



C a c a d u

DISTRICT MUNICIPALITY

*Province of the Eastern Cape*

*progress through development*

DRAFT ANNUAL REPORT

2013/2014

VOLUME I

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# CHAPTER 1 – EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

This Annual Report covers the investments made in various Local Municipalities; in infrastructure; community services; economic development and capacitating Local Municipalities. These four focus areas, as well as institutional development, are the development priorities of the Council for its term of office. The projects and programmes that were undertaken during the period of review were therefore aligned to the Development priorities. It is gratifying to note that the Local Municipalities and various stakeholders appreciate the work of the District Municipality.

The performance of the institution is comprehensively reflected in this Annual Report. Whilst there has been exceptional performance on some of the initiatives, it is also important to note that some of the targets were not fully achieved. Clearly this is a cause for concern and every effort will be made to ensure that the institution performs as optimally as ever.

Whilst the District Municipality has been experiencing stability and has good systems and policies in place, it is very concerning that many of the nine Local Municipalities in our District are encountering financial and other institutional problems.

Many of the Local Municipalities are facing infrastructure challenges. It is also evident that very little resources have been set aside by Local Municipalities for repairs and maintenance of infrastructure and equipment. In addition, with growth being encountered in many areas, and migration of people to the District, demand for housing increases.

The District Municipality cannot be regarded as successful if such challenges persist at a Local Municipality level. The District Municipality has resolved to redouble its efforts towards supporting the nine Local Municipalities, to ensure financial and institutional stability. This will result in them rendering quality services to communities.

As a District Municipality we have been giving a lot of attention to intergovernmental relations. It is important that all spheres of Government collaborate to deliver effective services to communities in our

area. We have also forged partnerships with the Rhodes University and the Nelson Mandela Metropolitan University, as well as with other key sectors, to promote the development of our District.

In the period of review, we engaged with Local Municipalities and various stakeholders on our IDP and Budget. Our community newspaper “Cacadu News” that goes to all our areas, highlights our achievements. We have also been inundated with queries from communities and stakeholders with regards to the service delivery problems being encountered at a local municipality level. We have tried our best to address these concerns.

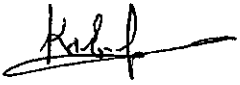
The name change of the institution from Cacadu to Sarah Baartman is imminent. We are awaiting the finalisation of this process from the MEC: CoGTA – Eastern Cape. All stakeholders in the District support the name change.

We have not been very successful on the Relocation of the Head Office to Kirkwood. Although we have attempted to pursue various options, we have not achieved any progress. Clearly, without grant funding, or the identification of a suitable Government building, the Relocation would be a challenge.

The District Municipality anticipates major growth in the energy sector over the next few years. Visitors to the District would have noticed some of the wind turbines that have been erected. More wind farms would be developed. We are also anticipating a growth in solar energy. Shale gas studies and research are currently being undertaken. As a responsible institution, we will ensure that whatever development arises, benefits our communities, but also safeguards our water and other resources. We have to deal with the scourge of poverty and unemployment, as well as underdevelopment. It is crucial that we support every effort to grow the economy of the District.

We are confident that our various initiatives to support our Local Municipalities and promote economic development will lead to the District Municipality attaining its vision of “an innovative and dynamic Municipality striving to improve the quality of life for all our communities”.

I want to express my appreciation to the Council, led by the Speaker, for its unwavering support of me in the performance of my Executive function. I want to express my appreciation for the support of the Mayoral Committee in helping me carry out my responsibilities, and for their oversight role over the various Departments to which they have been assigned. I also want to thank the Municipal Manager, Directors and staff for their hard work towards realizing the goals of the Council.

A handwritten signature in black ink, appearing to read 'Kekana', with a long horizontal flourish extending to the right.

**K E KEKANA  
EXECUTIVE MAYOR**



## 1.1 MUNICIPAL MANAGER'S OVERVIEW

This Annual Report has been prepared in accordance with Circular 63 issued by National Treasury.

It is evident from the guidelines that have been provided by National Treasury, that much emphasis has been placed on Local Government providing data and statistics to measure the impact of municipalities efforts towards service delivery. The new format also strives to gauge whether municipal activities have been effectively and efficiently rendered. It must be highlighted that much of the information requested in terms of Circular 63 pertains to municipalities that are entrusted with many functions that are directly rendered to communities. Much of the information requested is not applicable to the Cacadu District Municipality. This is due to the fact that many of the powers and functions in the District have been adjusted to local municipalities. Further, the type of information requested is not readily available. However, in each of the functional areas, the progress against various initiatives that were embarked on by the District Municipality, is highlighted.

The Cacadu District Municipality views itself primarily as a development facilitator. The District Municipality therefore advocates the principle of decentralization, whereby Local Municipalities in the District are entrusted with the responsibility to render services to the communities. This approach has the full concurrence of all Local Municipalities. The District Municipality thus has the unenviable responsibility to support and capacitate the Local Municipalities to effectively render such services.

The current Council has adopted five development priorities for its term in office, viz., Investment in Infrastructure, promoting Economic Development, Capacity Building and Support to Local Municipalities, provision of certain Community Services and Institutional Development.

The Organisational Performance Scorecard in Chapter 3 of this Annual Report provides, among other things, the Key Performance Indicators, the target of each indicator, as well as the status of each indicator (whether the target has been achieved or not). Reasons have been provided where projects are lagging. Remedial measures to take projects to completion are also indicated. Further, in cases where projects were not completed, budgetary provision has been made in the 2014/15 financial year to complete the project.

As stated in the previous Annual Report, the Cacadu District Municipality is not a Water Services Authority or a Water Services Provider. These functions reside with the nine Local Municipalities in the District. The

District Municipality does not receive any Municipal Infrastructure Grants from National Treasury. However, in the period of review, the District Municipality embarked on several projects on water and sanitation. These included the construction of a Wastewater Treatment Works in Nieu Bathesda; the installation of zone meters in Jansenville; upgrades to sanitation systems in Koukamma and Blue Crane Route. A sewerage removal vehicle was provided for Ikwezi. In addition, the District Municipality also embarked on a WSA / WSP study of the Local Municipalities. The finalisation of this study will be early in the 2014/15 financial year. This study will advise the District Municipality whether the WSA / WSP function is being carried out appropriately by the Local Municipalities. The Local Municipalities and the District Municipality will have to consider the implications and recommendations of the study, towards effective service rendering. It must be highlighted that communities in Makana experienced severe water problems due to various factors. Despite efforts by the District Municipality and the Department of Water Affairs, as well as the Provincial Government, these problems unfortunately still persist. The District Municipality and other Government spheres will have to closely monitor the situation and assist the Local Municipality to find a long-term solution to the problem.

Other projects embarked on included the finalisation of the Rietbron Roads and Stormwater project. The District Municipality invested substantially in this project over the past three financial years. The EPWP grant was also used to augment the funding. At least 80 local members of the community were employed for the duration of the project. A study is also being conducted on the rural road network in the District. This study will be finalized in the new financial year. The paving of some streets and the upgrade of stormwater systems was concluded in Somerset East, whilst sidewalks were constructed in Kareedouw.

Unfortunately, the construction of the intercity bus terminal in Graaff-Reinet could not commence due to the project costs (after the tendering process) far exceeding the budget available. This project will however be pursued in 2014/15.

Environmental Health is a function of District Municipalities. The Agency agreement continued with 6 Local Municipalities to render the service on behalf of the District Municipality. The District Municipality directly rendered the service in Koukamma, Baviaans and Ikwezi. With effect from 1 July 2014, Koukamma will also be an agent of the District Municipality, to render environmental health services. The Local Municipalities receive a financial allocation from the District Municipality to render the service, based on the population of each area.

With regards to fire services, the District Municipality continues to assist Local Municipalities in the District. Financial support was provided to certain Municipalities to employ fire personnel. The construction of the

fire station in Somerset East was substantially complete. The District Municipality financed the construction of a satellite fire station in Hankey. Unfortunately, the project at Bushmans River Mouth in Ndlambe could not commence due to various factors. With the scope of the project being changed to be an emergency response centre, the budget was inadequate. This project will be pursued in the 2014/15 financial year.

Construction on a fire station in Koukamma could also not commence on time. The primary reason for the delay was the uncertainty around the location of the fire station. After extensive consultation, it has been agreed that the station be constructed in Sanddrift, as it would best service the Local Municipal area. The land has now been identified and the construction will commence in 2014/15.

The project on the Standardisation of fire hydrants continued in many towns in the District. This project is on the multi-year programme of the District.

Fortunately, in the period of review, there has been very minor incidents that could be termed as disasters. However, rehabilitation work arising out of the flooding that occurred in October 2012 in five Local Municipal areas, continued. The funding for the rehabilitation of infrastructure was sent directly to the Local Municipalities.

Regarding Economic Development, despite some successes, many challenges were encountered. The reasons for the slow implementation are evident in the Performance Scorecard Report.

Projects that achieved a great measure of success are Aquaculture Project in Graaff-Reinet; tourism marketing; support to local tourism organisations; the agricultural mentorship programme and the tourism education programme; and support to SMMEs. There was slow progress on certain projects. These included the tourism Signage project in Addo; the destination and sub branding signage project, as well as creative industries. Remedial measures have been put in place to ensure the implementation and finalisation of these initiatives in 2014/15.

There were also delays associated with the pellet factory project in Rietbron. Even though a business plan was compiled several years ago, it has been resolved to re-assess whether the project is still feasible or not. This assessment will be finalised early in 2014/15.

New developments are emerging in the District with regards to energy. These include the arrival of wind farms in the Kouga and Blue Crane Route areas. Over the next few years, many more wind farms will be developed in the District. The socio-economic benefits of these wind farms are still to materialise however. A baseline study into shale gas exploration in the District also commenced. The studies will take some

time to complete. This study will assist the Provincial Government as well as the District Municipality and the Local Municipalities to better understand the implications of shale gas exploration. During the new financial year, additional studies and research will be conducted.

The District Development Agency commenced its first year operations. The progress of the Agency is captured in its own Annual Report. The Financial Statements of the Agency has been separately prepared. The Cacadu District Municipality set up the Agency, as previously reported, to deal with key economic development initiatives and infrastructure projects, aimed at growing the economy of the District.

Capacity Building and Support is regarded as a key development priority. Various initiatives were embarked upon. These included assisting all Municipalities in all aspects of performance management, including availing the computerised performance management system. The Local Municipalities in the District were also assisted to deal with the findings in their previous audit reports, as well as the Management letter from the Auditor General. In addition, the project aims to rectify deficiencies in internal control and financial systems. The success of this project also requires the full co-operation of Local Municipalities, as well as them employing competent staff. The impact of this investment in the Local Municipalities during the financial year, will only be evident when the Auditor General finalises the Audit Reports. Ideally, this will result in better Audit outcomes.

Local Municipalities were also assisted to compile job analysis, as well as job descriptions IT Support was provided to Koukamma Local Municipality. It is gratifying to note that the IT Disaster Recovery Plans were eventually finalised, as well as upgrade to their software.

The District Support Team is a forum or platform that comprises of Local Economic officials and Councillors from the Local Municipalities, as well as from certain sector Departments. The primary purpose of this forum is to build the capacity of the different role players in local economic development. The District Municipality has also appointed a Service Provider to build capacity at each Local Municipality.

Planning support included supporting Local Municipalities with the compilation of their IDPs; assisting certain municipalities on Land Use Management and Zoning Regulations, as well as a study on the deficiencies of certain solid waste sites.

Library buildings were constructed in Somerset East and Riebeeck East. The library construction in Alexandria, which was on the project list, will however only commence in 2014/15.

It is pleasing to note that forums for certain designated sectors were established in the period of review. These include Womens' Forum, Youth Forum and a Forum for People with Disabilities. Membership of the forums are constituted with representatives from each of the nine Local Municipalities. A Womens' caucus was also formally re-established. Various programmes and empowerment sessions were initiated during the year, targeting the abovementioned sectors.

With regards to HIV and AIDS, the District Municipality in partnership with the Eastern Cape Department of Health and GIZ, continued with the HCT sessions throughout the District. Household surveys were conducted to identify vulnerable groups in Kouga, Baviaans and Ndlambe.

As indicated earlier, institutional development is one of the five development priorities of the District Municipality. The importance of having a well trained and skilled work force cannot be overemphasised. This is especially pertinent with regards to the fact that the District Municipal officials have to support and build the capacity of Local Municipalities. There has been significant investment in training and development. Many senior managers and some finance officials were registered for Competency Unit Standards training as prescribed by National Treasury. This programme will continue in 2014/15 for other senior officials.

The results of the job evaluation exercise for Managers were implemented in the financial year. Processes have just commenced with regards to an institutional review, as required by the Regulations on Appointment and Conditions of Employment of Senior Managers.

The employment numbers are relatively small and the District Municipality has a very lean structure, with a staff complement of 80 as at 30 June 2014. Every effort is made to reduce the Cost of Employment. Historically disadvantaged individuals make up the bulk of the numbers at the institution, namely 88%. Furthermore, female employees constituted 61% of the workforce. The two year period for the Graduate Programme of ten interns came to an end on 30 June 2014. A new group of unemployed graduates will commence their internship in various sections, early in the 2014/15 financial year.

The Audit Committee and MPAC are key committees that play different oversight roles at the institution. The work of these committees is well appreciated by the Council and its stakeholders.

The Council does not have any Standing Committees. The work of the Municipality has primarily been delegated to the Mayoral Committee. Council is ultimately the main and final decision making body for all decisions. Councillors serve on many inter-Governmental and special committees. This is elaborated on elsewhere in this Annual Report.

The District Municipality recognises the importance of collaborating and partnering with the various sector departments to ensure effective service delivery. The Councillors and officials of the District Municipality therefore participate in various SALGA, Provincial and Local Government intergovernmental structures, to promote integrated development and growth.

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

An analysis of the Municipality's Statement of Financial Position for the year ended 30 June 2014 reveals that the Municipality is still maintaining a strong financial position through prudent financial management approaches and effective corporate governance strategies. Its cash management record over many years is excellent and unappropriated surplus (R174,1m) are fully cash backed as detailed below:

	<b>Cash Backed Unappropriated Surplus Balance 30 June 2014 R/m</b>
Restructuring Grant	15,0
Allowance for Impairment	10,2
General (includes post-employment medical benefit provision of R62,0m)	148,9
<b>TOTAL</b>	<b>174,1</b>

The Council incurred a surplus of R1,9m in the 2013/2014 financial year. This was mainly due to the repayment of an amount of R21,9m by National Treasury in respect of funds that were withheld in the previous financial years and which were paid back to the Cacadu District Municipality in the year under review. Income for the year amounted to R138,8m, whilst expenditure on projects and services stood at R136,9m.

The total District Municipality budget was R189,2m. The revenue is made up of external and internal sources of income. The external source of income amounts to R94,5m which is mainly conditional grants and is 68,1% of the total actual income of which 79,5% relates to levy replacement grant and equitable share. The Municipality generates its own internal income from mainly interest income and rentals. The budget is spent on the operational and capital expenditure. The largest expenditure from the operating

budget emanates from Payroll Costs which amounted to R44,4m. Due to the nature of its functions, the Council does not have its own revenue streams and is dependent on grant funding.

A strategy adopted by the institution is to maintain its reserves at an acceptable level, and utilize interest earnings from investments to finance project expenditure. However, contributions from the reserves as well as declining and low interest rates, has placed tremendous pressure on the institution. Council will have to make hard choices for the future and will probably have to curtail financing infrastructure and other projects. In addition, it will have to source or leverage additional conditional grants to finance projects.

The Municipality's Long Term Financial Sustainability Model has essentially informed the compilation of the Medium Term Revenue and Expenditure Framework relating directly to affordability and sustainability. The salient feature for the model is the focus on sustainability, not only from a municipal finance perspective, but also relating to service delivery and project financing.

The Council is compliant on all MFMA requirements and has an effective system of internal controls. The Internal Audit function is outsourced, and this strategy has advantages of an independent team of auditors who are able to continually provide professional services.

Risk Management continues to receive attention and risks are assessed regularly, as well as strategies being formulated to mitigate such risks, where appropriate.

A handwritten signature in black ink, appearing to read 'D M Pillay', with a large, sweeping flourish underneath.

**D M PILLAY**  
**MUNICIPAL MANAGER**

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

#### POPULATION DETAILS AND SETTLEMENTS IN CACADU DISTRICT

Local Municipality	Main Settlements	Census 2001	Census 2011
Camdeboo	Graaff-Reinet, Aberdeen, Nieu-Bethesda	44,368	50,993
Blue Crane	Somerset East, Cookhouse, Pearston	35,015	36,002
Ikwezi	Jansenville, Klipplaat, Waterford	10,367	10,537
Makana	Grahamstown, Alicedale, Riebeeck-East	74,541	80,390
Ndlambe	Port Alfred, Kenton-on-Sea, Bushmans River, Alexandria	55,480	61,176
SRV	Kirkwood, Addo, Paterson	41,582	54,504
Baviaans	Willowmore, Steytlerville	15,339	17,761
Kouga	Jeffreys Bay, Humansdorp, Hankey, Patensie, St Francis	70,693	98,558
Koukamma	Joubertina, Kareedouw, Louterwater	34,294	40,663
ECDMA 10	Rietbron, Wolwefontein, Vondeling, Glenconner	6, 531	-
<b>TOTAL</b>		<b>388,204</b>	<b>450,584</b>

**HOUSEHOLDS** - Information not available at District level – this information will be available from local municipalities

**SOCIO-ECONOMIC STATUS** – information not available for District Municipality in the format required. This information will be available from local municipalities.

**NATURAL RESOURCES** - The economy of the District is primarily driven by Agriculture and Tourism



### 1.3. SERVICE DELIVERY OVERVIEW

#### **SERVICE DELIVERY INTRODUCTION**

Services in the Cacadu District are primarily rendered by the local municipalities. These include water, sanitation, electricity, road maintenance and community services.

The District Municipality is responsible for Environmental Health and Fire Services in terms of section 84(1)(j) of the Municipal Structures Act. Agency agreements have been entered into with local municipalities in the District to render these services.

**PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES** - This information should be obtained from each individual local municipality

**COMMENT ON ACCESS TO BASIC SERVICES** – see comment above

### 1.4. FINANCIAL HEALTH OVERVIEW

**FINANCIAL OVERVIEW** – See financial statements

**OPERATING RATIOS** – See financial statements

**TOTAL CAPITAL EXPENDITURE: YEAR -2 TO YEAR 0** – See financial statements

**COMMENT ON CAPITAL EXPENDITURE** – See financial statements

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

During the year under review, there were no changes to the organisational structure, nor were there any additional posts created.

At the Strategic Planning intervention in November 2013, a number of strategies were adopted that could impact on the organisational structure. However, these changes would only be effected as from 1 July 2015.

The most important strategy adopted is to focus on long term financial sustainability and to reduce appropriations for infrastructure and other projects. The new focus will be to provide more hands-on support to the local municipalities to improve their service delivery and financial management.

The Municipality is also in the process of implementing a plan of action to review its organisational structure in terms of the Regulations on the Appointment And Conditions of Service of Senior Managers. The organisational changes will focus on the improvement of institutional performance.

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

The Auditor-General's report will only be available after the Financial Statements have been audited.

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Time Frame
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 2014
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August/September 2014
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September/October 2014
11	Municipalities receive and start to address the Auditor General's comments	December 2014/January 2015
12	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	February/March 2015
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January 2015

**COMMENT ON THE ANNUAL REPORT PROCESS:**

For the prior years there has been alignment between the IDP and Budget. Programmes and projects of the IDP are reflected in the Service Delivery and Budget Implementation Plan (SDBIP) and feed into the Performance Management Agreements of senior officials. Performance Management is executed throughout the system and all officials have Performance Agreements.

## CHAPTER 2

### CHAPTER 2 - GOVERNANCE

#### INTRODUCTION TO GOVERNANCE

All spheres of government must provide effective, transparent, accountable and coherent government for the Republic to secure the well-being of its people and the progressive realisation of their rights to a healthy environment, water, food, housing, sanitation, refuse collection, health care services, education and social security.

Evaluating the ongoing effectiveness of public officials or public bodies ensures that they are performing to their full potential, providing value for money in the provision of public services, instilling confidence in the government and being responsive to the community they are meant to be serving.

#### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

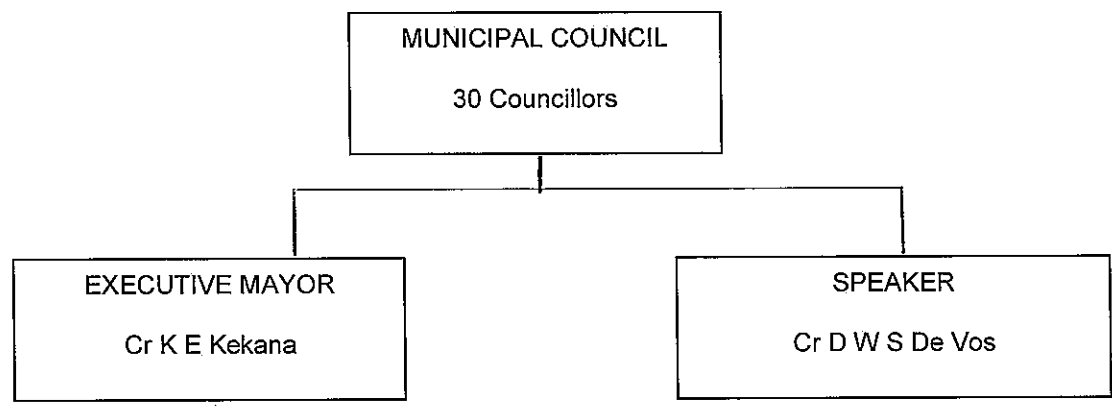
##### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The CDM recognises that good governance is a key priority in the District. A good governance survey conducted in 2008 in all local municipalities in the District highlighted many shortcomings which the CDM has subsequently been addressing on an on-going basis in terms of its Capacity Building programme.

## 2.1 POLITICAL GOVERNANCE

#### INTRODUCTION TO POLITICAL GOVERNANCE

The CDM has an Executive Mayoral system which allows for the exercise of executive authority through an Executive Mayor in whom the executive leadership of the municipality is vested and who is assisted by a Mayoral Committee. The Council also has a Speaker who chairs the meetings of Council. The key committee is the Mayoral Committee. There is an Audit Committee that provides opinions and recommendations on financial processes and performance and provides comments to the Municipal Public Accounts Committee on the Annual Report. The CDM has established a Municipal Public Accounts Committee (MPAC), comprised of non-executive councillors and chaired by a member of the opposition party. One of the tasks of the MPAC is to provide Council with comments and recommendations on the Annual Report. The MPAC report will be published separately in accordance with MFMA guidance.



**MAYORAL COMMITTEE**  
Executive Mayor  
5 Portfolio Councillors



<b>Cr V Balura</b>	<b>Cr N Vanda</b>	<b>Cr Y Vara</b>	<b>Cr N Pieters</b>	<b>Cr N O'Connell</b>
Infrastructure	Health and Special Programmes	Tourism	Finance and Corporate Services	Economic Development

## COUNCILLORS

The CDM has 30 councillors, 18 of which represent local municipalities and 12 of which are proportional representative councillors. A full list of councillors can be found in **Appendix A**.

There are no standing committees. All matters are entrusted to the Mayoral Committee. However, there are many structures that exist that allow other councillors to participate, i.e. the District Wide Infrastructure Forum, District Support Team for Economic Development etc.

T 2.1.2

## POLITICAL DECISION-TAKING

All decisions are taken by the Council, the Executive Mayor in consultation with the Mayoral Committee, or senior officials in terms of authority delegated by legislation and/or the delegations of authority adopted by the Council on 1 December 2004, and revised on 28 November 2007. Council has delegated a lot of authority to the Executive Mayor. The Mayoral Committee also makes recommendations to Council on matters which have not been delegated to it.

As the executive authority of the council, *the Executive Mayor* provides political guidance over the policy, budget and financial affairs of the municipality. The Office of the Executive Mayor also implements some high level developmental projects. *The Speaker* is in charge of the legislative arm of the municipal council. This means that he guards the integrity of the legislative process and plays an important role in the 'oversight' that the council must exercise over the actions of the executive. He is also responsible to ensure that the municipality fulfills its public participation responsibilities.

All decisions of Council are implemented.

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the accounting officer of the municipality for the purposes of the Municipal Finance Management Act and provides guidance on compliance with this Act and all other legislation applicable to local government, to political structures, political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

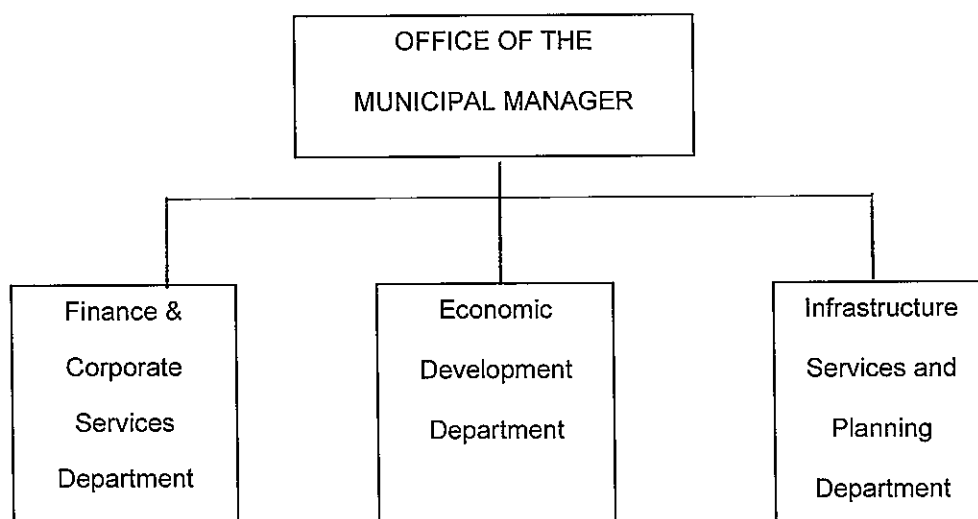
There are three departments in the institution. They are more or less aligned in terms of the development priorities of the Municipality. There are also some functions entrusted to the Office of the Municipal Manager

The Office of the Municipal Manager is the driving force behind the Cacadu District Municipality's administration and integrates all the different components of the municipality into its strategic and operational plans.

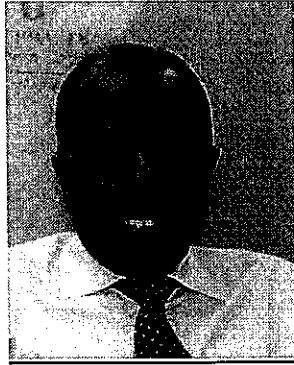
The Municipal Manager is ultimately responsible for the three departments; namely Finance and Corporate Services, Infrastructure Services and Economic Development.

The Municipal Manager of the Cacadu District Municipality has direct responsibility for the following areas:

- Capacity building;
- Special programmes (youth, gender & disabled);
- Intergovernmental relations; and
- Performance management.







**Municipal Manager, Mr D M Pillay**



**Mr B Makedama**

**Director : Infrastructure and  
Planning**



**Mr D J de Lange**

**Director : Finance and Corporate  
Services**



**Mr P Kate**

**Director : Economic Development**

All the above officials are on fixed term performance contracts.

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

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

The CDM recognises the importance of Intergovernmental Relations to improve service delivery to communities. Success in delivering government to the nation requires an approach in which the three spheres of government work in partnership in terms of the principles of co-operative government and intergovernmental relations.

## **2.3 INTERGOVERNMENTAL RELATIONS**

### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

The CDM does not participate in any national forums or structures that deal with specific outcomes of Government

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

The CDM attends meetings of the following provincial intergovernmental structures:

- Premier's Co-ordinating Forum
- Technical support group to the PCF
- Political Munimec comprising Province and all local municipalities in the Eastern Cape Province
- Technical Munimec

Meetings of the above structures are convened by the Provincial Government.

### **RELATIONSHIPS WITH MUNICIPAL ENTITIES**

At present the CDM only has one Municipal entity, i.e the Cacadu District Development Agency. The entity commenced operations on 1 July 2013. Their primary priority is to deal with the socio-economic challenges that face the District, and to embark on projects and programmes to foster economic growth and job creation. The relationship between the CDM and its municipal entity is governed by a Service Level Agreement, which sets out the roles and responsibilities of both parties, including –

- Main development objectives
- Reporting lines
- Monitoring of implementation of main development objectives and related performance objectives
- Financial management
- Compliance with legislation

## **DISTRICT INTERGOVERNMENTAL STRUCTURES**

In order to comply with legislative requirements and fulfill its obligations in terms of co-operative governance and intergovernmental relations, the Cacadu District Municipality has established a number of internal structures and systems, including:

- an intergovernmental forum which complies in all respects with the requirements of the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)
  - the Cacadu District Mayors' Forum
  -
- a number of technical support structures in terms of the aforementioned Act, for example -
  - Municipal Managers' Forum
  - Chief Financial Officers' Forum
  - District Communicators Forum
  - District Wide Infrastructure Forum
  - District Steering Committee for Local Economic Development
- various other District-wide intergovernmental forums for specific purposes, e.g.
  - IDP Forum
  - LED Forum
  - Cacadu District Health Authority (CDHA)
  - District HIV/AIDS Council
  - District Wide Infrastructure Forum.

The CDM has adopted an Intergovernmental Relations policy which sets out the terms of reference of each of its IGR Forums.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The function of public participation resides mainly in the Office of the Speaker. However, these exercises are sometimes carried out by departments or cross-departmental task teams, depending on the nature of the information to be disseminated. One example is the exercise carried out to obtain public input on the proposal to change the name of the District Municipality to Sarah Baartman District Municipality, which was carried out in September 2013.

In addition to public meetings, the CDM has a Public Relations and Communication Division which supplies its communities with information concerning all matters relating to the District Municipality. Information relating to this function has been added to this Component as 2.5A.

## **2.4 PUBLIC MEETINGS**

### **District Public Participation Forum**

Membership of the Forum comprises of all Community Development Workers, the Department of Local Government and Traditional Affairs, Speakers and officials responsible for Public Participation from local municipalities and the District Municipality. The District Public Participation Forum held one meeting in the financial year under review

### **Mayoral Committee IDP and Budget Outreach to Local Municipalities**

The Mayoral Committee and officials of the District Municipality once again conducted an outreach to all nine local municipalities in the District during April 2014. The purpose of the outreach was to present the draft IDP and Budget of the District Municipality and how it would affect them, to the Councillors and stakeholders of each local municipality. Separate sessions were held with local municipality councillors and stakeholders representing various community groups, who were given an opportunity to raise issues. Issues that are highlighted are responded to and dealt with by referring them to the relevant sphere of government. Many issues were raised and were captured and an action sheet was compiled to be dealt with by the various departments of the District Municipality as well as Provincial sector departments and local municipalities themselves. The CDM is planning a feedback session later in the year.

### **Moral Regeneration Movement (MRM)**

The District Municipality assisted all nine local municipalities to establish their Moral Regeneration Movement (MRM) Committees. The District also has its own District MRM Committee that is functional and meets regularly. Both the

district committee and the local committees conducted programmes that are aimed at reviving moral fibre amongst communities in the region.

The District MRM structure has a programme of action that has been developed and all implementation emanates from that programme of action. The District hosted MRM programmes as follows:

- Baviaans – Interfaith Service
- Blue Crane Route – Outreach to the homes of the elderly and informal training on Grant misuse and abuse
- Camdeboo – Community Dialogue on Dangers of Alcohol and Drug Abuse
- Ikwezi – Community Dialogue on Imvelaphi yobudoda
- Kouga – Interfaith Service Session
- Ndlambe – Community Dialogue on Domestic Violence and the Role of Man in Protecting the Community
- Sundays River Valley – Community Dialogue on Gender Based Violence

In the next financial year the District intends to host a District Moral Regeneration Movement Summit in preparation for the Provincial Summit that is scheduled to take place in October 2014.

#### **Provincial Executive Committee Outreach to Cacadu District**

The Provincial Executive Council resolved to engage in an extensive EXCO outreach programme once a year for the duration of the 2009-2014 term of office, during which it visits the six districts and the Metro and engages with the municipalities and communities. The outreach programmes were held as follows in Cacadu:

- 2009/10 – Kouga
- 2010/11 – Camdeboo
- 2011 /12 – Baviaans and Ikwezi
- 2012 /13– Sundays River Valley and Koukamma
- 2013/14 – Makana and Ndlambe

The Outreach for 2013/2014 took place over three days on 25, 26 and 27 September 2013. The programme included the following:

##### Day 1

- An extended IGR Government-to-government session which took place in Grahamstown, Makana Municipality and was attended by the Provincial delegates and Mayors, Speakers and Municipal Managers of the District and local municipalities

#### Day 2

- A session with key district stakeholders
- A closed IGR session in the afternoon

#### Day 3

- Project launches and community engagements

There were also parallel programmes in the District on each day.

#### **Other engagements during the year included:**

- Screening of State of the Nation address on a big screen in Hankey , Kouga Municipality on 13 February 2014
- Screening of State of the Province address on a big screen in Blue Crane Route Municipality on 22 February 2014
- Screening of the National Budget Speech 2014 on a big screen in Rietbron, Baviaans Municipality on 26 February 2014
- Screening of the Provincial Budget Speech 2014 on a big screen in Grahamstown, Makana Municipality on 6 March 2014
- The Premier held her post SOPA Stakeholder Engagement on the 27<sup>th</sup> of March 2014 in Paterson, Sundays River Valley Municipality.

#### **WARD COMMITTEES**

Not applicable to the District Municipality.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

## 2.5A COMMUNICATION AND PUBLIC RELATIONS

### COMMUNICATION

The Cacadu District Municipality has developed communication as a strategic function and has established effective communication systems and structures. The municipality employs a dedicated Public Relations Officer in order to develop and implement intentional and planned communication programmes.

The communication strategy of the Cacadu District Municipality was compiled in consultation with Government Communications and Information Systems (GCIS). The strategy is aligned to the Integrated Development Plan (IDP) in that the development priorities of the Cacadu District Municipality inform the messaging and themes, amongst other things.

The communication strategy of the Cacadu District Municipality WAS developed within the context of the 2009 – 2014 Medium Term Strategic Framework (MTSF), which stipulates ten (10) National Strategic Medium Term Priorities to guide all spheres of government with the allocation of resources, amongst other things.

### ***Communication objectives***

The communication objectives of the Cacadu District Municipality seeks to support and express the priorities contained in the MTSF, which feeds into the overall vision of the Cacadu District Municipality to be an innovative and dynamic municipality striving to improve the quality of life for all our communities. The communication objectives therefore include the following:

1. To increase understanding of the work, role and mandate of the Cacadu District Municipality amongst both internal and external stakeholders across the District.
2. To encourage public participation in government processes and policies.
3. To generate and maintain good relationships with the media.
4. To manage potential risks faced by the Cacadu District Municipality.
5. To manage the reputation of the Cacadu District Municipality.
6. To influence negative perceptions of stakeholders by continually communicating service delivery achievements and successes.
7. To facilitate and encourage two-way communication between the Cacadu District Municipality and its stakeholders, both internal and external.
8. Through the District Communicator's Forum (DCF), coordinate government communication programmes within the Cacadu District.

In the 2013 – 2014 financial year, the communication strategy continued to serve as a guideline for all related matters. The communication action plan is renewed on an annual basis and maintained as and when it is necessary. The latter serves as a guide in respect of municipal programmes and events that require communication support or intervention.

The Cacadu District Municipality Communication Core team (PRO, GCIS and OTP) continued to assess the communication environment, needs of Local Municipalities and rapid response issues that required urgent intervention. The Cacadu District Municipality again assisted to a large extent with the planning and communication surrounding the Executive Council Outreach by the Office of the Premier, which took place in September 2013.

During the 2013 - 14 financial year, a total of 3 DCF meetings were convened, with limited participation by both government departments and Local Municipalities. Concerns relating to the lack of attendance of DCF meetings will be addressed early in the next financial year by the Department of Local Government and Traditional Affairs and GCIS.



The various components of the communication function have been decentralized within the institution, with the various responsibilities being assigned as follows:

	<b>Responsibility</b>
<b>Media Relations</b> Media statements on behalf of the Municipality, Opinion Pieces & Articles Media Relations and Liaison (Council meeting, Agendas, Media Briefings)	Public Relations Officer (MM is official spokesperson)
Work closely with Admin Officer in Speaker's Office	Public Relations Officer
<b>Communications Research</b> Content Development and Management Media Monitoring and Communication Environmental Analysis  Speech Writing  Website Content Management  Branding and Corporate ID Key messages for Campaigns and Projects	Public Relations Officer Public Relations Officer MM's Office  Public Relations Officer  Public Relations Officer Public Relations Officer Speaker's Office
<b>Corporate Communications &amp; Marketing</b> Internal and External Communications (Newspaper)  Marketing (institution and its services)  Events Management  Convening the District Communicators' Forum and Support to Local Municipalities	Public Relations Officer  Public Relations Officer  Public Relations Officer, Speaker's Officer, MM's Office  Public Relations Officer
<b>Outreach and Community Liaison</b> Inter-Governmental Relations  Publication of external community newspaper  Outreach Programmes  Community Liaison  Imbizo  Stakeholder's Liaison and Mobilization  Local Government Communication	Senior Admin Officer, Office of the Executive Mayor  Public Relations Officer  Speaker's Office  Speaker's Office  Speaker's Office  Speaker's Office  Speaker's Office

## ***PUBLIC RELATIONS***

This function includes all activities related to communication, marketing, publicity and media co-ordination for the Municipality and the district (geographical area). It is administered by the Department of Finance and Corporate Services Department and includes:

- Promoting the Municipality by providing sufficient information to the public and staff about Municipal issues.
- Co-ordinating municipal events such as Public Participation Programmes (together with Speaker's Officer), community meetings, project launches and handovers.
- Promoting and managing the Municipality's corporate identity and public image.
- Formulating and maintaining the Municipality's Communication Strategy, while also assisting the Local Municipalities in this regard.
- Stakeholder management and media liaison.
- Production of the quarterly community newspaper.
- Internal communication.

**Strategic objectives:**

- Build good relationships between the Municipality and identified target publics (internal as well as external) and stakeholders.
- To further public understanding about the Municipality's services, policies, procedures, goals and activities.
- To uphold the image and reputation of the Municipality.

**Key issues for 2013 - 2014:**

- The publication of four issues of *Cacadu News*, the official external newspaper of the Cacadu District Municipality.
- Review of the annual communication action plan that is aligned to the five year communication strategy adopted by Council in the 2012 – 2013 financial year..
- Continued interaction with the Communication Core team, consisting of a representative from the Office of the Premier, Government Communication and Information Systems, the Speaker of Council, the Public Relations Officer and other representatives of the Cacadu District Municipality.
- Coordination of the quarterly District Communicator's Forum, which convened three times during the 2013/2014 financial year.
- Continuous monitoring of the media and ongoing communication with media, media management of key municipal issues and media support to council meetings.
- Meetings with Local Municipalities as and when required, assessing their communication needs and assisting wherever the need arises.
- Maintenance of the municipal website of the Cacadu District Municipality.
- Providing communication, branding and media support to district events, such as the 20 Years of Freedom event, which took place in April 2014.

- Representing the Municipality at national events such as the Getaway Show (Sept 2013) and Tourism Indaba (May 2014).
- Development and implementation of media campaigns for municipal programmes.
- Formed an integral part of the name change committee appointed to coordinate the communication and public participation and consultation phase of the process in 2013. Assisting with the co-ordination of the communication surrounding the State of the Nation Address, State of the Province Address and the Budget speech.
- Annual coordination of the design and production of branded calendars and diaries.

Number of personnel associated with the Public Relations function:

1 Public Relations Officer

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices and processes by which an institution is directed and controlled. Corporate governance essentially involves balancing the interests of all stakeholders. Since corporate governance also provides the framework for attaining an institution's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

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

Risk management is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity.

Section 62(1)(c) of the MFMA places the responsibility on the Accounting Officer to take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of risk management. National Treasury has also provided guidance to municipalities on risk management and its implementation. It is important to note that Risk Management is the responsibility of the Accounting Officer and Senior Management.

The following are the top five risks to the District as identified, together with mitigating strategies:

Risk Name	Mitigating action plans
Financial sustainability	<ul style="list-style-type: none"> <li>• Implement actions from strategic planning session</li> <li>• Lobby task team to meet and discuss funding</li> </ul>
Lack of Proper planning with regards to Infrastructure needs of Local Municipalities (LM's)	<ul style="list-style-type: none"> <li>• Planning issues to be discussed at the DWIF quarterly meetings.</li> <li>• DWIF terms of reference to be reviewed</li> <li>• Re-visit Water Sector Development Plans</li> <li>• Storm water plan for Kouga Local Municipality. Kouga Municipality has received funding for its plan.</li> <li>• ITP developed for the District Study into the Water Service provision in the District</li> </ul>
Performance targets not fully achieved	<ul style="list-style-type: none"> <li>• Zero tolerance for poor performance and appropriate disciplinary action</li> <li>• PMS system to be used for employee performance and not just for compliance</li> <li>• Institution could set a specific target - SDBIP (100%)</li> <li>• Procurement plan to be reviewed monthly</li> <li>• Progress on projects to updated monthly</li> <li>• Analysis and interpretation of in-year reports and development of appropriate strategies to address problems</li> <li>• Performance reviews to be done before the SDBIP is compiled.</li> </ul>
Strained working relationship with Labour Unions	<ul style="list-style-type: none"> <li>• Implement Strategic HR Management Plan (SHRMP) Calendar of actions for HR issues that come up</li> <li>• The Municipal Manager will meet with the staff after each council meeting</li> <li>• Directors to hold monthly departmental meetings</li> <li>• Ensure that LLF is effective and functional with an action plan in place</li> </ul>

Risk Name	Mitigating action plans
<p>Poor performance (service delivery and audit outcomes) by LM's impacting on reputation of CDM</p>	<ul style="list-style-type: none"> <li>• Re-look at DWIF</li> <li>• Revive relationship management for LMs (champions)</li> <li>• Lobbying for obtaining funding for LMs</li> <li>• Each department to develop a capacity building implementation plan in terms of assisting the LM's</li> <li>• Shared services between the District municipality and the LM's</li> </ul>

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

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

The CDM has an Anti-Corruption and Fraud Prevention Strategy. Systems have been put in place to serve as a deterrent. There is an Anti-Corruption and Fraud Prevention Committee in place. Awareness assessments are conducted regularly and the Council is in the process of commissioning a Hotline where anybody can report instances of corruption, fraud and theft. The Council has a Whistle Blowers Policy in place. Recommendations of the Audit Committee are included in the Council agenda and are freely available to members of the public.

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

*Note: MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.*

In terms of paragraph 6 of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of this policy. The accounting officer must within 30 days of the end of each financial year, submit a report on the implementation of this policy to the council.

#### **Progress**

The Supply Chain Management Unit is functioning to the best of its ability and the vacant post of the SCM Accountant was filled on the 1 August 2013, after being vacant for almost six months.

The Supply Chain Officer also resigned in February 2014, and the post was vacant for almost three months. The post was then filled internally on the 1 June 2014. The SCM unit is continually endeavouring to improve internal controls to ensure compliance and also accelerate service delivery.

#### **Compliance and Reporting**

The SCM Unit was also part of an Indaba that took place in Grahamstown during September 2013. The main objective of the Indaba was to inform suppliers or service providers within Makana Local Municipality on the importance of registering on CDM suppliers' database in order to do business with CDM. Suppliers were also equipped with information on how to do business with the municipality.

**Re-registration of Suppliers on the Database:** An advert was placed in the local newspapers on the 28 March 2014 in order to comply with section 14(1)(A)9(I) of the Municipal Supply Chain Regulations. All the re-registration application forms were mailed on 11 April 2014. However, there has slow response from service providers to submit their re-registration forms prior to 1 July 2014, which will result in CDM not being able to utilize such service providers in 2014/15.

#### **Monthly and Quarterly Reports**

- Monthly Deviation Reports were submitted in terms of the SCM Policy for the procurement of goods and services.
- Monthly reports are required to be submitted to Provincial Treasury and National Treasury in respect of procurement of goods and services above R100 000. The reports were not submitted in time due to pending registration from Treasury. The registration for the SCM Accountant was effected on the 29 May 2014 by the Provincial Treasury and the backlog is being addressed. The problem was only encountered after the resignation of the Supply Chain Officer, as she was the only one with the password within the SCM Unit to upload the information on the website.
- All the required quarterly reports were submitted in terms of the paragraph 6 of the Supply Chain Management policy

#### **Improvements and Compliance to Internal Controls:**

The below mentioned committees are established and are functioning in accordance with SCM Policy:

- Bid/Formal Quotation Specification Committee
- Bid/Formal Quotation Evaluation Committee
- Bid/Formal Quotation Adjudication Committee

The aforesaid committees have the responsibility to ensure that all the procurement processes are followed, and also to ensure that the value for money is received.

The SCM Unit is endeavoring to adhere to an internal instruction of 5 working days in which to process an order. The required days to process an order allows the SCM Unit to do proper verification and thereby avoiding irregular, fruitless and wasteful expenditures.

Internal Controls within the Unit have been strengthened and improved significantly by introducing the following to ensure compliance to the SCM Policy:

- Checklist before payment is made
- Checklist to the Bid Adjudication Committee
- Deviations System including comments from SCM to assist authorisers
- Evaluation and adjudication of quotes between R30 000 and R200 000 by committee structures.

Ongoing efforts are being made to ensure that each and every employee of the municipality is aware of his/her role in the procurement processes, and to streamline record keeping.

### **Challenges and Constraints**

The following challenges and constraints exist:

- Not all of the service providers have returned their re-registration application form, meaning most of the service providers are not active and cannot be utilised.
- Poor planning by requestors results in additional pressure being put on SCM Unit as there is not always sufficient time for the SCM Unit to follow proper procurement processes.
- Premature signing of deviations by department heads which results in deviations being returned if they are not correct. There is reluctance by staff to correct deviations as required.
- Deviations are often submitted late to SCM and pressure is applied for SCM to scrutinise and sign the deviation urgently. This often results in proper procurement processes not being followed.
- Departments are sourcing quotations from service providers, who are not properly registered on the SCM Database.
- Non-availability of appointed members of the Specification Committees and Evaluation Committees, results in delays in the procurement process.

### **Solutions and Way Forward**

Solutions and controls for the challenges and constraints above are:

- A road show is in the pipeline, to encourage service providers within the district to register on the database, and also revive the spirit of the demotivated service providers.
- The SCM Unit will use the procurement plan as a tool to enforce performance, and the management of the organisation will use the same plan as its dashboard at each management meeting.
- A memorandum was forwarded to all users, informing them that SCM Unit has 5 working days in which to process an order. Therefore, all requesters must endeavour to adhere to this.
- Properly motivated and completed deviations should be signed by department heads subsequent to deviations being scrutinised and signed by SCM.
- Requesters are encouraged to utilise the data base, in order to identify properly registered service providers, before requesting quotations.



## 2.9 BY-LAWS

No by-laws were developed during the year under review

## 2.10 WEBSITES

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

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The CDM has placed computers with free internet access for use by communities in 34 libraries throughout the District, as part of its Connect with Cacadu project. Numbers of hits on the website are measured. Ongoing improvements are being made to make the latest information available.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

The District Municipality does not conduct public satisfaction surveys, but conduct good governance surveys in several of its local municipalities. This has been on-going over several years. These surveys cut across all matters affecting local municipality service delivery.

The results of the good governance surveys are communicated to the local municipalities. Feedback is provided to communities as well. The local municipalities are required to develop remedial measures to deal with complaints.

## CHAPTER 3

### CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

#### INTRODUCTION

As stated earlier in this report (See 1.3 Service Delivery Overview), services in the Cacadu District are primarily rendered by the local municipalities. These include water, sanitation, electricity, road maintenance and community services.

See Performance Scorecard in Component K of this chapter which indicates the various projects undertaken by the CDM, some of which pertain to these services. The projects are implemented in the local municipality areas.

#### COMPONENT A: BASIC SERVICES

**NOTE:** *Financial performance in respect of each of the services provided by the CDM is contained in the Annual Financial Statements*

3.1 - 3.6 NOT APPLICABLE

#### COMPONENT B: ROAD TRANSPORT

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

##### INTRODUCTION TO ROAD TRANSPORT

Roads, transport and stormwater drainage are not functions of the District Municipality. The CDM however does carry out the function of Transport Planning for the District.

#### 3.7 ROADS

Not applicable

## 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

### INTRODUCTION TO TRANSPORT

In the CDM, this function is limited to transport planning only. It Includes all activities related to transport planning for the entire District in accordance with the National Land Transport Act, No. 5 of 2009 (NLTA).

Statistical information not applicable as function is limited to planning only.

The road transport function of the municipality is administered by the Department: Infrastructure Services & Planning and includes:

- Review of the Integrated Transport Plan through the provision of a five-year prioritized implementation programme for the improvement of the transportation system within the District.
- Identifying infrastructure and public transport needs in the District
- Lobby for funding for transport infrastructure
- Promote road safety in the District
- Construction of public transport facilities including sidewalks
- Formulate guidelines for transport planning purposes

The Strategic Objectives of this function are to:

- To promote mobility
- Promote non-motorized vehicle usage.
- Promote public transport usage.
- Improve existing public transport facilities.
- Improve CDM road conditions.
- To promote an integration between spatial planning and transportation planning to achieve sustainable human settlements
- To provide technical support to the Local Municipalities

#### Key issues for 2013/2014

- Mobilizing funding to the Department of Transport for inclusion of the District in the Rural Roads Asset Management System.

- Establishment of the RRAMS through outsourced services of Professional Engineers to development the rural roads data base, facilitate appointment of Technicians and equipment pertaining to the RRAMS programme.
- Refining of the recently developed Road Prioritization Model for the prioritization of roads in the District and packaging of priorities for purposes of lobbying for funding in collaboration with the Department of Roads, Transport and Public Works.
- Completion of Pedestrian walkways in Kareedouw
- Public Transport intercity bus terminus- Facilitate public Participation and stakeholder buy-in.
- Review of the District's Integrated Transport Plan.

Number of all personnel associated with the road transport function:

1 x Infrastructure Planner (Vacant)

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

Not applicable

#### COMPONENT C: PLANNING AND DEVELOPMENT

The District Municipality is responsible for Regional Planning and Economic Development

### 3.10 - PLANNING

This includes all activities relating to the formulation, monitoring of implementation, evaluation and review of strategic plans for the entire district. It also includes assistance to local municipalities with processing of applications for land use planning and development.

#### Description of the Activity

The function of **Integrated Development Planning and Spatial Planning** is administered by the Department: Infrastructure Services and Planning. The main Planning activities include the formulation of the institution's strategic plans; IDP and SDF, monitor and support those implementing the plans, and review the plans annually, in terms of Chapter 5 of the Municipal Systems Act 32 of 2000 (including notice R796 regulations) and in terms of the Municipal Finance Management Act 56 of 2003.

### Strategic objectives:

- Integrated development planning and Spatial planning for the District as a whole, including the development of a framework for all category B municipalities. This includes the development and / or review of the following:
  - The Spatial Development Framework. (SDF)
  - Updated socio-economic profiles.
  - Review of strategies
  - Facilitating the identification of projects
- To become an established and effective integrated development planning authority in the Cacadu District through:
  - Facilitating the District's service delivery through infrastructure and services that are planned, delivered and managed in such a way that supports the District's vision and priorities.
  - Facilitating the prioritization of infrastructure projects and programmes that support the District's vision and priorities.
- Co-ordination and support to the planning function of local municipalities, this includes Land Use Management, Spatial Planning

### Key issues for 2013/2014

- The prompt preparation of the District Municipality's Integrated Development Plan for 2013/2014, which included the following key activities:
  - Development of a district-wide IDP Framework Plan that was adopted by the District Municipality and used to develop Process Plans for all category B municipalities their IDP preparations.
  - Compilation of an IDP & Budget Schedule in conjunction with the Finance Unit, in line with the MFMA.
  - Facilitation of various meetings and workshops with the following stakeholders: nine category B municipalities; provincial sector departments; private business sector; public entities; NGOs & CBOs
  - Formulation and adoption of the District's Development Priorities.
  - Analysis of Development Priorities identified
  - Crafting of Objectives and Strategies that will assist in driving the District's Development Priorities.
  - Identification and prioritization of Projects that will assist in achieving the District's objectives.
  - Collection and capturing of Sector Plans and Operational Strategies into the IDP
  - Development of new plans in areas where plans were not in place

- Aligning and integrating programmes and plans to the PGDP of the Eastern Cape government
  - Strengthening and improving public participation
  - Preparation of IDP document and submission thereof to Council for approval
  - Submission of an approved IDP document to the MEC: Local Government and Traditional Affairs
  - Development of capacity within CDM departments through using CDM resources as opposed to engaging external service providers
  - Fulfilling horizontal alignment between municipalities and vertical alignment with the other spheres of government
- The IDP was compiled without assistance from external service providers. Doing work in-house assists in ensuring staff participation and increases the strategic planning capacity within the CDM.
  - Support the review of Land Use Management Schemes of Local Municipalities. This is primarily driven by the new LUM act, SPLUMA, that has given more Planning functions to the municipalities and districts in regard to Land Use Management.

**Analysis of Function:**

Planning support to the nine category B municipalities is delivered using the following 'vehicles':

- The District Framework Plan that serves as a guide on critical steps in planning and timeframes.
- Town Planning support through development application processing, financing of review of LUM zoning schemes and capacity support.
- IDP Representative Forums
- Attendance of Local Municipality's IDP / Budget engagements
- All nine Municipalities are supported financially by CDM in the development of their IDP's
- Hands on support is given to the Local Municipalities in the compilation of the Community based Plans

**Number personnel associated with the Planning function:**

1x Head: Planning

2x Development Planners

## 3.10A - CAPACITY BUILDING

### INTRODUCTION TO CAPACITY BUILDING

According to Section 83(3) of the Municipal Structures Act (MSA) No.117 of 1998, district municipalities have an obligation to assist local municipalities within their demarcated areas by building their capacity to perform their functions and exercise their powers where such capacity is lacking.

Capacity Building and Support to the nine Local Municipalities in the District is of primary importance to CDM and is one of its main focus areas.

The main aim of the Capacity Building Strategy is to build in house capacity in local municipalities in the District and to support them so that they can perform their functions and strengthen their institutional and corporate governance systems.

The function of capacity building is coordinated by a Capacity Building Unit in the Office of the Municipal Manager. Capacity building initiatives are however performed and/or managed in all Departments of the CDM.

The activity is performed by implementing initiatives aimed at empowering local municipalities to enable them to discharge their constitutional mandate and meet specific legislative prescripts. These initiatives include:

- co-ordinating district wide capacity building and training projects
- conducting specific capacity building and training projects per local municipality based on identified needs
- ensuring the efficient utilization of resources
- compiling, maintaining and managing a district information management system in collaboration with all departments.
- sourcing funds for the implementation of programmes and projects within the district.
- establishing knowledge sharing networks within and beyond the district aimed at strengthening capacity building initiatives in the district.

#### Strategic objectives:

Local municipalities that are:

- able to perform their legislated powers and functions and efficiently deliver cost effective services to their communities
- Self-sufficient, developmental in nature and financially sustainable.



- Closely networked and have functioning knowledge sharing structures both within the district and beyond.

#### Key issues for 2013/2014

Initiatives in the following categories were implemented or were in progress for capacity building and support to local municipalities during the year under review:

#### **1. Institutional**

Under institutional Capacity the focus areas were organization development, Human Resources Management and corporate governance. Activities included the following:

- Update job analysis and job descriptions
- Provided technical support to all LMs on compilation of WSPs and EEPs.
- Supported all LMs to implement and cascade PMS to all levels
- Supported all LMs with training on PMS
- Provided technical support to LMs on PMS

#### **2. Financial**

Under financial support the Activities included the following:

- Provided financial support to all LMs to enable them to render agency functions (Fire and Environmental Health) more effectively
- Supported all LMs in improving their audit outcomes

#### **3. Planning**

- Review and assess IDPs: All local municipalities were technically supported to ensure that their IDP were compliant
- Develop and implement the Spatial Development Framework
- Assist Local Municipalities in gearing for the implementation of the Spatial planning & Land Use Management Act, 2013
- Provide financial support for planning and land use management

Number of personnel associated with the Capacity Building function:

1 Capacity Building Manager

1 Administrative Officer (Vacant)

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

The Economic Development function in the District Municipality includes support to Small, Medium and Micro Enterprises (SMME's), conducting agricultural mentorship programmes as well as tourism development and promotion.

The Cacadu District has the third biggest economy of the Province, contributing nearly 10% to the provincial Gross Value Add (GVA). The biggest sectors both in terms of Gross Domestic Product (GDP) and employment within the district is trade (including retail and tourism) with 15% and 22% respectively, followed by agriculture with 10% and 22% respectively and community services (including government) with 32% and 21% respectively. Finance contributes 21% and 4% respectively.

Manufacturing (GDP: 9%; employment: 7%), transport (GDP: 7%; employment: 4%) and construction (GDP: 4%; employment: 10%) are the smallest sectors of the district economy.

#### BRIEF PRESENTATION OF THE DISTRICT ECONOMIC DEVELOPMENT STRATEGY

Agriculture is one of the most important economic drivers in the district and contributes significantly to the provincial economy; statistics indicate that Cacadu is the largest producer of agricultural goods in the Eastern Cape and that around 4,000 people are employed in agro-processing industries.

In order to stimulate economic growth and to create new jobs, Cacadu focuses on:

#### ***Increasing agricultural income***

- Growing national and international markets for agricultural output.
- Facilitating investments in local and regional agro-processing plants to increase product demand and improve prices.

- Investing in research and knowledge sharing to improve the quality and resilience of crops and livestock.
- Supporting local and regional food systems that keep wealth in rural communities.

#### ***Investing in natural capital***

- Creating green jobs and local income streams rooted in renewable energy.
- Growing the rural tourism economy based on natural capital through agriculture-, adventure- and eco-tourism initiatives.

#### ***Broadening economic participation***

- Promoting BEEs, SMMEs and co-ops.
- Establishing community-based projects.
- Promoting social investments.

#### ***Developing the skills base***

- Improving the quality and quantity of school education and early childhood development.
- Creating further education opportunities linked to employment in the region.
- Developing skills transfer partnerships between established and emerging farmers and businesses.

#### ***Regenerating "core" towns***

Urban regeneration projects focused on upgrading of Central Business Districts and historic districts.

- Promote tourism and niche services and manufacturing based on identifying competitive advantages.
- Ensuring that essential administrative and regulatory functions are undertaken by the municipalities and that municipal infrastructure is maintained and upgraded in order to support growth and development.

#### ***Improving connectivity and utility infrastructure***

- Identifying and delivering catalytic infrastructure that opens up new economic opportunities.
- Improving rural transport infrastructure particularly roads.
- The access to and acquisition of land must be facilitated by the district.
- Developing rural broadband and mobile phone connectivity is a key rural development strategy globally.

#### ***Building local and regional networks***

- Strengthening inter-governmental relations with local municipalities as well provincial and national government involved in LED (Local Economic Development).
- Building partnerships to improve economic competitiveness and resilience.

- Creating a positive image of the region amongst public and private investors and building relationships with them.

### PROGRESS TOWARDS ACHIEVING THE LED KEY OBJECTIVES

#### **Agricultural Mentorship programme**

The District Agricultural Mentorship Programme budgeted for 13 mentorship sites in the financial year 2013/14 out of which 10 were active and 3 projects inactive. There were 2 Mentorship sites that came to an end by end of June 2014. Therefore there are 10 active in this financial year under reporting, 8 will be supported and extended in the 2014/15 financial year.

#### **Challenges and achievements of the programme**

- The programme has made some level of impact in terms of putting in place quality standards to improve farming practice, business systems and understanding of the business of farming.
- Unfortunately the above has not translated in most sites to profit for these emerging farmers
- There are demands from mentees for extended contracts for mentors which is not in the spirit of this programme. This is a result of ageing beneficiaries and level of education of emerging farmers participating in the programme.
- Alignment and commitment of budget requirements from our partner that is the Department of Agriculture during appointments of Mentors should be improved.
- The above causes delays in the implementation of Mentorship plans and sometimes mentors as a result using their own stock and equipment to effect the services by the mentor.

#### **Strengthening LED Capacity At Local Municipal Level**

##### ***LED District Support Team***

The District Support Team has been in operation for the past four years. It comprises of District LED officers and responsible councillors, regional officers of the Department of Economic Development and Environmental Affairs (DEDEA), the Department of Co-operative Government and Traditional Affairs (DCOGTA), the Department of Agriculture and Rural Development (DoARD), the Department of Social Development (DSD), the Eastern Cape Development Corporation (ECDC) and Local Municipalities' representatives (officials and councilors).

### **District SMME support function**

The Cacadu District Municipality commissioned an SMME assessment study that has resulted in a comprehensive SMME Development Strategy for the District.

#### Strategic Objectives

1. To improve access to market-driven and sustainable business development support services for the informal, micro, small and medium-sized enterprises in both urban and rural areas.
2. To strengthen the planning, coordination and institutional capacity for SMME support in the district thus ensuring the creation of an enabling and conducive environment for SMMEs.
3. To establish effective and functional partnerships with key provincial and national institutions, as well as escalating the promotion of the economic opportunities across the district.
4. To diversify the existing SMME development base through agriculture, environmental management, tourism and manufacturing development.
5. To increase women, youth and black participation in the entrepreneurial and SMME development sector of the District and its economy.
6. To increase the number of start-ups, and the number of existing enterprises that accelerate beyond survivalist stage.

These strategic objectives set out a performance measure for this SMME Strategy and are generally congruent with those set out in the Provincial Growth and Development Plan of the Eastern Cape, which seeks to increase the number of start-ups and boost the growth prospects of existing enterprises in the district.

### **Mobilisation, Coordination of Cooperatives into a District Cooperatives Forum and Development of the District Cooperative Data base.**

This project commenced in 2011/2012 financial year and was completed in 2012/13 financial year. Cacadu District Municipality commissioned a service provider for the coordination and establishment of an appropriate mechanism/structure to support the sustainability of Cooperatives in the District. It also included an investigation into the business opportunities for this sector in Cacadu District Municipal area, within the context of the regional economy of the area, for the purpose of development and investment in the Cooperative Sector. The overall objective of the exercise was to create, empower and inform the development of, and investment in, the Cooperative Sector in the Cacadu District to increase its contribution as a key player in the regional economy.

Five co-operatives have been financially assisted so far by the CDM in terms of this project.

## **Rural Economic Development Initiative (REDI) in Partnership with the Development Bank of Southern Africa (DBSA)**

The Cacadu Rural Economic Development Initiative (REDI) is a partnership between Cacadu District Municipality, the Development Bank of Southern Africa (DBSA) and other major stakeholders in our region aimed at identifying and unlocking economic potential. The idea is to build a strong strategic relationship between municipality, local and regional stakeholders aimed at catalysing an economic turn-around. However the partnership with DBSA came to an end in September 2013 due to re-prioritization of programmes and projects for funding by the bank. Over the period of the partnership with DBSA, R7.8 million has been available as a grant to fund 1) Agri-Innovation Intervention (R3.15m), 2) Strategy and Institutional Development (R2.55m), and 3) Project Management (R2.10m). In addition to this investment CDM co-funded to the tune of R2.84 million. Co-funding crowded in: R111 million, i.e. 10 times more funding crowded in than the initial programme investment by DBSA and CDM.

The following progress has been made with selected REDI projects:

### ***Renewable Energy***

Renewable energy generation is the fastest-growing sector in the District. Eight out of the seventeen wind farm developments approved in terms of the Department of Energy's Independent Power Producers' Programme will be located in Cacadu. This accounts for more than 50% (766/16MW) of the total wind power generation awarded nationally.

Cacadu District Municipality continues to engage with developers and operators of wind farms and provides ongoing capacity building to local municipalities, most notably in terms of authorisations required from local government and socio-economic development and enterprise development.

### ***Camdeboo Satellite Aquaculture Project***

The Camdeboo Satellite Aquaculture Project (CSAP) proposes a commercially viable fish production venture through the establishment of aquaculture clusters, each consisting of a central management farm and a network of satellite farming systems, which will benefit from economies of scale through their collaborations. The freshwater fish produced will be pouched in order to increase shelf life and sold at an affordable price in order to fulfill the growing gap caused by the reduction in the annual pilchard quota.

The project has entered its commercialisation phases. Currently, one-hundred and twenty (120) residents of the Camdeboo region are employed by the project. The number of people to be employed by the project is an anticipated to increase as the project progresses. To date, approximately R15 million has been invested into the project. Some of

the key milestones of the project are that: 1) Post Harvest Product Development of Freshwater Fish (complete), 2) Processing Facility Business Plan Development (complete), and 3) Market Demand Assessment (ongoing 2013/2014 financial year).

### ***Higher Education Institutions***

Cacadu District Municipality entered into a Memorandum of Understanding with the Nelson Mandela Metropolitan University (NMMU) in terms of a collaborative relationship in areas of Economic Development research, consulting and capacity building. In addition, the District Municipality continues to engage with Rhodes University in terms of establishing a formal relationship with the Grahamstown-based university.

The purpose of establishing relationships with higher education institutions is to further the development of the economy of the region and to build capacity in terms of local economic development.

### ***Baviaanskloof World Heritage Site Tourism Development Plan***

Cacadu District Municipality, in partnership with the Eastern Cape Parks and Tourism Agency (ECPTA), developed a Tourism Development Plan for the Baviaanskloof World Heritage Site. Tourism development opportunities were developed in targeted nodes in the Baviaanskloof, which is part of the Cape Floristic Region and one of only eight World Heritage Sites in South Africa.

The District Municipality, in collaboration with ECPTA, is actively engaging the National Department of Tourism in terms of funding an Interpretive Centre to be located at the western entrance of the Baviaanskloof.

### **Tourism development and marketing**

#### ***Support To Local Tourism Organisations***

The Cacadu District Municipality, in its Integrated Development Plan, committed to rendering financial support to local tourism organizations located in the District. The primary aim of this support is to assist in efforts to market destinations within the district. During the financial year under review, the Cacadu District Municipality has supported Baviaans, Blue Crane Route, Camdeboo, Makana, Sundays River Valley, Kouga, Ndlambe, and Ikwezi Local Tourism Organisations, by providing funding to these organizations to continue to promote important tourism nodes in the district, thereby increasing the number of tourists into the district.

### ***Support To Festivals And Events***

Numerous local, national and international festivals take place within Cacadu District each year. The District Municipality has provided financial support to two festivals during the year under review. Support to the National Arts Festival in 2013 from the Cacadu District Municipality was based on five key projects: Cacadu Productions, "A Better Life" project, Cradle of Creativity branding and Sustainable project. The primary focus of these projects was to embark on sustainable development of local talent and create space for local artists to perform at other festivals around the world.

The Cacadu District Municipality also supported Biltong Festival in Somerset East and Kirkwood Wildlife Festival in Kirkwood. The primary focus of the project was the development of local artists in order to enable them to get an opportunity to perform at the Festival and to provide small businesses an opportunity to showcase their own product.

### **Support To Tourism Education And Training**

The Cacadu District Municipality has supported Wilderness Foundation as a conservation and leadership organization which is project-driven and strives to create opportunities for economic and social equality. It achieves its mission by initiating and implementing programs, concentrated in four main areas: Conservation; Social Intervention; Advocacy and Awareness; and Experiential Education.

Umzi Wethu, a programme of Wilderness Foundation is an outcome of a Social Intervention by Wilderness Foundation which identified a need to establish a training institution in the Blue Crane Route Municipality, that trains students places them in areas of employment concentrating mainly in conservation and hospitality disciplines. Wilderness Foundation operates two Umzi Wethu Academies that together have trained, graduated, and placed in jobs thirteen intakes of students since the programme's inception four years ago. The most recent two intakes graduated in mid July 2013. All students that are part of this programme come from towns in the local municipalities within the District.

### ***Development Of Tourism Statistics System***

Cacadu District Municipality undertook tourism research to identify the number visitors to the District. The objective of the research was based on:

1. Conducting pilot tourist visitor and product owner surveys in selected locations in the Cacadu District over the summer (December / January) season.
2. Development of an on-line tourism statistics database for the CDM which will allow users throughout the CDM to access reliable statistics on tourism in the area, and update the statistics based on future surveys



conducted in the local areas. The system was populated with the data collected in the pilot tourism surveys and it has been installed and linked with the Travelcacadu website.

Visitor surveys were conducted in 12 towns in five local municipalities by surveyors based in those towns and this project is still continuing to cover other municipal areas.

### ***Cacadu "7 Wonders of our World" campaign***

The Cacadu District Municipality continued to roll-out its "Seven Wonders" campaign, in terms of which seven tourism destinations within the District were vigorously marketed.

The campaign was again piloted at the World Travel Market held during November 2013 in London, Internationale Tourismus-Börse held during March 2013 in Berlin through Eastern Cape Tourism Parks and Tourism Authority as well as at the 2013 Tourism Indaba held in Durban and Gauteng Getaway Show in Johannesburg with Local Tourism Organisations on board. The campaign's digital media strategy has been rolled-out through social media and the destination is gaining positive reputation. The Cacadu District Municipality has won the following accolades during previous financial years as a result of the Campaign: Eco-adventure Sport Destination: Swiss Tourism Awards in 2009, Rebrand 100 Global Awards Winner: Merit Award in 2011 and Cacadu 7 wonders tourism brand website: Web Design Award in 2012.

### **CHALLENGES REGARDING LED STRATEGY IMPLEMENTATION**

- Lack of funding from Municipalities – LED Units in all LMs are not adequately funded to meet local demands in terms of job creation efforts/initiatives. All Councils in the District took a decision to remove the LED portion of +5% from the MIG. This is hampering LED units in their efforts to drive economic development at local level. To this end the CDM has appointed NMMU to undertake a study with a view to establishing LED gaps, structurally and systematically and develop a capacity programme for LED practitioners and councillors.
- Lack of bankable business plans – The inability of LED units to access funding or the poor intake of LED proposals from various funding pools is a result of poorly constructed business proposals. In most cases LED units do not have the competence to develop business plans.
- Poor planning by LED units which results in continuous under-expenditure on projects
- Lack of resource mobilisation strategies – the LMs and the DM are dependent on external resources (financial, Capital and Human) to fulfil their mandate. It is therefore important for the District Municipality as a centre for co-ordination, to have resource mobilisation strategies in order fulfil its development facilitation model. Small towns are unable to attract and retain requisite skills.
- A lack of common understanding of the role of LED and LED processes;

- An increasing urban-rural divide in LED processes and practices;
- The practical spatial constraints of economic planning at a very local level;
- A less-than-effective working relationship between provinces, districts and local authorities;
- Lack of effective LED “networks” in many areas;
- The inability of many local authorities to clearly define an LED strategy within the broader IDP process; and
- Lack of planning resources and capacity

**Remedial actions**

There is a District Support Team in place. The District Municipality uses this platform to assist the LMs as well as capacitate the relevant officials on issues of LED. The District Municipality also continually lobbies on behalf of LMs for funding from various Sector Departments. CDM has also established a Development Agency.

**Economic Activity by Sector – See Stats SA**

**Economic Employment by Sector – See Stats SA**

<b>Job Creation through EPWP projects</b>		
<b>Details</b>	<b>No of EPWP Projects</b>	<b>No of Jobs</b>
<b>Year -2</b>		<b>793*</b>
<b>Year -1</b>		<b>528*</b>
<b>Year 0</b>	<b>One</b>	<b>135</b>

*Note: the figures for the prior years included EPWP projects of local municipalities in the District*

**LED Policy objectives taken from the IDP**

Skills development and training are key priorities. This is evident from the Agricultural Mentorship Programme, tourism initiatives eg Umzi Wethu, training of municipal officials in service delivery etc. Various SETAs have been embarking on their own training initiatives, but the CDM does not have information and details of this.

## **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**

In the CDM, this function includes activities associated with provision and upgrading of cemeteries, community halls, libraries and crèches, programmes for the empowerment of Youth, Women and the Disabled, programmes towards mitigation of the effect of HIV and Aids on communities, and heritage related matters.

#### Strategic Objectives

The strategic objectives of this function are:

- to ensure that communities are provided with facilities they need in terms of social upliftment and human dignity
- to improve the HIV and Aids status of the community
- to ensure the empowerment of designated groups of Cacadu

## **3.12 LIBRARIES, COMMUNITY FACILITIES**

### **INTRODUCTION TO LIBRARIES AND COMMUNITY FACILITIES**

The CDM is not responsible for delivery of library services and community facilities in the District. However, it has undertaken certain projects in local municipal areas that fall under this category.

No specific personnel are allocated to the function of provision and/or upgrading of libraries and other community facilities within the municipality. Staff employed for other ongoing infrastructural and administrative functions are utilized for this purpose on an ad-hoc basis.

#### Key Issues for 2013/2014

- Maintained "Connect with Cacadu" system in 31 libraries throughout the District, which provides access to internet and a range of educational software for use, free of charge, by communities. There are currently approximately 28 000 users of the system
- No funding received from DSRAC for libraries, which is creating a problem with funding for ongoing maintenance of the "Connect with Cacadu" system

- Completed construction of new library in Riebeeck East, Makana Municipality
- Commenced construction of new library in Alexandria, Ndlambe Municipality

### **Analysis of function**

Number of personnel associated with the Community and Social Services Function:

- 1 Special Programmes Officer
- 1 HIV and Aids Coordinator

## **3.13 CEMETERIES AND CREMATORIUMS**

### **INTRODUCTION TO CEMETERIES & CREMATORIUMS**

The CDM was not involved in any projects related to cemeteries and crematoriums during the year under review.

## **3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES**

### **INTRODUCTION TO CHILD CARE, AGED CARE, SOCIAL PROGRAMMES**

The CDM has a Special Programmes Unit which takes care of these functions. The key issues undertaken during the year under review are:

#### **Special Programmes**

- Supported local municipalities with establishment of Forums for Women, Youth and People with Disabilities Empowerment
- Establishment of District Women Caucus
- Implemented empowerment session by the DWC
- Formed of partnership with sector departments in implementing district wide projects related to empowerment of designated groups
- Hosting of Commemoration days
- Hosting of Empowerment Session for People with Disabilities
- Hosting of Empowerment Session for Women
- Supported newly established SMME and Co-ops with minimal infrastructure to get them started

## **HIV and Aids**

- Provision of support to local municipalities to revive their Local Aids Councils
- Conducting of HCT Campaign across the district
- Hosting of an Internal HCT Drive for CDM employees
- Conducted Community Surveys in
- Conducted Community Dialogues to create awareness around issues of Gender Based Violence, Alcohol Abused and Rights of Women in Society
- Commemoration of the 16 Days of Activism and District World Aids Day

*Number of personnel associated with the Community and Social Services Function:*

- 1 Special Programmes Officer
- 1 HIV and Aids Coordinator

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

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

### **INTRODUCTION TO ENVIRONMENTAL PROTECTION**

In the CDM, the function includes the following activities:

- Water Quality Monitoring
- Food control
- Waste Management
- Health surveillance of premises
- Pauper Burial
- Surveillance and Prevention of Communicable Diseases
- Vector control
- Environmental pollution control
- Disposal of the dead
- Chemical safety
- Environmental Health Education Sessions and Awareness Campaigns/ Programmes

The function as rendered by the Municipality excludes Port Health, Malaria Control and Hazardous Substances which is the function and the competency of the Eastern Cape Department of Health.

### 3.15 POLLUTION CONTROL

#### INTRODUCTION TO POLLUTION CONTROL

Cacadu District Municipality is embarking on development of a District Wide Environmental Pollution Control plan which include waste management strategy and other environmental management strategies. The CDM did not have the capacity to deal with this issue in the previous year.

#### SERVICE STATISTICS FOR POLLUTION CONTROL

Not applicable

### 3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

#### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The function of biodiversity and landscape is administered jointly by the Economic Development and the Infrastructure & Planning Department and includes activities related to the protection of flora and fauna species, the protection of habitats and the protection of landscapes for their aesthetic values.. At present the main activities are :

- ensuring participation by local municipalities in biodiversity capacity building programmes; and
- participating in meetings of planning forums such as the Greater Addo (SANParks) Planning forum, the Baviaanskloof Mega-Reserve Steering Committee, the Eastern Cape Biodiversity Implementing Committee, as well as the Coastal Management Steering Committee.

The strategic objective of the function is to safeguard the District's biodiversity in terms of indigenous plants and animals and the processes that sustain them

No specific personnel are allocated to this function, which is dealt with by officials within the respective Departments.

#### SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

Not applicable

## COMPONENT F: HEALTH

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

### INTRODUCTION TO HEALTH

*Note: Recent legislation includes the National Health Act 2004.*

The District Municipality does not render Primary Health Care Services, or ambulance services. This is the competency of the Eastern Cape Provincial Department of Health.

The District Municipality renders Municipal (Environmental) Health Services which includes health inspections.

### 3.17 CLINICS

Not applicable

### 3.18 AMBULANCE SERVICES

Not applicable

### 3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC (ENVIRONMENTAL HEALTH SERVICES)

#### INTRODUCTION TO ENVIRONMENTAL HEALTH SERVICES

The function of Municipal Health Services in the Municipality is administered as follows:

The Municipality has entered into agreements with seven of its local municipalities : Kouga, Blue Crane Route, Camdeboo, Makana, Ndlambe, Sundays River Valley and Koukamma to render MHS on its behalf in their respective areas of jurisdiction.

The function includes the following activities:

- Water Quality Monitoring
- Food control
- Waste Management
- Health surveillance of premises

- Pauper Burial
- Surveillance and Prevention of Communicable Diseases
- Vector control
- Environmental pollution control
- Disposal of the dead
- Chemical safety
- Environmental Health Education Sessions and Awareness Campaigns/ Programmes

The function as rendered by the CDM excludes Port Health, Malaria Control and Hazardous Substances which is the function and the competency of the Eastern Cape Department of Health.

The strategic objectives of this function are to improve the health status of communities serviced through the identification, evaluation and control of critical factors that affect the physical, social and mental well-being of communities. MHS/EHS are mainly preventative health services, and are therefore largely protecting public health and preventing health hazards/risks and diseases.

*Key issues for 2013/2014:*

- Highlighting and reporting a district overview of water quality in structures such as Mayoral Committee, District Wide Infrastructure Forum, Municipal Managers Forum and the District Mayor's Forum.
- Maintenance of Environmental Health Joint Management Committee with all local municipalities.
- Awareness projects were held in Ikwezi and Baviaans Municipalities on waste management, health and Animal outreach program.
- Pest control outreaches were conducted and focused on dogs and cats' vaccination, dipping and deworming in Rietbron
- Food Gardening Projects in churches and community were initiated and coordinated by EHP's in steytterville and Jansenville
- Waste management and clean-up campaigns were conducted in Ikwezi one in Baviaans (Rietbron).
- The quality of water and food was monitored through routine inspections and drawing of water and food samples throughout the district.
- Disease outbreak monitoring executed with Local Municipalities in relation to both water-borne and food-borne diseases such Cholera, Shigella Dysentery and Food Poisoning throughout the district.

The total budget for the Environmental Health Service in the financial year 2013/14 was R9, 744,700. This includes the CDM Head Office budget that is also used to service Kou-Kamma, Ikwezi and Baviaans local municipalities and an allocation/subsidy to 6 Local Municipalities that have entered into a service level agreement with CDM.



CDM contributions/subsidy to local municipalities for rendering EHS/MHS have increased substantially over the years from 2006. In the 2012/13 financial year the subsidy was based at R21.96 per capita totaling to an amount of R7, 500,000.00 from National Treasury, which indicates under funding of this service since the calculation is based on the 2001 Census population. In the financial year 2012/13 CDM to total contribution to Local Municipalities increased to R7,645,259.00 which is R23.24 per capita.

During the financial year 2013/14, contributions totaling to R7, 645, 259.00 were paid to the LM's for MHS as follows:

<b>Municipality</b>	<b>Amount</b>
Kouga	R1,713,3188
Makana	R1,755,792
BCR	R 833,658
Camdeboo	R1,031,324
Ndlambe	R1,321,064
SRV	R 990,102
<b>Total</b>	<b>R7,645,259</b>

Number of personnel associated with the Environmental (Municipal) Health Function:

- 1 Environmental Health Manager
- 2 Environmental Health Practitioners

#### COMPONENT G: SECURITY AND SAFETY

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

#### INTRODUCTION TO SECURITY & SAFETY

The only functions in this component performed by the CDM are Disaster Management and Fire Services

## 3.20 POLICE

Not applicable

## 3.21 FIRE

### INTRODUCTION TO FIRE SERVICES

Local Municipalities in the District perform fire fighting services on an agency basis for the CDM. The District Municipality is involved in specific projects such as construction of fire stations, emergency response centres, purchase of fire tenders, standardisation of fire hydrants, etc.

The function of fire fighting within the municipality is administered within the Disaster Management Centre and includes:

- planning, co-ordination and regulation of fire services throughout the Cacadu District
- provision of specialized fire fighting services such as mountain, veld and chemical services
- co-ordinating of the standardization of infrastructure, vehicles, equipment and procedures
- training of fire officers

### Strategic Objectives:

- Assist local municipalities with the development of fire services plans for their areas
- Assist each local municipality with the implementation of its fire services plan by rendering support with:
  - establishment of satellite fire stations in identified areas
  - appointment of full time fire officers
  - recruitment of fire fighters, reservists and/or volunteers
  - acquisition of fire/rescue vehicles, equipment and tools
  - training of fire officers, fire fighters, reservists and volunteers
- Lobby for funding to assist local municipalities with implementation of their fire services plans
- Prepare business plans where necessary to secure funding
- Make general public aware of the dangers of fires

### The key issues for 2013/2014

- Training of Fire Officers within the District in Fire Fighter 1, Fire Fighter 2, Hazmat Awareness, Hazmat Operational and First Aid Level 3.

- Contribute towards fire services at Local Municipalities by:
  - Standardization of Fire Hydrants in Kouga, Makana and Ndlambe Municipalities.
  - Building of a new fire station in Somerset East, Blue Crane Route Municipality.
  - Contribute towards a new fire station in Hankey, Kouga Municipality.
  - Contribute towards fire station in Bushmansriver Mouth, Ndlambe Municipality.
  - Contribute towards the appointment of full time fire fighters in Camdeboo, Baviaans, Sundays River Valley, Ndlambe, Ikwezi and Blue Crane Route Municipalities.

### **Funding**

No funding was received from Department of Provincial and Local Government.

CDM has made an amount of R 17 103 600 available for Fire Services for the 2013/2014 financial year.

### **Staff complement in the fire service unit:**

1 x District Fire Services Co-ordinator

7 x Fire Reservists

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

### **INTRODUCTION TO DISASTER MANAGEMENT**

Includes planning, co-ordination and alignment of disaster management activities throughout the District.

#### **Strategic Objectives:**

- Mitigate disasters in the Cacadu District
- Support and Capacitate local municipalities within the District and Communities at Risk on Disaster Risk Management issues.

#### **Description of activity**

During the period under review Disaster Management continued to be involved with communities at risk and implemented programmes according to our business plan that is in line with the Disaster Management Act (Act No. 57 of 2002). Disaster Management Centre initiated projects and programmes in anticipation of the Disaster Management Framework.

The operational function of Disaster Management has been fully funded by the Cacadu District Municipality and this ensured that substantial progress could be made in terms of establishing Disaster Management structures throughout our area of responsibility. Local municipalities responded in a very positive manner following awareness strategies by disaster management in terms of the requirements of the Disaster Management Act. Through the setting up of disaster management structures such as the Municipal Disaster Management Advisory Forums the participation of all possible role-players have been ensured. Local municipalities are involved on a high level in these structures with either councilors or departmental directors chairing the DMAF's. The benefits of multi-disciplinary participation on these structures are already being seen.

With continued funding from CDM, disaster management infrastructure programmes can be expedited and much needed capital items can also be purchased.

This ensures that Cacadu District Municipality remains one of the leading district municipalities in supporting its local municipalities in the Eastern Cape Province. The main activity is to co-ordinate disaster management activities in the Cacadu District consistent with the provisions of the Disaster Management Framework and Disaster Management Act 57 of 2002. The framework covers the following KPAs:

#### **KPA 1: Integrated Institutional Capacity for Disaster Risk Management**

The Disaster Management Act (Act No. 57 of 2002) states that a district municipality must establish a disaster management advisory forum in consultation with its local municipalities. Cacadu Disaster Management advisory forum was held on the 27<sup>th</sup> March 2014.

#### **KPA 2: Disaster Risk Assessment**

There has been a delay with the project to internal challenges. The project will be done in the next financial year starting July 2014. Upon finalisation of the review, a reviewed document will be submitted.

#### **KPA 3: Disaster Risk Reduction**

Training of volunteers has been conducted in the following areas:

- Steyleville (Baviaans Municipality)
- Willowmore (Baviaans Municipality)
- Pearston, Somerset East, and Cookhouse (Blue Crane Route municipality)
- Paterson (Sundays River Valley municipality)

Continuous awareness programmes are being conducted.

#### **KPA 4: Disaster Response and Recovery**

During the period under review flash floods were reported in Pearston under Blue Crane Route municipality on the 5<sup>th</sup> January 2014. CDM officials were dispatched to the scene to coordinate the incident. Cacadu Disaster Management volunteers were also activated to assist. Relief assistance was provided by CDM Disaster management centre in the form blankets and mattress. SASSA also provided relief in the form of food parcels, clothing, and uniform for school kids. Blue Crane Route municipality repaired damaged infrastructure i.e. sewerage system

The following five local municipalities within Cacadu District Municipality were allocated funds for reconstruction and rehabilitation floods in 2012/2013. The Provincial Project Management Steering Committee has been monitoring the utilization of the reconstruction and rehabilitation programmes for the affected municipalities.

Kouga Municipality	R4 477 000.00
Koukamma Municipality	R8 439 000.00
Ndlambe Municipality	R15 353 000.00
Sundays River Valley Municipality	R2 396 000.00
Makana Municipality	R8 724 000.00

#### **Description of projects undertaken, public awareness programmes and how communities were involved.**

Education and Awareness programmes were conducted in Tsitsikamma on veldt and forest fires in partnership with Dept of Forestry and Fisheries.

Number of personnel associated with the Disaster Management Function:

- 1 Senior Manager : Disaster Management
- 1 Manager : Disaster Management
- 1 Communications and Training Officer
- 4 Disaster Management Officers
- 4 Communication Centre Operators
- 1 Word Processing Operator

Concerning T 3.25.2

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

T 3.25.2.1

## COMPONENT H: SPORT AND RECREATION

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

### 3.23 SPORT AND RECREATION

#### INTRODUCTION TO SPORT AND RECREATION

The CDM has in previous years been involved in construction of sports fields in local municipality areas as a community services function. However, during the year under review, no sports fields were constructed by the CDM, and this function is accordingly **not applicable**.

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### 3.24 EXECUTIVE AND COUNCIL

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

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

Information relating to the Executive and Council is contained in Chapter 2 – Component A – Political and Administrative Governance.

### 3.25 FINANCIAL SERVICES

See Annual Financial Statements

## 3.26 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The CDM approved a Strategic Human Resource Management Plan (2009 – 2014) which is a statement on how the Municipality seeks to achieve the objectives in the IDP. The plan aligns the Human Resource Management Goals and Strategies with CDM's IDP.

#### *Priority Objectives*

The Plan includes key areas as detailed below:

1. Human Resource Management – Key policies were reviewed during the year and checklists were introduced to improve compliance with laws and regulations. Strategies were also introduced to improve communication.
2. Human Resource Provisioning – Recruitment and selection practices were developed to promote efficient systems to speed up the filling of vacancies. Induction and orientation programmes were also improved.
3. Motivation and Wellness are now fully implanted in the Performance Management System and the performance of all employees is appraised on a quarterly basis. These reviews, as well as intervention strategies, have improved the performance of employees. Integrated health, safety and wellness programmes are also contributing to the improved morale of employees.
4. Human Resource Development – Each year a Skills Audit is conducted and a Workplace Skills Plan is developed. The training programmes have improved skills and capacity in the institution. Adequate budget provision has been made for all senior and middle managers to undergo Competency Training.
5. Labour Relations – During the year under review, strategies were adopted to improve labour relations and regular Local Labour Forum meetings with the labour unions were held to consult on many labour related issues. Disciplinary hearings still take too long to finalise due to the problems related to the appointment of presiding officers and prosecutors.

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resource Services Policy Objectives taken from IDP

Not applicable

Employees: Human Resource Services					
Job level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (% of total posts)
10-12	3	3	3	None	None
16-18	1	1	1	None	None

Capital Expenditure Year 0 : Human Resource Services					
Capital projects	Year 0				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value
Project A: Biometrics System		R640 000,00	R632 915,84	R32 915,84	R632 915,84
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					



### **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**

At various intervals the municipality had to assess the ICT capabilities and assess the strategic direction to be taken from a hardware, systems and technology application point of view to ensure continued alignment between the ICT and business strategies.

With the lack of adequate financial resources, the ICT Division has had, like all other CDM business units, to focus on becoming more cost efficient whilst striving to improve the quality of ICT services delivered to the business (user) departments. The measurement and management of costs are critical when considering any strategies relating to the provision of ICT services.

**Besides the Microsoft products, of which the Email, Word, Excel and PowerPoint usage are the most**

important, the current financial system developed in the fourth generation language APPX, which has been in use for more than 25 years, is a mission critical system. APPX was used to develop the municipality's integrated financial systems software in-house and the municipality owns the financial system software.

Various other sub-systems are managed through the main IT system, for example, the Performance Management System, the Connect-with-Cacadu library internet and information system, the Geographical Information System (GIS) and Disaster Management information systems.

In 2001/2002 due to the changes referred to and affordability issues it was decided to disestablish the ICT department and to outsource the support and maintenance of the systems software to a service provider.

Since then the management working with the service provider has been able to make all the systems software changes to accommodate the new legislation and reporting changes impacting on the financial system.

The service provider Impumelelo maintains and develops the ICT software in terms of a Service Level Agreement.

During the financial year the ICT Strategy was developed, which has identified key areas that need to be attended to in order to enhance ICT services in a secure environment. The strategies include:

Strategy	Proposed Implementation Date
<p>1. <u>Build Internal ICT Capability</u>            This process can be linked to the Staff Establishment Review which must be finalized before 17 January 2015            (Note: This strategy relates directly to the AG's ICT Audit Findings)</p>	2014/2015
<p>2. <u>Define Service Catalogue and Service Level Agreement</u>            This project has the objective of improving the provision of ICT Services between the ICT division and CDM Departments</p>	2014/2015
<p>3. <u>Establish Policy Framework</u>            Although the AG has acknowledged that the CDM has the required policies they have found that there a number of important issues not included in the policy documents which must be reviewed.            (Note: This strategy will address the Audit Findings regarding the policy reviews)</p>	2014/2017

4. <u>Identify Business Owners of Applications</u>	2014/2015
5. <u>Map Business Processes</u> In essence the business process or method is a collection of related structural activities or tasks to produce specific service or product for a particular service. Flow charts are often used to map business Processes.	2014/2015
6. <u>Cost Benefit Analysis</u> This is methodology that will be used when company options to ICT Service provision eg in-house ICT system or an ICT Software Packaged Programme	2014/2016
7. <u>Enhance the Functionality of the APPX Financial System</u> This process of enhancing the APPX Financial System is on-going as systems are maintained and new programmes are developed	2014/2015
8. <u>Implement Document Management System</u> This project was originally planned for 2014/2015 but due to capacity and skills constraints as a result of staff turnover and the unit not being in a state of readiness (backlogs in certain areas) it was resolved to rescheduled the project.	2015/2016
9. <u>Implement Enterprise Content Management</u> Enterprise content management is a formalized means of organizing and storing an organizations documents and other contents that relate to the organisations processes.	2014/2015
10. <u>Implement Risk Management</u> Although the municipality has a formal risk management policy and strategies resulting in a risk register containing strategic risk, it does not have a register relating to operations risk which includes the day to day operations in the ICT Unit.	2014/2015
11. <u>Develop an ICT Business Continuity Plan and an ICT Disaster Recovery Plan</u> (Note: The AF found that the Business Continuity and Disaster Recovery Plan is in place but outdated)	2014/2015

12. <u>Implement Contracts Register</u>	2015/2016
13. <u>Investigate Current Performance Management System</u>	Done
14. <u>Investigate Project Management Tool</u>	2014/2015
15. <u>Implement GIS</u>	2014/2015
16. <u>Implement Legal Requirements Register (Compliance Tool)</u>	2014/2015
<p>17. <u>Infrastructure Upgrade</u></p> <p>The infrastructure upgrade relates to the replacement of the end of the life serves. This replacement was originally programmed for 2013/2014 however with the resignation of the Systems Administrator the project was postponed.</p> <p>The decision to upgrade the infrastructure will depend on whether the current on-site server configuration will continue or whether the municipality's ICT systems will be hosted off site.</p> <p>This matter is currently being investigated which has been the main reasons for the delay in filling the System Administrator vacancy.</p>	2014/2016

**ICT Services Policy Objectives Taken from IDP**

Service Objectives/Service indicators	Outline Service Targets	Year -1		Year 0			Year 3	
		Target Previous Year	Actual	Target Previous Year	Current Year	Actual	Current Year	Target Current Year
								Foll. Year
1. Improve user access management								
2. Improve ICT Security Management								
3. Revise ICT Business Continuity Plan								
4. Enhance APPX financial system software and draft a plan of action to implement SCOA								

Ongoing efforts have been made to address all the ICT policy objectives, which have been hampered by staff turnover. There are however action plans to improve the service objectives during the 2014/2015 financial year when the ICT Strategy is implemented.

## 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

### INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Risk Management and Procurement services have been covered under 2.6 and 2.8 above respectively.

#### Property

The CDM currently operates its administration and all its Council affairs out of one administration building. The Municipality has several investment properties in various parts of the District. The manner in which they are classified, their location, size, values etc are contained in the Asset Register.

#### Legal Services

There is one legal officer who is responsible for litigation, to ensure compliance with all relevant Acts and Regulations, provide legal opinions in legal actions leveled against the Municipality, give advice on labour matters, assist in investigations relating to disciplinary hearings, prepare legal documents such as lease agreements, contract etc, provide legal support to local municipalities and attend to all legal matters of the municipality. There are however complex legal issues that are dealt with by external legal service providers. The names of the firms which were used during the period under review are, Gray Moodliar Attorneys, Goldberg & De Villiers Inc., Chris Baker & Associates, Mgoduka Attorneys, Mbabane & Sokutu Inc.

#### *SERVICE STATISTICS FOR LEGAL SERVICES*

##### 1. **Management of litigation**

- a. Favourable cases - Nil
- b. Unfavourable cases - Nil

There are three pending cases that have not been finalized, and one possible case as detailed hereunder:

Case name	Nature of the case	Date of commencement	Reasons for extensive duration
CDM v Raj Maharaj & Associates	Claim for damages as a result of poor workmanship	November 2004	Soliciting legal opinion on the prospects of success of this case due to lapse of time.
D S Van der Westhuizen/CDM & Others	Illegal occupation of farm land by community members of SRVM	July 2013	Matter is still in the pleading stage
Kelvin Atkinson v CDM ( St Francis Bay Fires)	Fire damages claim	June 2014	Matter is being defended
A possible liability exists in respect of a development and construction contract. The pleadings in the case have not yet closed.			

**2. Default judgments - Nil**

**3. Prevention mechanisms of current litigations**

The CDM Risk Management Strategy incorporates the assessment of legal risk and the strategies that can be put in place as prevention mechanisms for such risks as identified. Every year a workshop on Risk Management is conducted.

**4. Criminal matters emanating from corruption and fraud – currently there are two matters that are emanating from circumvention of supply chain management policy and financial misconduct that have been reported to the Commercial Crimes unit which are still pending investigation and finalization by SAP.**

**5. Management of Legal Risks**

There is no specific policy dealing with management of legal risk, this is dealt with in the Municipality's Risk Management Strategy.

**COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:**

All investments are made on property belonging to local municipalities. These have become assets of the local municipalities.

**COMPONENT J: MISCELLANEOUS**

Not applicable to CDM

**COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD**

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



ANNUAL PERFORMANCE SCORECARD 2014/2015

DEVELOPMENT PRIORITY 1: INFRASTRUCTURE INVESTMENT												
Strategy	No	Key Performance Indicator	Baseline (previous year actual)	Annual Target 2013/14	Department	GFS	2013/14 Account Number	2013/14 RS	Actual Expenditure	Performance Milestones	State Brief Plan of Action to address Projects Lagging and Not Started: Specifically state who, what, when, why and how, where possible	
Implementation of water projects as mandated by LMs	1	Installation of 24 Zone Meters in Jansenville	The project is 40% complete.	24 Zone Meters installed	Planning and Infrastructure Services	Water	01 158 78295	R 1 288 514	R 360 534	30 Jun 2014 Target	Actual: Specifically state reasons for variance where targets were not achieved	State if Project is Completed, On Target, Lagging or Not Started
											According to the Consulting Engineer, the contractor that was appointed could not perform the work. The project was behind schedule and the contractor did not perform and the contract was terminated. A new contractor has been appointed during June 2014 and is on site. It is anticipated that the project will be completed by end December 2014.	Lagging
											An experienced contractor is on-site and sufficient budgets allocated. It is anticipated that the project will be completed by end December 2014.	

Strategy	No	Key Performance Indicator	Baseline (previous year actual)	Annual Target 2013/14	Department	GFS	2013/14 Account Number	2013/14 R's	Actual Expenditure	Performance Milestones				
										30 Jun 2014 Target	Actual & specific variance where targets were not achieved	State if Projects Complete On Target, Lagging or Not Started	State Brief Plan of Action to address Projects Lagging and Not Started. Specifically state who, what, when, why and how, where possible	
Implementation of sanitation projects as mandated by LMs		Demolishing of old dry toilet systems in the former DMA	Glencorner, Kleinpoort, Wolwefontein and Miller have been identified.	100% demolish of dry toilet system	Planning and Infrastructure Services	Sanitation	01 170 78226	R 543 582	R 143 816	NA	The old toilet structures in Glencorner, Kleinpoort, Wolwefontein and Miller have been demolished. The only area that was outstanding was Vondeling. Baviaans Municipality submitted a request that the old toilets not be demolished. This request has been accepted by CDM. For all practical purposes the project was completed during March 2014 and payments have been made.	Complete		

	3	Upgrade and Increase the capacity of the Waste Water Treatment Works for the community of Nieu-Bethesda	Contractor has been appointed.	Waste water treatment works extended	Planning and Infrastructure Services	Sanitation	01 158 76118 / 01 158 78276	R6 084 039 / R8 674 952	R 10 692 493	100% completed	Construction progressed very well and the project has been complete. A practical completion certificate issued and a site handover was held on the 18th July 2014. The project is on retention period and has been handed over to Camdeboo Municipality.	Complete	
	4	Makana settlement areas (infill's) with reticulated sewer network	The contractor will be appointed during July 2013 by Makana LM.	Sewer reticulation 75% Complete	Planning and Infrastructure Services	Sanitation	01 202 78282	R 0	R 0	75% Construction completed	NURCHA has been appointed as the development agent on behalf of Dept. of Human Settlement to implement Bucket Eradication Programme in Ndlambe, Blue Crane Route, Makana, Sundays River Valley, Ikwezi and Baviaans Local Municipalities. Funds have been re-allocated to respond to emergency sanitation services in Ikwezi, Kou-kamma and Makana and Blue Crane Route Local Municipalities. The project was withdrawn.	Not started	The project budget was diverted for use in the Maintenance of Waste Water Works in 3 Municipalities and purchase of a sewer truck for Ikwezi Municipality.

WSAWSP Review	5	Assessment of WSA function in all 9 LM's	Consultant has been appointed.	WSA Assessment complete in 9 LM's	Planning and Infrastructure Services	Water	01 158 78273	R 799 682	R 590 920	Project Complete	The study has been completed and has been submitted. A steering committee meeting will be scheduled during August 2014 to comment on the report. Thereafter a presentation will be made to Mayoral Committee.	Complete
	6	500m of Sidewalks and walkways constructed in Kareedouw in Koukamma	Project delayed. It was decided that the project be done in-house.	500m of Sidewalks and walkways constructed in Kareedouw in Koukamma	Planning and Infrastructure Services	Roads	01 152 78274	R 988 550	R 677 125	NA	The project has been completed during December 2013. The savings on the project / remaining funds is being used for the extension of the scope of the project. This was requested by Kou-kamma Municipality and supported by the Department. A report to this effect was submitted to the Bid Adjudication Committee by end Jan and was approved. This project is complete. A practical completion certificate was issued.	Complete

	8	Reviewed Camdeboo Zoning Scheme	Planning stage.	Reviewed and Consolidated Zoning Scheme Regulations	Planning and Infrastructure Services	Planning & Development	01 152 78195	R 200 000	Regulations Finalised	This project is at draft regulation stage. Delays were as a result of the new legislation (SPLUMA) which has not been made operational. The review process is dependant on implementation of SPLUMA as this has a direct impact on the regulations and processes of zoning scheme.	Lagging	The project targets has been extended into the new financial year in anticipation of SPLUMA being made ready for implementation in the 2nd quarter of 2014/15 financial year.
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	10	Construction of Inter-City Bus Terminal in Graaff Reinett	Consultant appointed. Concept Layout has been presented to the PSC.	75% Construction of Bus-terminal Complete	Planning and Infrastructure Services	Road Transport	01 154 / 76145 / 01 154 / 78255	R1 053 / 418 / R3 720 / 788	R 0	75% Complete	The project designs have been completed by the Consultant. The project was advertised during November 2013 and the Bid closed on 10 January 2014. The Bid Evaluation Committee Report was prepared and the scope of work was reduced, however the project could not proceed due insufficient funding and now is put on hold.	Not started	Lobbying for funds in the next FY. Retender once funds are secured. The project will be withdrawn if no funds are secured in the next council meeting.
	11	Upgrade of Riebron Roads & Stormwater Infrastructure	Approx. 1200m of internal road complete.	500m of internal access roads paved, and 80 work opportunities created	Planning and Infrastructure Services	Roads	01 202 / 76122 / 01 202 / 78261	R1 000 / 000 / R5 675 / 210	R 5 219 147	100% of construction completed	The project was on hold as from April to October 2013 due to shortfall of funds and challenges were encountered with the consultant which led to the termination of their services. After several interventions, the consultant was reinstated. The target set for the year (500m) has been completed and 1 km of road has been paved. The project was multi-year funded and council resolved not to proceed with funding.	Complete	
Implementation of roads projects as mandated by LM's													

12	Streets paved and storm water drainage complete in Somerset East (Phase 2)	The project (phase 1) is complete and on retention period. Phase 2 to commence in new FY.	Phase 2 completed	Planning and Infrastructure Services	Roads	01 154 78277	R 1 500 000	R 525 384	NA	This project was completed in June 2013. The contractor is busy with the snags and final certificate will be issued in August 2014.	Complete	
13	Rural Roads Asset Management System set up.	Planning stage.	Visual Assessments and Inventory surveys complete	Planning and Infrastructure Services	Roads	01 154 75360	R 1 902 000	R 1 902 000	Inventory surveys (bridges, culverts, s/w, signage etc.) 100% complete	At this stage, the service provider has completed a review of the 2013/14 IDP's for each Local Municipality. The base GIS maps have been completed and a framework report has been completed. The target has been completed during June 2014. It is expected that the 2014/15 DTP will be submitted to the EC DOT by October 2014. The project will continue with its 2nd phase in the new financial year	Complete	



Implementation of the Waste Management Plan	14	Legal Waste sites Licenced for Kou-kamma, and Ndlambe achieved	Consultant to be appointed	EIA applications submitted to DEDEA for Kou-kamma, and Ndlambe	Planning and Infrastructure Services	Environmental Health	01 192 78268	R 500 000	R 96 785	EIA Applications submitted to DEDEA	The consultant was appointed and has visited the Local Municipalities. The Basic Assessment report has been submitted by the consultant and an item will be submitted to the Mayoral Committee Meeting during April 2014. This project is now complete. This project was completed and the reports were made available to the two Municipalities. The project could achieve aspects of a feasibility study. It should be noted though that the legalization of waste sites will require site formalization; design and construction of a solid waste site. Municipalities are expected to execute the work through MIG Funding.	Complete
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DEVELOPMENT PRIORITY 2: CAPACITY BUILDING AND SUPPORT TO LMS

<p>Improve corporate governance systems both in the district and LMS</p>	<p>Provision of assistance to 5 LMs in respect to GRAP compliance and improve Audit Outcomes</p>	<p>The audit reports and management letters of all the LMs were analysed to identify the root causes of the audit outcome. Project will be completed early in the new financial year.</p>	<p>Provide assistance through 1 training workshops held in GRAP compliance and new standards by making available financial management support to deal with issues raised in the LM's AG's management letter</p>	<p>Finance &amp; Corporate Services</p>	<p>Finance and Admin</p>	<p>01 055 78207</p>	<p>R 2 150 000</p>	<p>R 2 093 605</p>	<p>Improved Financial Management process, policies, procedures and internal controls</p>	<p>An additional R1 Million was approved in the adjustment budget for the project. An amount of R500 000 was rolled over to the 2014/15 financial year to provide assistance to municipalities during July/August in the preparation of the 2013/14 AFS. Seven of the 9 LMs were assisted with projects linked to qualifications and audit findings aimed at improving audit outcomes. There has also been meetings with SRVLM and Makana LM to try to provide advice and assistance. The project has exceeded targets and there are signs that the audit outcomes at certain LMs will improve.</p>	<p>On Target</p>
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		16	Financial Management and Compliance Improvement Plan	The project was initially delayed due to lack of response by the LM's, the new approach has been welcomed by municipalities who are benefitting from the focused assistance and support.	Review CDM's financial policies and implement controls and improve legislative compliance	Finance & Corporate Services	Finance and Admin	01 055 78214	R 400 000	R 399 974	Improved Financial Management process, policies, procedures and internal controls implementation of FMP	The policies were reviewed in - house as well as compliance checklists have been improved. Funds were also utilised for NT competency training as well as GRAP training for all the municipalities in the district.	Completed	
Improve corporate governance systems both in the district and LM's.		17	100% Implementation of the Automated CDM PMS System in all LM's	System is available to all LM's. On-going training to be done in new FY.	Performance Management Support(PMS) Support to the 9 LM's in CDM with the implementation of the Automated CDM PMS System.	Municipal Manager's Office	Other	01 027 78136	R 200 000	R 88 143	Project Complete	The CDM Automated Performance Management System was implemented at all LM's. Further training and assistance in the system is provided by CDM when requested by LM's.	Completed	

DEVELOPMENT PRIORITY 3: ECONOMIC DEVELOPMENT									
				LED					
Facilitate community and worker participation in share ownership									
Mobilise Funding Partners for the implementation of the Pellet Factory	One application submitted to ECDC Job's stimulus and unsuccessful. An application submitted to Dept of Rural Development and Land reform, Awaiting results. ECDC is currently assisting to register the Pellet Factory as a Cooperative. 2 PSCs been held over this period	To mobilise funding for the Pellet Factory	Economic Development						
				01 147 78241					
					R 350 000				
						R 79 350			
								Implementation plan developed	
									Only one Agency still considers the Proposal, ie the Department of Rural Development and Land Reform. In the failure of our own efforts to secure funding, CDM commissioned a consultant to revise biplan and secure funding and develop an action to that effect. SP was secured and action plan attached. Service Provider is now appointed for 6months for pre-establishment Phase to recommit Commercial farmers and key stakeholders, revise the Biplan and Secure Funding. The project is also been identified as a Catalytic Business Venture to be supported by COGTA/CDM arrangement for private sector led business ventures funded through crowding public sector investment
									Lagging
									The appointment of a SP to deliver on this project will fasttrack the project implementation phase of Mobilising Funding and prepare the project for immediate implementation when funds received.

Promote social economy investments	19	4 SMME and Cooperatives development programmes implemented.	District Cooperative Conference convened. 9 LCFs established and District Co-ops Forum launched. 3 LMs projects in Makana, Ndlambe and SMME programme in BCRM is approved and SLAs signed.	2 SMME programmes from LMs supported. 2 Cooperatives supported.	Economic Development	LED	01 147 78216	R 1 200 000	R 1 033 160	Progress reports for projects funded is submitted to Council.	5 Projects have been approved. 5 SLAs signed for the 2013/14 FY. PSCs have been established for all projects. Implementation and Project preparation only started in April 2014 and progress report and closing reports in all 5 projects is due in end August 2014. Activities are rolled over in the new year. 2/3 Projects from the 2012/13 FY their closing reports are expected from BCRM for the SMME development Programme and Ndlambe LM for the Southsea's Poultry project end August 2014. Through our efforts and project initiation funding, Makana Kaolin has received additional funding from Seda incubator through Zenzele incubation services for R2.6m for establishment phase. Full implementation will only resume in the beginning July 2014.	On Target
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	20	3 REDI projects implemented Grain strategy, Project profiling, CSAP)	Planning stage.	Projects implemented	Economic Development	REDI	01 146 78257	R 1 050 000	R 564 751	100% of REDI projects implemented	A 3rd attempt call for proposals will be circulated on the 18th August 2014 and close on the 25th October 2014.	On target	
Create new generation green jobs rooted in renewable energy	21	Determine the feasibility of an integrated waste to energy cluster	Service provider to be appointed, pending approval of budget adjustment in Q1 2013/15	Feasibility study complete	Economic Development	REDI	01 147 78189	R 600 000	R 182 451	Feasibility study complete	Awaiting confirmation of participation in programme from NMBM and DEDEAT.	Lagging	Bid to be advertised in October 2014.
Grow rural tourism economy	22	To support at least 1 tourism infrastructure projects by installing signage for the Greater Addo Tourism Route	Project rolled-over to 2013/14 financial year. Phase 1 complete.	1 tourism infrastructure projects supported-Greater Addo Tourism Route	Economic Development	Tourism	01 400 78284	R 1 000 000	R 0	Addo Route signs erected	Evaluation report for phase 1 deferred twice by quote adjudication committee based on information to be incorporated. The CDIM spent 6 months sourcing a third quote. Most expert companies were not interested to bid for the project phase 1 based on the budget (too low) that was made available for phase 1. Some companies that sent through quotations did not want to register in our supply chain database.	Lagging	The project was rolled-over 2014/15 financial year.

	23	To conduct review and implementation of tourism marketing strategy	Service Provider appointed in April 2013, Participated in Tourism Indaba 2013, Winter campaign Rolled-out, Kirkwood Wildlife, Biltong and National Arts Festivals, 7 wonders winter pilots in Social Media, Biltong and Wildlife Festivals.	Tourism marketing strategy reviewed and implemented	Economic Development	Tourism	01 400 78124	R 2 000 000	R 1 767 011	Participate at Tourism Indaba, Winter Campaign roll out; Placements in at least 2 media channels; Support at least to 2 Festivals in the District	7 Wonders brochures printed. Destination profiling placed on Facebook, Twitter and 2014 Tourism Indaba catalogue & wonders campaign live on Facebook. Profiling in Weekend Post and Africa Tribe publications.	On target
	24	To support at least 3 LTO's	Kou-kamma, Ndlambe and Sundays River Valey LTO's supported. The programme extended to Baviaans, Camdeboo, Makana, Ikwezi, Blue Crane Route, Kouga, LTO's.	3 LTO's supported	Economic Development	Tourism	01 400 78052	R 650 000	R 545 400	Funded Projects implemented and funds spent according to project plan and Monitor	Funding agreements signed and funds transferred to Baviaans, Kouga, Makana, Ikwezi, Blue Crane, Sundays River Valley LTO's. The project is being monitored.	On target

	Install billboard in Makana and Baviaans	Planning stage.	Billboards installed	Economic Development	Tourism	01 400 78063	R 554 346	R 0	All Billboards installed and Close-out report submitted to MC	This project was advertised as a quote initially with non- responsive submissions received. Its scope was later expanded into a bid that closed on 29/11/13. Only one bid was received. Finance advised us to source for additional quotes as the bid received was under R200,000. It took the Department six months to do such with companies not responding.	Lagging	The project was rolled-over 2014/15 financial year and it has been evaluated.
25									Training programme completed and close-out report to MC	Funding agreements signed and funds transferred for Hospitality and Conservation programmes. The project is being monitored.	On target	
26	Funding Support to Wilderness Foundation Training Programme (Umzi Wethu) for at least 6 district participants	Agreement signed with Wilderness Foundation, funds transferred	Umzi Wethu supported through transfer of funding for skills development and capacity building	Economic Development	Tourism	01 400 78217	R 600 000	R 503 034				



Develop skills transfer partnerships between established and emerging farmers	Mentorship programme institutionalized and evaluated in 7 LMs	2 projects are delayed due to Land/Commonage SLA not signed.	12 Emerging farmers projects mentored in 7 LM and experiences documented	Economic Development	Planning & Development	01 147 78188	R 2 150 000	R 791 581	5 pilot projects concluded and evaluated. 7 roll-out projects implemented and TOR's for 5 additional roll-out projects prepared.	5/5 pilot projects evaluated and completed the 3rd year cycle. 3 evaluated and recommended for extension: Uitkomst farm; Aberdeen Piggery and Woodlands Essential Oils. 2 have been completed. Rockville and Klipplaat Hydroponics. 4/7 rollout evaluated and recommended for extension: Sakkies Farm in Baviaans, Vukuzenzele in BCRM, Batazi Phambili in Ikwezi and Lamoney Trust in Ndlambe. 2 Projects have been cancelled for rollout. Mimosdale in Camdeboo and Khanya Cambria in Kouga. Only 1 site has not been evaluated: Inqyebo Farming Trust. 2 LMs that the project has not been rolled out/identified as new sites. SRV and Makana LM. A process to ID new site in Makana has started and to be completed in the 1st Quarter of the New Year.	On Target	
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Rural connectivity infrastructure particularly broadband and mobile phones access	28	Provision of a New Community Library in Riebeeck East	The project is 65% complete and the project was delayed due to the Contractor having problems with SARS.	Construction of Library Complete	Planning and Infrastructure Services	Planning & Development	01 205 78421	R4 265,527 (inclusive of library projects and CwC)	R2, 935, 106 (total expenditure for libraries and CwC)	NA	This Project was completed in January 2014 and a practical completion certificate was issued. A letter was written to Makana Municipality to takeover the ownership and maintenance of the facility.	Completed	
	29	Provision of a New Community Library in Alexandria	Project advertised however bidders did not meet the specification. Project will be re-tendered during August 2013.	Construction of Library Complete	Planning and Infrastructure Services	Planning & Development	01 205 75420 / 01 205 78421			100% construction of library	This project is incomplete. At a stage of appointing a contractor we learnt that the funds for the project were directed to other library needs by the Municipal Manager's office. The project had to be re-tendered and counter funding was required for increased costs. Ndlambe Municipality has committed to fund the short fall in the project. The project secured funds through a council resolution (April 2014) during the last quarter and a contractor was appointed and is on site.	Lagging	The contractor is on site and the project has been allowed to proceed in the new financial year (14/15). The project will be completed during the 2nd quarter of the new financial year.

DEVELOPMENT PRIORITY 4: COMMUNITY AND SOCIAL SERVICES													
Provide fire fighting capacity	30	Restored and standardised Fire Hydrants in Koukamma, Camdeboo and Kouga	Complete. Ongoing in other LMs in CDM.	Standardised Hydrants in place for Kouga and Koukamma, -Camdeboo	Planning and Infrastructure Services	Public Safety	01 113 78201	R 2 205 205	R 994 607	100% completed	Phase 3 of the project was advertised during February 2014 and the BAC awarded on 20 May 2014. A letter was sent to the contractor indicating that he/she is the preferred bidder but appointment would be confirmed in 14 days. The bidder that did phase 1 and 2 objected on the award. The project is being delayed and the previous contractor are challenging the decision in high court.	Lagging	A new service provider is on site and 409 Fire Hydrants will be completed in the new financial year.

Provide resources		Satellite station upgrade completed	The project is anticipated to be advertised in August 2013 and construction to commence in October 2013.	Refurbishment of a satellite station Complete	Planning and Infrastructure Services	Public Safety	01 113 78251	R 2 500 000	R5, 850, 951 (inclusive of all contributions to LM's)	100% of refurbishment completed	The project was re-advertised during November 2013 and closed on 13 December 2013. The Bid Evaluation Committee met at the end of January 2014. The Bid Evaluation Committee report was tabled to the Bid Adjudication Committee early March 2014 and was not approved because of shortfall / additional funding. Council did not approve the shortfall, construction has not started and the project is on hold.	Legging	Lobbying for funding is in process. Should lobbying become unsuccessful, the project will be withdrawn.
	31												

		Construction of Koukamma Fire Station	Planning stage.	Site location be established	Planning and Infrastructure Services	Public Safety	01 113 78251	R 5 000 000	Delays were encountered due to the site location which was in dispute by Koukamma Municipality, therefore the services provider have been not appointed. Design and tender documents for bid process would be complete	Delays were encountered due to the site location which was in dispute by Koukamma Municipality, therefore the services provider have been not appointed. The design drawings for the Fire Station and documentation for tender purposes is complete and the Bid Specification Committee were appointed. The project will be advertised on the 25 July 2014.	On Target	
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		Construction of fire station in BCRM	Construction will commence in September 2014 and be completed in June 2014.	Fire station Constructed	Planning and Infrastructure Services	Public Safety	01 113 78251	R 500 000	NA	The contractor is on-site but the construction did not commence at the anticipated time due to unavailability of the specified material. The Architect withdrew from the project during February 2014. A new principal agent was appointed to take the project into completion. The contractor is now back on-site and the project approx. 95% completed. The additional work to be done will be installation of a 160 mm diameter sewer line. The project has had challenges in relation to the time frames, the contractor did not have sufficient experience and knowledge about the construction industry and the associated laws. However, there was capacity to produce good quality of work. The building is completed except for the roof which has been sub-contracted to specialists.	On Target	
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DEVELOPMENT PRIORITY 5: INSTITUTIONAL DEVELOPMENT

<p>Improve corporate governance systems both in the district and LMS.</p>	<p>34</p>	<p>Implementation of Records Management System at CDM</p>	<p>Planning stage.</p>	<p>Fully effective Records Management System at CDM implemented</p>	<p>Finance &amp; Corporate Services</p>	<p>Other</p>	<p>01 028 76103 (MSG)</p>	<p>R400, 000 (funded from msg)</p>	<p>R 0</p>	<p>System implemented and fully effective</p>	<p>The system will serve the purpose to determine the backlog in Archives and develop strategies to address gaps, provide training and to create capacity to deal with electronic record management systems. Due to the results of an archives state of readiness review and staff turnover it was decided to divert the funds to the procurement of the biometric system to improve security and staff leave recording.</p>	<p>Lagging</p>	<p>This project has been re-scheduled to 2015/16 FY.</p>
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						<p>* Demand - The demand of the projects are determined during the CDM IDP processes.</p> <p>* Backlog - NA</p> <p>* 5 Year Target - Projects are determined per financial year and if necessary, rolled over from year to year.</p> <p>* Means of Verification - Mainly reports as per our SDBIP and submitted to Council.</p> <p>* Unit of Measure - Mainly project driven that are based on project management performance targets.</p> <p>* Performance Monitoring Quality Assurance comment - Done in collaboration with Local Municipalities.</p> <p>* Management response - Management scrutinizes progress /implementation of projects on a monthly basis. This is done whenever the Section 71 reports are available. Further scrutiny occurs at the management caucus whenever the Section 52 report as well as the SDBIP report are available. In addition, progress on implementation is monitored during the quarterly reviews of Directors, Managers and staff.</p> <p>* Internal Audit Comment - NA (Internal Audit reports done independently).</p> <p>* Portfolio of Evidence - Held by Department HOD's.</p> <p>* Audit Committee and MPAC Comment -The quarterly SDBIP report and the Section 52 reports are scrutinized at both the Audit Committee as well as the MPAC meeting. Management is required to account for delays and non-implementation of projects. Internal Audit attends both meetings. Comments from members of both Committees are submitted to Council.</p>
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## CHAPTER 4

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

#### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year -1	Year 0			
	Employees No	Approved posts No	Employees No	Vacancies No	Vacancies %
Water and Sanitation	2	2	2	None	None
Housing	4	4	4	None	None
Roads and Transport	1	1	0	1	100%
Planning	3	4	3	1	25%
Local Economic Development	6	8	6	2	25%
Environment Protection	4	4	4	None	None
Corporate Policy and other	21	22	21	1	5%
Disaster Management /Fire	13	13	13	None	None
Office of Municipal Manager	11	10	10	None	None
Finance	26	24	24	None	None
Infrastructure Services	6	4	4	None	None
<b>Totals</b>	<b>97</b>	<b>96</b>	<b>91</b>	<b>5</b>	<b>5%</b>

<b>Vacancy rate: Year 0</b>			
<b>Designations</b>	<b>Total approved posts</b>	<b>Vacancies</b>	<b>Vacancies</b>
	<b>No</b>	<b>No</b>	<b>%</b>
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excl Finance posts)	2	0	0
Other S57 Managers (Finance posts)	0	0	0
Police officers	N/A	N/A	0
Fire fighters	1	0	0
Senior Management levels 13 – 15 (excl Finance posts)	13	0	0
Senior Management levels 13 – 15 ( Finance posts)	1	0	0
Highly skilled supervisors level 9-12 (excl Finance posts)	15	0	0
Highly skilled supervisors level 9-12 (Finance posts)	8	0	0
<b>Total</b>	<b>42</b>	<b>0</b>	<b>0</b>

**COMMENT ON VACANCIES AND TURNOVER:**

Section 54A and Section 56 Managers were appointed in 2011/2012 and the posts are still occupied. Vacancies primarily arise when officials apply for positions in higher paid posts in other municipalities. CDM had no challenges in respect of labour turnover.

**COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**

**INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**

Over the course of the year, the CDM developed and updated several policies. These policies are normally canvassed firstly at the Local Labour Forum and then submitted via the Mayoral Committee to Council.

All staff have subsequently received copies of the policies.

## 4.2 POLICIES

HR Policies and Plans				
	Name of policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
1	Affirmative Action	100% - part of Employment Equity Plan	Currently	August 2010
2	Staff Attraction and Retention	N/A	N/A	Looking for best practices to develop
3	Code of conduct for employees	100%	No	
4	Delegation of authority and responsibilities	100%	Currently	Last review 2007
5	Disciplinary Code and Procedures	100%	Currently at SALGBC	July 2010
6	Essential Services	100%	To be reviewed 2015	May 2012
7	Employment Equity	100%	Currently	August 2010
8	Exit Management	Not applicable		Only procedure adopted not policy
9	Grievance Procedure	100%	Currently at SALGBC	July 2010
10	HIV and AIDS	100%	Not applicable	June 2012
11	Human Resources Development	100%	Not applicable	May 2013
12	Information Technology	Not applicable [Finance]	Not applicable [Finance]	Not applicable [Finance]
13	Job Evaluation	100%	Not applicable	October 2012
14	Employee Wellness	100%	Not applicable	June 2012
15	Leave	100%	Not applicable	July 2014

16	Occupational Health and Safety	Not applicable [Environmental Health]	Not applicable [Environmental Health]	Not applicable [Environmental Health]
17	Official Housing	Not applicable – our environment does not allow that	Only housing subsidy adopted from SALGBC procedure	Only housing subsidy adopted from SALGBC procedure
18	Official Journey	100% - Part of the Travelling Allowance	Not applicable	June 2012
19	Official transport to attend funerals	100%	Not applicable	July 2014
20	Official working time and overtime	100%	Determined and adopted from the SALGBC and	July 2010
21	Organisational rights	100%	Currently at SALGBC	July 2010
22	Payroll deductions	100%	Not applicable – part of the Finance budget policy which is reviewed annually with IDP	
23	Performance Management and Development	100%	Currently to incorporate incentives at lower levels	June 2010
24	Recruitment and selection	100%	Not applicable	May 2013
25	Remuneration scales and allowances Resettlement sexual Harassment	Not applicable – our environment does not allow that		

26	Skills Development	100%	Not applicable	June 2011
27	Smoking	100%	Not applicable	
28	Special Skills	Not Applicable	Not applicable	Looking for best practices and to develop own
29	Work organisation	Not Applicable	Not applicable	Looking for best practices and to develop own
30	Uniforms and Protective Clothing	Not applicable	Not applicable	Do not have staff that requires uniform

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

No incidents of injury on duty during the year under review.

Number of days and cost of Sick Leave (excl Injuries on duty)						
Category	Total sick leave days	Proportion of sick leave w/out medical certification	Employees using sick leave	Total employees in post	Average sick leave per employee	Estimated cost
Professionally qualified and experienced	50	14	6	9	5.56	R105703.06
Semi-skilled and discretionary decision	288	31	32	43	6.7	R188936.77
Senior management	16	19	5	8	2	R36069.36
Skilled technical and academically qualified	210	25	30	37	5.68	R257038.45
Top management	5	0	1	1	5	R16452.96
Unskilled and defined decision making	23	20	3	3	13	R11661.46

**Number and period of suspensions**

<b>Position</b>	<b>Nature of misconduct</b>	<b>Date suspension</b>	<b>Details of disciplinary hearing</b>	<b>Details of disciplinary</b>	<b>Date Finalised</b>
<b>Manager: Finance</b>	<p>Failure to disclose information on Annual Report.</p> <p>Failure to disclose business interest of partner with the Municipality.</p>	08/03/2013	Employee charged for misconduct	<ul style="list-style-type: none"> <li>• Charges Dereliction of duty</li> <li>• Failure to disclose information on AFS</li> <li>• Gross Dishonest</li> <li>• Contravene with Code of Conduct</li> </ul>	20/01/2014
<b>Manager: Disaster Management</b>	<p>Contravening Supply Chain Management policy</p> <p>Failure to ensure goods procured were delivered to intended local municipalities</p>	23 May 2012	Employee charged for misconduct	<ul style="list-style-type: none"> <li>• Gross dishonesty</li> <li>• Gross negligence</li> <li>• Dereliction of duty</li> </ul>	March 2014
<b>Senior Buyer</b>	<p>Contravening Supply Chain Management policy</p> <p>Failure to ensure goods procured were delivered to intended local municipalities</p>	30 June 2012	Employee charged for misconduct	<ul style="list-style-type: none"> <li>• Gross dishonesty</li> <li>• Gross negligence</li> <li>• Dereliction of duty</li> <li>• Fraud</li> <li>• Contravening of Municipal employee code of Conduct</li> </ul>	Resigned December 2012

**Disciplinary action taken on cases of financial misconduct**

<b>Position</b>	<b>Nature of alleged misconduct and rand value of any loss</b>	<b>Disciplinary action taken</b>	<b>Details of disciplinary Date Finalised</b>
<b>Manager: Finance</b>	There was no financial loss because goods procured were received by Council.	Employee charged for: <ul style="list-style-type: none"> <li>• Dereliction of duty</li> <li>• Failure to disclose spouse business interest</li> <li>• Gross Dishonest</li> <li>• Contravene with Municipal employee Code of Conduct</li> </ul>	20/ 01/ 2014 However, employee was acquitted of the charges Still on suspension pending another case emanating from a different report Processes to finalise such case are under way.
<b>Manager: Disaster Management</b>	Council's financial loss is estimated at R262 000.00 Monies are currently been recovered from the employee	<ul style="list-style-type: none"> <li>• Dereliction of duty</li> <li>• Gross Dishonest</li> <li>• Gross negligence</li> <li>• Contravene with Municipal employee Code of Conduct</li> </ul>	March 2014
<b>HOD: Disaster Management</b>	Financial loss was incurred But could not be quantified	<ul style="list-style-type: none"> <li>• Contravening Supply Chain Management policy</li> <li>• Failure to verify if purchased goods were correctly accounted for and in good conditions prior payment to service provider</li> <li>• Failure to ensure goods procured were delivered to intended local municipalities</li> </ul>	October 2013 Case dismissed on technical basis



## 4.4 PERFORMANCE REWARDS

Performance Awards by Gender					
Designations	Beneficiary Profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within group
MM and S57	Female				
	Male	4	2	R110 091	50%
<i>Has the statutory municipal calculator been used as part of the evaluation process?</i>					

### COMMENT ON PERFORMANCE AWARDS

Only the Municipal Manager and one Department Head received performance rewards during the year under review.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

- CDM has a Skills Development Programme policy which ensures that all employees are trained through an annual approved Workplace Skills Plan.
- Individual profiles are drawn and skills and knowledge gaps are identified on an annual basis against Council broader objectives in order to train employees.
- A budget of about R1m is set aside for training of employees in soft skills, full academic qualification, work related training etc;
- In addition CDM provides study assistance to an employee who wishes to study part time and improve their qualifications at various universities and colleges.
- CDM participates in SALGA education programmes that capacitate employees in their specific field of work.
- Directors and Senior Managers are sent to training programmes which enables them to obtain competency qualifications as prescribed by National Treasury.

## 4.5 SKILLS DEVELOPMENT AND TRAINING

### Skills Programs

NO	COURSE	TOTAL NO BENEFITED
1	ITL FOUNDATION	3
2	COMPUTER TRAINING	2
3	ASSESSOR	3
4	MODERATOR	3
5	SKILLS DEVELOPMENT FACILITATION	2
6	TRAIN THE TRAINER	5
7	FIRE INSTRUCTOR	1
8	ROAD CONSTRUCTION	80
9	CCN4	1
10	CONFLICT MANAGEMENT	30
11	SPEED READING AND MEMORY TRAINING	25
12	FIRST AID TRAINING	11

### MUNICIPAL FINANCE MANAGEMENT PROGRAM - 18-OFFICIALS

#### FULL QUALIFICATION

QUALIFICATION	TOTAL NO BENEFITED	INSTITUTION
DIPLOMA: ADMINISTRATIVE MANAGEMENT	1	UNISA
DIPLOMA: HUMAN RESOURCE MANAGEMENT	1	NMMU
MASTERS: PUBLIC INFRASTRUCTURE	1	UP
DIPLOMA: MANAGEMENT	1	NMMU
MASTERS: DEVELOPMENT STUDIES	1	NMMU
BTECH: ENVIRONMENTAL HEALTH	1	NMMU
CERTIFICATE LABOUR LAW	1	NMMU

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

Financial Competency Development: Progress report						
Description	A.Total number of officials employed by municipality	B.Total number of officials employed by municipal entities	Consolidated : Total of A and B	Consolidated competency assessments completed A and B	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 (Reg 14(4)(e4))
<b>Financial Officials</b>						
<i>Accounting officer</i>	1	1	2	-	2	2
<i>CFO</i>	1	-	1	1	1	1
<i>Senior managers</i>	2	-	2	-	2	2
<i>Other</i>	11	-	11	-	11	11
<b>Supply Chain Management officials</b>						
<i>Heads of SCM Units</i>	-	-	-	-	-	-
<i>SCM senior managers</i>	-	-	-	-	-	-
<b>Total</b>	15	1	16	1	16	16

TOTAL SKILLS DEVELOPMENT EXPENDITURE – R988 300

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.6 EMPLOYEE EXPENDITURE

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED

Nil

EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION

Nil

EMPLOYEES APPOINTED TO POSTS NOT APPROVED

Nil

DISCLOSURES OF FINANCIAL INTERESTS

This information is contained in the financial statements.

## CHAPTER 5

### CHAPTER 5 – FINANCIAL PERFORMANCE

See Annual financial statements

## CHAPTER 6

### CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Awaiting AG report

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees allocated and Council attendance					
Council members	Full time/Part time FT/PT	Committees allocated	Local Municipality/ Party represented	% Council meetings attended	% apologies for non-attendance
De Vos D W S	FT	Rules Committee	ANC	100%	N/A
Kekana K E (Ms)	FT	Rules Committee	ANC	100%	N/A
Bezuidenhout D J	PT		Baviaans	100%	N/A
Manxoweni B	PT	MPAC	Blue Crane	100%	N/A
Booyesen A	PT	MPAC	Camdeboo	100%	N/A
Knott-Craig A R	PT		Camdeboo	100%	N/A
Mngwevu S A	PT	MPAC, Budget Steering Committee	Ikwezi	37%	13%
Baxter F (Ms)	PT		Kouga	75%	25%
Camealio-Benjamin V A (Ms)	PT		Kouga	100%	N/A
Stuurman V S	PT	Budget Steering Committee	Kouga	100%	N/A
Reeders C (Ms)	PT		Koukamma	100%	N/A
Mntambo E N (Ms)	PT		Koukamma	50%	0%
Reynolds L M	PT		Makana	87%	13%
Wells J C (Ms)	PT	Budget Steering Committee	Makana	75%	13%
Ngeleza T C (Ms)	PT		Makana	62%	0%
Faxi P P	PT		Ndlambe	100%	N/A
Guest J (Ms)	PT		Ndlambe	62%	38%
Ncamiso K C (Mrs)	PT	MPAC, Remuneration Committee	Ndlambe	62%	13%

<b>Councillors, Committees allocated and Council attendance</b>					
<b>Council members</b>	<b>Full time/Part time FT/PT</b>	<b>Committees allocated</b>	<b>Local Municipality/ Party represented</b>	<b>% Council meetings attended</b>	<b>% apologies for non-attendance</b>
Lose Z A	PT		Sundays River	100%	N/A
Rune S H	PT		Sundays River	100%	N/A
Lucas S	PT	MPAC	ANC	100%	N/A
Balura V M	FT	Mayoral Committee, Remuneration Committee, Relocation Task Team, Rules Committee	ANC	75%	25%
O'Connel N J	FT	Mayoral Committee, Local Labour Forum, Training Committee	ANC	100%	N/A
Pieters N N (Ms)	FT	Mayoral Committee, Local Labour Forum, Budget Steering Committee, Training Committee, Remuneration Committee, Relocation Task Team	ANC	75%	25%
Vanda N (Ms)	FT	Mayoral Committee, Rules Committee	ANC	100%	N/A
Vara Y P (Ms)	FT	Mayoral Committee	ANC	100%	N/A
Gailey R M	PT	MPAC, Budget Steering Committee, Rules Committee	DA	100%	N/A
Goliath E A	PT	MPAC, Remuneration Committee	DA	100%	N/A
Hendricks H M	PT	MPAC	DA	100%	N/A
Nortjé A L	PT	MPAC, Budget Steering Committee	DA	100%	N/A

**NOTE:** *The District Municipality only has a Mayoral Committee. There are no Section 79 Committees.*

*Councillors of the District Municipality serve on District Intergovernmental Forums which include DWIF, District Aids Council, District Health Council etc. These forums meet quarterly and make recommendations to the Mayoral Committee.*

*Some councillors are also serving on various forums and sub-committees set up by Council for special purposes. Details of these committees and forums are contained in Appendix B*



## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

The District Municipality does not have any section 79 Committees.

<b>Committees (other than Mayoral Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of committee</b>
Municipal Public Accounts Committee	Oversight over Executive function
Audit Committee	Oversight of financial reporting and disclosure, review of the work of Internal Audit, the Risk Management System and Performance Management System
Cacadu District Health Council	Oversees all matters pertaining to Primary Health Care and related health functions in the District, eg EMS
Local Labour Forum	Consultation between the employer and employee bodies on all labour relations and HR issues
District Aids Council	Programmes and policies that pertain to combatting the scourge of HIV and Aids
District Wide Infrastructure Forum	Intergovernmental Forum which deals with integrated infrastructure development in the District
Budget Steering Committee	Assists the Executive Mayor to perform her responsibility in terms of section 53 of the MFMA with regard to budget processes and related matters
Training Committee	Training and development of employees
Remuneration Committee	Advise Council on remuneration matters that affect section 54A and 56 managers
Anti-corruption and Fraud Prevention Committee	Develop and review policies and strategies to improve internal control to prevent undesirable practise and to mitigate risks to the institution
Relocation Committee	Relocation of the District Head Office to Kirkwood
Rules Committee	Review the Rules and Orders of Council

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Manager (state title and name)
Finance and Corporate Services	R Lorgat (Acting Manager : Finance)
Finance and Corporate Services	Z Stuurman (Manager : Corporate Services)
Finance and Corporate Services	F Antony (Legal Officer)
Economic Development	D Magxwalisa (Project Manager : LED)
Economic Development	T Mgudlwa (Project Manager : Tourism)
Office of the Municipal Manager	U Daniels (Manager : Capacity Building)
Office of the Municipal Manager	G Terblanche (Senior PMS Officer)
Infrastructure and Planning	M Maqokolo (Town Planner)
Infrastructure and Planning	P Snyman (Water Services Engineer)
Infrastructure and Planning	T Betha (PMU Manager)
Infrastructure and Planning	B Nthutu (Development Planner)
Infrastructure and Planning	M Nohashe (Head : Disaster Management)
Infrastructure and Planning	K Makgoka (Manager : Environmental Health Services)

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function applicable to municipality (Yes / No)	Function applicable to entity (Yes / No)
<b>Constitution Schedule 4 Part B functions</b>		
Air pollution	Yes – part of Municipal Health	No
Building regulations	No	No
Child care facilities	No	No
Electricity and gas reticulation	No	No
Firefighting services	Yes	No
Local tourism	No - District tourism	No
Municipal airports	No	No
Municipal planning	Yes – limited to assistance to local municipalities	No
Municipal health services	Yes	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution or any other law	No but carries out certain infrastructure projects in local municipality areas	No

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function applicable to municipality (Yes / No)</b>	<b>Function applicable to entity (Yes / No)</b>
<b>Constitution Schedule 4 Part B functions</b>		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater management systems in built-up areas	No	No
Trading regulations	No	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	No

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function applicable to municipality (Yes / No)</b>	<b>Function applicable to entity (Yes / No)</b>
<b>Constitution Schedule 4 Part B functions</b>		
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	No	No
Cemeteries, funeral parlours and crematoria	No	No
Cleansing	No	No
Control of public nuisances	No	No
Control of undertakings that sell liquor to the public	No	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	No	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No but carries out Health Inspections as part of the EHS function	No
Local amenities	No	No
Local sport facilities	No	No
Markets	No	No
Municipal abattoirs	No	No
Municipal parks and recreation	No	No
Municipal roads	No	No
Noise pollution	Yes – part of Municipal Health	No
Pounds	No	No

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function applicable to municipality (Yes / No)</b>	<b>Function applicable to entity (Yes / No)</b>
<b>Constitution Schedule 4 Part B functions</b>		
Public places	No	No
Refuse removal, refuse dumps and solid waste disposal	No	No
Street Trading	No	No
Street lighting	No	No
Traffic and parking	No	No

APPENDIX E – WARD REPORTING

Not applicable

APPENDIX F – WARD INFORMATION

Not applicable



APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee recommendations		
Date of meeting	Committee recommendations	Recommendations adopted (enter Yes) If not adopted, provide explanation
24 July 2013	No recommendations	N/A
22 August 2013	No recommendations	N/A
26 November 2013	No recommendations	N/A
23 January 2014	That the three year Internal Audit Plan for 2013/2014 – 2015/2016 be adopted	Yes
19 March 2014	No recommendations	N/A
26 June 2014	That a special Audit Committee meeting be convened in July 2014 to deal with: <ul style="list-style-type: none"> <li>• Supplementary Internal Audit reports</li> <li>• Details of the new IA service provider and handover process</li> </ul>	Yes

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (largest contracts entered into during Year 0)					
Name of service provider	Description of services rendered	Start date of contract	Expiry date of Contract	Project Manager	Contract Value
Impumelelo Computers (Pty) Ltd	APPX financial system support	1 July 2013	31 Dec 2014	Manager : Finance	R2 566 141,85
Rennies Travel	Travel agency services	1 January 2014			
John Skinner Construction	Extension to Waste Water Treatment Works Nieu Bethesda	1 July 2013	30 June 2014	Manager : PMU	R10 834 151,39
Engineering Advice and Services	Road Asset Management System for three year period	1 July 2013	30 June 2014	Manager : PMU	R6 212 000,00
Spring Forest Trading	Construction of a new fire station in Somerset East	1 July 2013	20 June 2014	Manager : PMU	R3 333 528,26

Public Private Partnerships entered into during Year 0 – Nil

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The CDM has only one (1) Municipal Entity – the Cacadu District Development Agency.

Performance of the Municipal Entity is regulated in terms of a service level agreement .

Performance information is not available in the format stipulated in this Appendix.

**APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS**

See Annual Financial Statements

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

See Annual Financial Statements

**APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE**

See Annual Financial Statements

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

See Annual Financial Statements

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

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

See Annual Financial Statements



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

See Annual Financial Statements

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Not applicable

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Not applicable

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not applicable

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

Information not available

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

The District Municipality makes an annual contribution to its Development Agency and this is likely to continue for the next few years as well. The amount is determined by Council during its Budget processes.

Local Municipalities that perform agency functions on behalf of the Municipality also receive an annual allocation from the District Municipality to perform those functions. Refer to 3.19 above.

The District Municipality also contributes financially towards local municipalities in respect of fire services because the local municipalities are appointed as agents to perform certain functions in terms of section 84(1)(j) of the Municipal Structures Act.

The District Municipality has not provided any loans or grants to outside organisations.

The Executive Mayor may assist needy organisations by purchasing certain requirements, for example, for impoverished schools and sporting bodies.

## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Not relevant to the CDM

*This type of information is more pertinent to local municipalities, especially with regard to basic services and ward committees.*

VOLUME II: ANNUAL FINANCIAL STATEMENTS – See separate document presented  
herewith

Concerning T 3.25.2

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

T 3.25.2.1

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. T