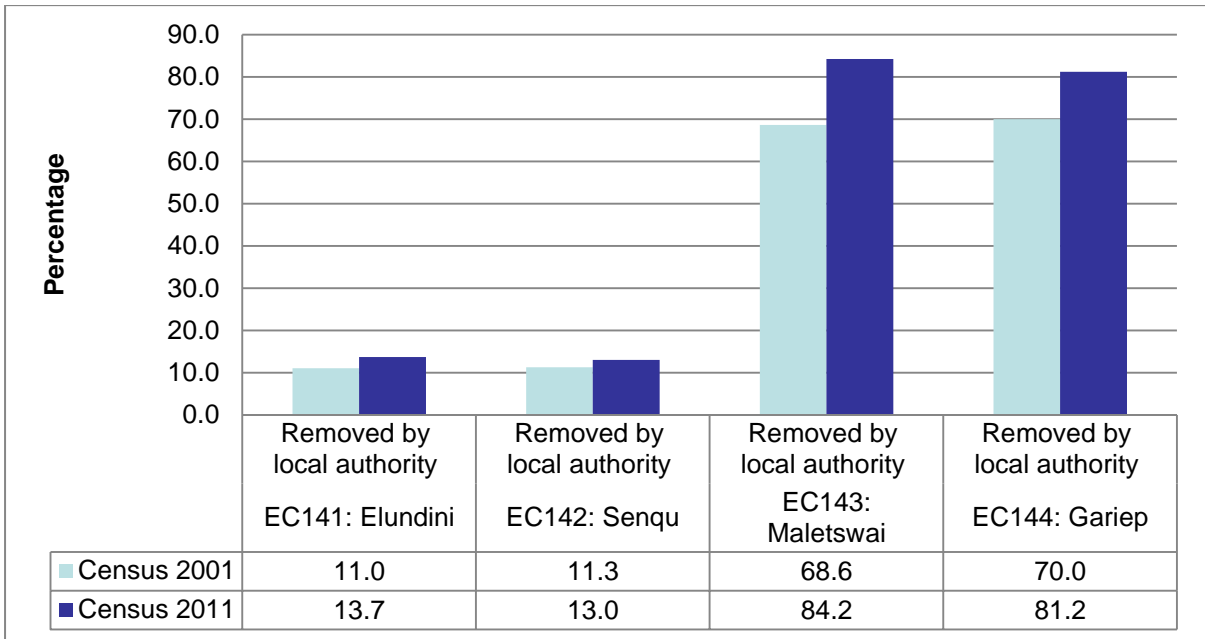
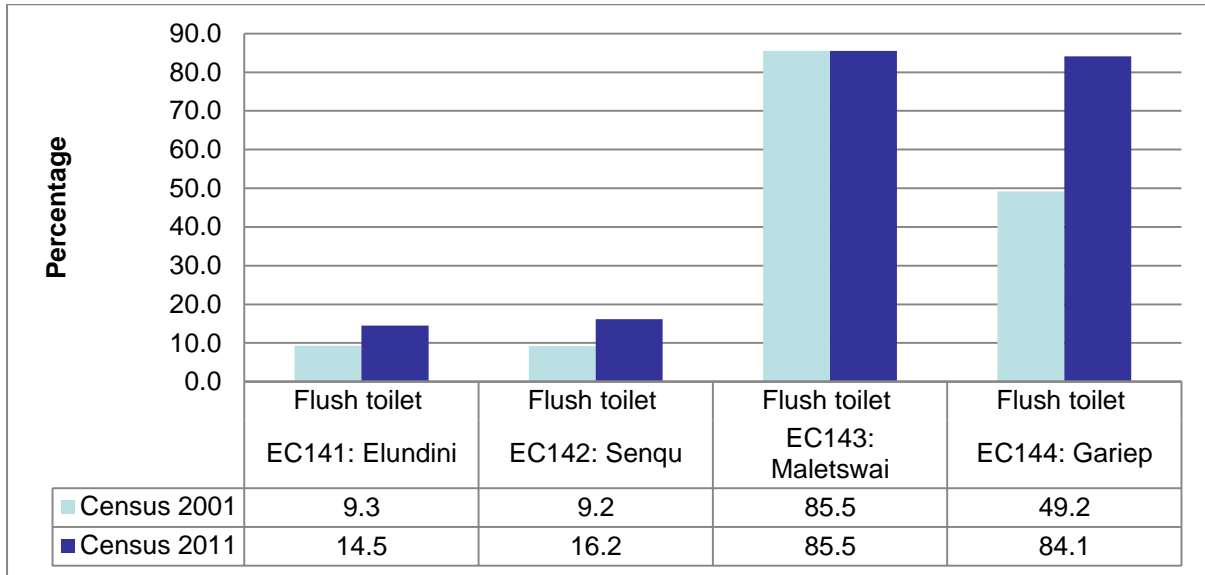


Figure 3: Refuse removal

HOUSEHOLD SERVICES

Percentage of households that used flush toilets connected to sewerage,
Joe Gqabi by local municipalities



SERVICE STANDARDS					
WATER		ELECTRICITY		REFUSE COLLECTION	
Incident	Turnaround Time	Incident	Turnaround Time	Incident	Turnaround Time
Restoration of service interruptions/ to the bulk supply	24hours	Restoration of service interruptions/ to the bulk supply	18hours	Household collection	Once per week
Restoration of service interruptions to the household connections	8hours	Restoration of service interruptions to the household connections	6hours	Business collections	Twice per week
Planned maintenance	4hours	Planned maintenance	3hours	Planned maintenance	None

REPORT ON THE GENERAL KEY PERFORMANCE INDICATORS			
NO	INDICATOR	ACTUAL PERFORMANCE	COMMENTS
1.	The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	98.1, 84.4, 90.7 and 81.2 per cent respectively.	See Census 2011
2.	the percentage of households earning less than R1100 per month with access to free basic services	100%	Municipal threshold set much higher than the general KPI, at two old pensions combined per household so that two pensioners living together can still benefit
3.	the percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	100%	The Municipal Infrastructure Grant (MIG), there were unspent conditional grants in respect of 2011/2012 which were approved to the amount of R6.3 million , that amount has been fully spent and a portion from the 2012/13 allocation as disclosed in AFS
4.	the number of jobs created through municipality's local economic development initiatives including capital projects	250	
5.	the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	19	The municipality has two levels of management; the Directors and the Managers that report to the Directors. These appointments are in terms of the demographics of the area.

6.	the percentage of a municipality's budget actually spent on implementing its workplace skills plan	1%	Training of councillors and officials is continuing in spite of the municipality's cash flow challenges
7.	financial viability ratios		Annual Financial Statements which are attached

KPA 1: INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

Programme: Human Settlement and Electricity									
IDP Objective	programme Number	KPI	Previous financial year		Year under review		Snap-shot	Reason for variance	Corrective action
			Projected	Actual	Projected	Actual			
To provide access to adequate, cost effective, sustainable basic services by 2016	ISD01	Middle Income Housing Development (Phase 1 with 85 existing sites) Phase two – green area handed to JoGEDA for Feasibility	Developer appointed	100% achieved	85 sites added to the general plan	100%			
			New	New	Handover to JoGEDA for Feasibility	Council resolution obtained and feasibility concluded			
	ISD02	Development of the of an electricity Master Plan (output)	New	New	Funding proposal submitted to DE	Achieved		None	None
	ISD03	Capitalisation of the electricity metering (Outcome)	New	New	All top 100 big users' meters changed to smart meters	50%		The intended use of the MIG was not approved by CoGTA citing that it is a maintenance matter.	A new Business Plan with a motivation to be resubmitted to MIG





Programme: Human Settlement and Electricity									
IDP Objective	programme Number	KPI	Previous financial year		Year under review		Snap-shot	Reason for variance	Corrective action
			Projected	Actual	Projected	Actual			
	ISD04	Resurfacing of access roads	New	New	20 kilometres	100%		<u>NB</u> These gravel roads were graded	
	ISD05	Storm water drainage improved	New	New	8kms of drainage unblocked	100%			
	ISD 06	SDF developed and aligned to the IDP	New	New	SDF adopted by council by July 2014	Not achieved		Tendering processes in the department of rural development took longer than was planned. These have now been completed	Project to be completed in July 2015
	ISD 07	Transfer of ownership in the pre-1994 housing stock	New	New	Facilitate transfer of 1000 pre 1994 housing stock	500 Achieved		The department of Human Settlements delayed in the approval process	
Programme: Vehicle and Driver Licence									
To provide access to adequate cost effective, sustainable basic services to the community by 2016	ISD 08	Fully functional Driving and Testing Centre	New	New	Centre refurbished for compliance	Not achieved		CoGTA did not approve the use of MIG funding before a business plan is developed and approved.	None

Programme: Human Settlement and Electricity									
IDP Objective	programme Number	KPI	Previous financial year		Year under review		Snap-shot	Reason for variance	Corrective action
			Projected	Actual	Projected	Actual			
	ISD 09	Kilometres of roads resurfaced (gravel)	New	New	6kms	6kms			
	ISD 10	Construction of a 2.5 kilometre paved road in Mzamomhle	New	New	1,5 kilometre	1,5 kilometre		This project was decided at the beginning of the FY after approval of a roll-over	
NB Please note that the programme above should be under Roads and Stormwater and not electricity. Once the formatting problem has been resolved, it will be corrected (This affects ISD 09 and 10)									
Programme: Roads and Storm Water									
To provide access to adequate cost effective, sustainable basic services to the community by 2016	ISD 11	Construction of a 1.9 kilometre paved access roads in Tembisa	1.9kms completed	Not achieved	Road 50% complete	50%		The project could not commence in the due to Treasury not having approved	None
	ISD 12	Sign an SLA with JGDM regarding for maintenance of farm roads with GLM	New	New	An SLA signed by June 2014	Not achieved		Department of Roads and Public Works did not approve that JGDM can extend the SLA to LMs	
	ISD 13	Number of roads gravelled	New	New	18	15		Reduction of the maintenance budget during the adjustment budget	
Programme: Municipal Building and Amenities									

Programme: Human Settlement and Electricity									
IDP Objective	programme Number	KPI	Previous financial year		Year under review		Snap-shot	Reason for variance	Corrective action
			Projected	Actual	Projected	Actual			
To provide access to adequate cost effective, sustainable basic services to the community by 2016	ISD 14	Completion of the Burgersdorp Town Hall	December 2013	Not achieved	June 2014	Not achieved		Poor performance of the contractor on site. This despite the work schedule having been revised a few times	The contractor was dismissed on grounds on non-performance and the new tender was issued for completion of the project
	Licencing of the Burgersdorp Landfill Sites								

KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

IDP Objective	Programme Number	KPI	Previous year		Year under review		Snapshot	Variance	Corrective action
			Projected	Actual	Projected	Actual			
Programme: Governance and Administration									
To build Human Resource Capacity for institutional and community development by 2016/17	TID01	Review of all Institutional policies to update with new laws and regulations	Policies affected reviewed	achieved	Policies reviewed to accommodate new regulations	100% achieved.		None.	None.
	TID02	Promulgation of the By-Laws in the Government Gazetted	Promulgation done by June 2013	Not achieved	Promulgation end of June 2014	Promulgation done by August 2014		There were problems with wording of the section dealing with penalties which lawyers	None

IDP Objective	Programme Number	KPI	Previous year		Year under review		Snapshot	Variance	Corrective action
			Projected	Actual	Projected	Actual			
								have since	
	TID03	100% filling of all budgeted vacant critical positions (Output)	Filling of all critical positions	Achieved	Positions of DTS and DCS filled	DCS was filled but the incumbent accepted a senior position elsewhere and resigned within months		Inability to attract suitable candidate	We have requested the department of LGTA to second someone until candidate is found. An offer has been made to the former director
	TID04	% budget spent on implementing Workplace Skills Plan (Input)	100%	100%	100%	100%		None.	None.
	TID05	Development of a succession and retention plans	New	New	2 plans developed and approved by council	Achieved			
	TID06	Review of the delegations policy and register of delegated powers (Outcome)	Review of the delegations policy and register of delegated powers (Outcome)	Achieved	Achieved	Achieved		None.	None.

IDP Objective	Programme Number	KPI	Previous year		Year under review		Snapshot	Variance	Corrective action
			Projected	Actual	Projected	Actual			
	TID07	Conclude the transfer of water and sanitation staff to JGDM (Output)	Achieved	Achieved	Transfer agreement signed by all parties	Achieved		Only	
	TID08	% expenditure of the budget appropriated for the extension of the main office building (output)	New	New	100% of R5.1 M	0%		The cash flow situation of the municipality resulted in the budget being frozen.	The target will be considered in the next budget cycle
Programme: Council and Committee Services									
	TID09	Scheduled Council meetings held (Input)	4	7	4	12		None.	None.
	TID10	Scheduled section 79 Committee Meetings (Input)	12	8	12	7		Vacancy at DCS affected coordination	Post advertised awaiting finalisation
	TID11	Review of the Organogram to align it with IDP (Output)	Achieved	Achieved	Achieved	Achieved		None.	None.
	TID12	Annual review of Delegation Framework (Output)	Achieved	Achieved	Delegation Framework Reviewed	Not done			Approved by Council in April 2014

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Programme: Tourism Promotion & Development

IDP Objective	programme Number	KPI	Previous financial year		Year under review		Snapshot	Reason for variance	Corrective action
			Projected	Actual	Projected	Actual			
To create a conducive environment for economic growth and the reduction of unemployment rate by 3% by 2016	LED01	Provide support to Local Tourism and Tourism Information Center	New	New	6 meetings of the LTA coordinate and held	6			
	LED02	Submit proposals for the funding of LED PROJECTS	3 proposals submitted	achieved	5	5			
	LED03	Support the CWP implemented within the LM)	New	New	Assessment of CWP in LM area	2 Assessment reports submitted		None	None
	LED04	Support the small business and cooperatives through linkages with opportunities and Provincial or National level	New	New	4 funding referrals	5 small businesses were referred to SEDA/ 2 projects assisted with social development funding		None	None
	LED05	Ensure job creation through LED initiatives including capital projects	50	50	1500	1700			
	LED09	%the municipal procurement spend on local businesses	New	New	15%	6%		Most local businesses fail to register in the data base as required and often refuse to do business because of the average 90 day payment period	None




Programme: Tourism Promotion & Development									
IDP Objective	programme Number	KPI	Previous financial year		Year under review		Snapshot	Reason for variance	Corrective action
			Projected	Actual	Projected	Actual			
	LED10	Reviewed LED Strategy (output)	New	New	LED Strategy reviewed	Not achieved		The funding expected from DEDEA for this purpose did not materialise	Funding proposals have been submitted to the Department of Rural Development
	LED11	Facilitate that local suppliers are prioritised for opportunities in construction of the Dreunberg Solar	New	New	Number of goods and services supplied by local businesses				

KPA 4: FINANCIAL MANAGEMENT AND VIABILITY

IDP Objective	Programme Number	KPI	Previous Year		Year under Review		Snapshot	Variance	Corrective action
			Plan	Actual	Plan	Actual			
Programme: Governance and Administration									
To build a financially viable municipality through an effective and compliant systems based on national norms and standards by 2016	FVM01	Development and approval of annual budget that conforms to standards (output)	Achieved	Achieved	2012/13 Budget Approved by Council	Budget approved in June 2013		None.	None.
	FVM02	% resolution of audit issues identified by AG in prior year (output)	Unqualified opinion	Adverse opinion	100% of issues resolved	60% of issues resolved		The appointed PSP pulled due to contractual disputes	A new PSP has been appointed and is hard at work
	FVM03	Monitoring of the audit action plan to ensure (outcome)	100 % adherence to the	Qualified Report	100% of previous year's issues	80%		The withdrawal of the PSP has affected progress and the	

			actions proposed		resolved			submission of credible AFS on time	
	FVM04	SCM Reporting per legislation (Output)	New	New	4 reports submitted to council per annum	100%		None.	None.
	FVM05	Supplier Data Base Management	New	New	Issue an invitation to register in the data base at least once a year	100%		None.	None.
	FVM06	% expenditure of all grants (Output)	100% expenditure	60% achieved	100% expenditure	100% achieved		None.	None.
	FVM07	Submission of MFMA Section 52 (d), 66 and 71 and 72 reports to Council (Input)	4	Achieved	4 MFMA Section 52 (d), 66, 71 and 72 reports submitted to Council	100% achieved		The Treasury reviews have however raised concerns regarding the quality of in year reports	A dedicated reporting official will be appointed by end of first quarter in 2014
	FVM08	Provision of FBS to households earning less than a combined income of R2500	100%	100%	100%	100%		None.	None.
	FVM09	Preparation of Consolidated Annual Financial Statement (output)	AFS submitted by 31 Aug 2013	Achieved	AFS prepared and submitted to AG y 31 August 2014	Not yet known			
	FVM10	Sign agreements with all Water Service Providers (input)	6 SLAs signed	Achieved	4 SLAs signed with WSPs	4 SLAs were signed with WSPs		None	None
	FVM11	Development of Investment Strategy (output)	Investment Strategy developed	Not Achieved	Investment strategy adopted by Council	Not achieved		The cash flow situation does not permit any significant investment to be made.	The target will be considered in the 2014/15 FY budget






FVM12	Review all financial policies (output)	All policies reviews	Achieved	All financial policies reviewed	All policies were reviewed		None	None
FVM13	Reduction of consumer debt (output)	New	New		69.69		More revenue was realised and less finance charges as interest stems from only one loan.	None.
FVM14	cost coverage ratio (output)	1.58		1.00	3.9		Strict financial controls were implemented due to cash flow challenges	The target will be revised in the 2012/13 financial year
FVM15	Number of reports on compliance with Finance Turn Around Strategy (output)	New	New	4 quarterly reports	Not achieved		No full time CFO to oversee the preparation of financial reports	The CFO has been appointed to oversee financial reporting
FVM16	Development of Revenue enhancement Strategy (output)	Strategy approved	Not Achieved	60% increase in revenue through electricity	Not achieved		CoGTA did not approve the use of MIG Fund for recapitalisation of electricity as planned. It is regarded as maintainance	The target will be considered in the 2014/15 FY budget
FVM17	100% expenditure of budget appropriated for the Mayoral Tournament	100%	100%	100%	Achieved		The cash flow situation of the municipality resulted in the budget reviewed during the adjustment budget. It was achieved through sponsorships	Included in the 2014/2015 FY
FVM18	% capital budget actually spent in terms of integrated development plan (output)	100%	60%	100%	100%		None.	None.


 = Target achieved and or exceeded (> 90).  = target not achieved (< 74).  = information not yet available.  = significant progress (75 - 90%) has been achieved  = target reduced or removed due to budget constraint

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION






IDP Objective	programme Number	KPI	Previous year		Year under Review		Snapshot	Variance	Corrective Action
			Plan	Actual	Plan	Actual			
Programme: Governance and Administration									
To build an efficient, effective, accountable and responsive local government system by 2016	GPP01	Improve ICT Environment by building ICT infrastructure	New	New	100% fully functional DATA Centre	70% achieved		Equipment bought but a centre not functional due to delay in the renovation of the town hall	The target will be met in December 2014
	GPP02	Purchase data projectors for each department	New	New	5 Data Projectors purchased for all boardrooms	100% achieved but not mounted see GPP01 above		None	None
	GPP03	Document all ICT processes	New	New	ICT Policies and Procedures documented	Policies and Procedures plans were approved/documentated		None	None
	GPP04	Implement document management system	New	New	Document management system in place by July 2014!	Not achieved		The funding could not be secured owing to the downward revision of the anticipated revenue	Proposal will be made to MSIG to fully fund it in 2015/2016
	GPP05	Approved Customer Care and Communication Strategy	New	New	Approved Strategies by July 2014	The strategies were processed by management and will be tabled in the first quarterly meeting of September 2014		None	None
	GPP06	Conduct Public Participation Meetings with Stakeholders	New	New	4 PP Meetings / workshops held per annum	100% achieved		None	None

GPP07	Coordinate Political Outreaches)	4 per annum	100% Achieved	4 per annum	100% achieved		None	None
GPP08	Conduct Local Communicators Forums	New	New	4 per annum	100% achieved		None	None
GPP09	Develop Internal and External Newsletters	4 External Newsletters per annum	0	4 External 4 Internal Newsletters per annum	Only 1 Internal was printed		Budget Constraints prevented the target from being pursued	In discussions with JGDM to have them print it for the LM
GPP10	Establish Customer Care Line	New	New	An operational Customer Care Line	Not Achieved		The target is now withdrawn until further notice	
GPP12	Responsive to the Presidential Hotline(Output)	New	New	100% responses to queries received	100% achieved		None	None
GPP13	Conduct Community Satisfaction Survey	New	New	1 Survey per annum	Not achieved		Target moved due to on-going data cleansing	To be pursued in February 2015
GPP14	Support Ward Committees	4 meetings Per ward	4 meetings	4 meetings	4 meetings were held		None	None
GPP15	Maintain sound media relations	New	New	2 meetings	2 meetings were held		None	None
GPP16	Number of CBP meetings (input)	New	New	0*	0		The cash flow situation of the municipality resulted in the budget being frozen	The target will be considered in the 2014/15 FY budget

 = Target achieved and or exceeded (> 90).
  = target not achieved (< 74).
  = information not yet available.
  = significant progress (75 - 90%) has been achieved
  = target reduced or removed due to budget constraint

	GPP17	Number Political Outreach meetings (input)	2 meetings	2 meetings	At least 1 political outreach per quarter meeting in each ward	1 political outreach per quarter meeting was held in each wards		None	None
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PERFORMANCE ON CAPITAL PROJECTS

Project name	Project Location	Funding source	Start date	Completion date	Annual performance		Snapshot	Variance	Corrective Action
					Projected	Actual			
Greenfields Access Road	Steynsburg	MIG	01/04/2013	30/09/2013	100%	100%			This was a remedial project to an earlier work which was stalled due to non-payment leading to litigation by the contractor
Lyciumville Access Road	Venterstad	MIG	30/09/2012	31/08/2013	100%	100%			
Nozizwe Access Road	Venterstad	DRPW	01/11/2012	15/07/2013	100%	100%			
Mzamomhle Interconnections	Burgersdorp	MIG	28/05/2013	31/01/2014	100%	100%			The contract was extended due to variation of scope
Tow Hall - Burgersdorp	Burgersdorp	MIG	01/01/2013	31/12/2013 Revised to 31/03/2014	100%	60%			The contractor did not meet completion deadlines. Despite remedial action and new deadlines, the performance remained poor and was terminated. It's now awaiting a new contractor to be appointed

CONCLUSION

As reflected in the detailed report above the Gariep Local Municipality still has challenges compounded by both the lack of resources and the shortage of key staff. The municipal service delivery achievements remain steady in the face of on-going cash flow challenges. When the MTEF budget was adopted during June 2013, it had a deficit and was therefore adopted against good governance norms and best practise. Inevitably, when the time came for the budget adjustment in February 2014, major adjustment were made on both income and expenditure votes. The prospects of success did not look good due to the financial distress that the Municipality was confronted with during the year under review. The continued commitment and cooperation between our communities, administration and political leadership have led to the attainment of the positive results.

This report therefore provides a lens through which scrutiny of the progress and performance of the municipality can be made in terms of assessing performance of the institution in its efforts to realise the objectives as set by Council. As such, this report not only reflects on milestones and challenges experienced, but also on the on-going commitment to progressively deepen accountability to citizens of the whole of the Gariep area towards a better life for all residents.