
Overberg District Municipality

Annual Report

2013/2014



Draft

2nd Edition

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To be completed



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1.1 MUNICIPAL MANAGER'S OVERVIEW

To be completed



1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Overberg District Municipality (ODM) is situated in the south of the Western Cape and borders the Indian and Atlantic Oceans to the south, and Cape Town, Cape Winelands and Eden to the west, north and east respectively, with its head office in Bredasdorp.

The region comprises an area of over 12 240 km² with demarcated wards, totaling a population of 258 176 people.

The District is divided into four local municipalities, namely Theewaterskloof, Overstrand, Cape Agulhas and Swellendam.

Theewaterskloof Local Municipality with its headquarters in Caledon includes Genadendal, Grabouw, Villiersdorp, Greyton, Bot River and Riviersonderend. Agricultural activities include wheat production, stock farming and fruit production.

Overstrand Local Municipality with its headquarters in Hermanus includes Gansbaai, Stanford, Kleinmond, Hawston, Rooi Els, Pringle Bay, Hangklip, Onrus, Vermont, Sandbaai, De Kelders, Kleinbaai, Franskraal, Pearly Beach and Baardskeerdersbos. The area is mainly known as a tourism and holiday destination and is well known for its small fishing communities.

Cape Agulhas Municipality with its headquarters in Bredasdorp includes Arniston (Waenhuiskrans), Struisbaai, L'Agulhas, Suiderstrand, Napier and Elim. Agricultural activities include wheat production, stock farming and small fishing communities. The area is also known as a holiday destination with the southernmost point of Africa at L'Agulhas.

Swellendam Local Municipality with its headquarters in Swellendam includes Suurbraak, Buffeljagsrivier and Barrydale. Agricultural activities include wheat production and stock farming.

Basic Services

The District has no households and the functions of water, sanitation, electricity, refuse and housing, etc. are delivered by the local municipalities. The municipality maintains 430 km asphalt and 3200 km gravel roads as an agent function for the Provincial Department of Transport and Public Works in the Overberg area. The ODM executes the nine functions of the Municipal Health Act, 2003, in the district, which has a direct impact on the residents of the area. The ODM manages a regional waste management site, which services Overstrand and Theewaterskloof area.

Population

According to the 2011 Census, the Overberg District is home to 258 176 people and accounts for 4.43% of the Western Cape Population. The density is 21.1 inhabitants / km².

The total number of **households** within the municipal area increased from 60 057 in the 2007 Community Survey to 77196 in the 2011 Census. Households are defined as all structures in both formal and informal areas.

Age Distribution

The population can be classified into three main groups, namely: children (0 – 14 years); economically active population (15 - 64 years); and persons aged 65 years and older.

In 2001, the population composition was as follows: Children at 26.7%, economically active population at 66.6% and persons aged 65 and older at 6.8% of the population.

In 2007, the population was 25.4% children, 65% economically active and 8.1% persons aged 65 and older.

In 2011, the population is 24.1% children, 59.9% economically active and 13.9% aged 65 and older.

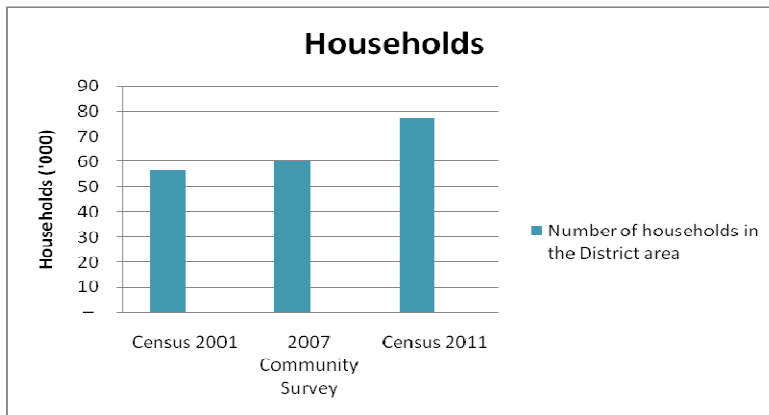
Gender

According to the 2011 Census 50.5% of the population in the Overberg is male and 49.5% female.



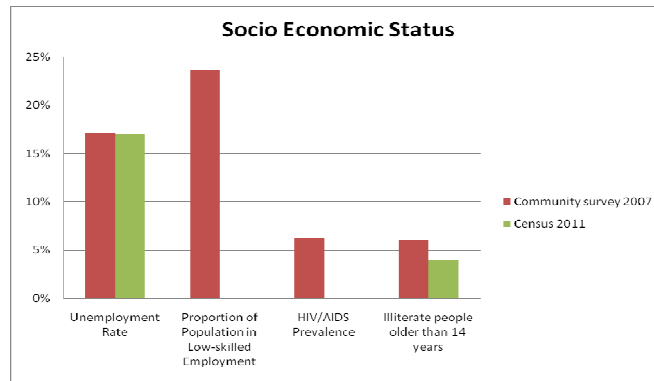
Population Details of Overberg District									
Age	Population '000								
	Census 2001			Community Survey 2007			Census 2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	9	9	18	10	8	18	11	11	22
Age: 5 - 9	9	9	18	10	10	20	10	10	20
Age: 10 - 19	18	18	35	16	18	34	20	20	40
Age: 20 - 29	19	17	36	18	17	35	25	23	48
Age: 30 - 39	16	16	33	17	17	33	20	19	39
Age: 40 - 49	12	12	24	13	14	28	17	17	34
Age: 50 - 59	8	12	20	10	10	19	12	12	24
Age: 60 - 69	6	6	12	7	8	15	8	9	17
Age: 70+	5	4	8	4	6	10	6	8	14

Source: Statistics SA



Socio Economic Status				
Year	Unemployment Rate	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Community survey 2007	17%	24%	6%	6%
Census 2011	17%	*24%	*6%	4%
Stats SA	* 2011 figures not available, refer to Community Survey 2007			





Overview of Local Municipalities in the District

Information regarding the number of **Settlement Type, Household and Population, etc.**, can be obtained from the annual reports of the following Local Municipalities in the District.

- Theewaterskloof
- Overstrand
- Cape Agulhas
- Swellendam

Natural Resources	
Major Natural Resource	Relevance to Community
Wheat production	Economic and job creation
Fruit production	Economic and job creation
Stock farming	Economic and job creation
Wine production	Economic and job creation
Tourism	Economic and job creation
Fishing	Economic and job creation
Fynbos	Export of flowers contributes to the economy and job creation in the district

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Access to basic services has a considerable influence on the standard of living and quality of life of people and is also a key government priority.

The focus of the Overberg District Municipality on service delivery is different from those of the Local Municipalities, which are responsible for electricity, water, sanitation and waste collection of the households in their respective areas. For information on basic service delivery, see annual reports of the Local Municipalities in the district.

The Overberg District Municipality is responsible for maintaining the roads network in the district, whilst streets are the responsibility of the local municipalities. Roads are the lifelines of any economy and an effective and well-maintained road network improves socio-economic conditions of the people living in rural areas.

Municipal Health is executed in terms of the National Health Act (Act 61 of 2003) to provide and facilitate comprehensive, pro-active and needs-related services to ensure a safe and healthy environment thereby preventing and eliminating sources of diseases.



CHAPTER 1

The municipality renders a fire and disaster management service in the municipal area of Swellendam, Theewaterskloof and Cape Agulhas and works on an agreement basis in the Overstrand area when necessary.

The municipality continuously promotes sustainable development by means of commenting on various development applications regarding environmental issues such as biodiversity conservation, coastal management and solid waste management. The municipality is experiencing problems in delivering the function of solid waste management due to financial constraints.

Electricity

The main supplier of electricity in the Overberg District is Eskom, which sells electricity to Local Municipalities and also supplies directly to the rural areas. The Municipality recognises the use of renewable energy as a means to generate electricity to supplement Eskom's need to increase natural energy. A Wind farms was established in the Theewaterskloof Municipal area and other wind farms applications are currently in process to apply for environmental authorisation.

Water

The main sources of water in the Overberg district are boreholes, springs, dams, pools, rivers, streams and rainwater. The Overberg Water Board distributes water to the surrounding and rural areas of Cape Agulhas, Theewaterskloof and Swellendam. Catchments play an important role in the storage and distribution of water in the Overstrand area.

Sanitation

The local municipalities are responsible for the function of sanitation in their respective areas. The 2011 Census highlighted that the Overberg region reflects an improvement in households with access to flush toilets from 84.7% to 92% between the last two Censuses.

Waste collection

The function of waste collection is the responsibility of the Local Municipalities.

1.4 – FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Although the municipality managed to improve its financial position, it continues to experiences serious financial constraints.

Several interactions with role-players during the year to review the equitable share portion that replaced the RSC levies were undertaken. The proposed costing model approach shows positive signs for the future, but will only impact on future financial years. If the costing model or an increase in the allocation or a sustainable own revenue source is not developed and implemented, the financial sustainability of the municipality is uncertain.

Financial Overview - 2013/2014			
	R' 000		
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	91 289	106 146	101 746
Taxes, Levies and tariffs	11 795	11 295	11 363
Other	5 081	6 286	6 944
Sub Total	108 165	123 727	120 054
Less Expenditure	112 034	127 170	122 304
Net Total*	(3 869)	(3 443)	(2 250)
<i>Note: surplus/(deficit)</i>			



Operating Ratios	
Detail	%
Employee Cost	47.5
Repairs & Maintenance	21.6
Finance Charges & Depreciation	2.3

COMMENT ON OPERATING RATIOS

The municipality managed to realise a saving on the operating budget of R 1, 19 million. Government grants amounting to 84.7% of the operating income is very concerning as the municipality has no control over this and if it should be reduced, it would have a serious impact on service delivery.

Employee costs represent 47.5% of total expenditure. This is above the accepted norm of 35%, however certain core functions of the municipality are labour intensive, which has a huge influence on employee costs.

Although repairs and maintenance represent an acceptable percentage of total expenditure, it has to be kept in mind that the roads function performed on an agency basis on behalf of the Western Cape Provincial Administration represent the bulk of this expenditure.

Finance costs represent 2.3% of total expenditure, which is within the acceptable norm.

Total Capital Expenditure: 2011/2012 to 2013/2014			
	R'000		
Detail	2011/2012	2012/2013	2013/2014
Original Budget	1 545	14 839	17692
Adjustment Budget	9 102	1 794	3 226
Actual	328	1445	2 119

COMMENT ON CAPITAL EXPENDITURE

Little capital expenditure was incurred in the past few years. The inability of the municipality to obtain external funding for the expansion of Karwyderskraal Regional Landfill site was the main contributor to this. Furthermore, the financial position of the municipality did not allow for major capital projects.

Essential capital expenditure that needs to be incurred includes the replacement of fire brigade vehicles and the upgrading of infrastructure at the resorts. Properties identified to be sold during the year under review to fund essential capital expenditure. The above figures do not include capital leases.

1.5 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality’s organisational structure consists of the Office of the Municipal Manager, Management Services and Community Services. The Office of the Municipal Manager is responsible for Internal Audit, Communication and Risk Management. The Department Management Services is responsible for the functions of Finance and Corporate; and the Department Community Services is responsible for Roads, Municipal Health, Environmental Management, Resorts and Fire & Disaster Management. The macrostructure consists of a Municipal Manager with two Directors, namely Director Management Services and a Director for Community Services. Ad hoc revisions and amendments to the organisational structure were adopted by Council during the year.



1.6 AUDITOR-GENERAL REPORT

AUDITOR-GENERAL REPORT 2013/2014

To be completed

Financial year	Number of audit findings	Number of findings resolved during audit	Final number of findings
2011/2012	66	7	59
2012/2013	44	3	41
2013/2014	?	?	?

A summary of the classification of audit findings follows:

Classification of finding	No	Comments
Misstatements in financial statements		
Misstatements in annual performance report		
Non-compliance with laws & regulations		
Internal control deficiencies		

An action plan (OPCAR) has been implemented to address unsolved audit findings. All findings will be rectified within the borders or limited resources.

To be completed

1.7 STATUTORY ANNUAL REPORT PROGRESS

No.	Activity	Timeframe
1	Consideration of the 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 feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Municipality submits annual financial statements and performance report to Auditor-General.	August
5	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	
6	Audit/Performance committee considers Performance Report, Financial Statements of municipality	September August
7	Auditor-General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September October
8	Municipalities receive Auditor-General's comments	November
9	Municipalities start to address the Auditor-General's comments	January
10	Mayor tables Annual Report and Audited Financial Statements to Council complete with the Auditor-General's Report	
11	Audited Annual Report is made public and representation is invited	February
12	Oversight Committee assesses Annual Report	March
13	Council adopts Oversight report	
14	Oversight report is made public	March
15	Oversight report is submitted to PT, NT and MEC for Local Government	
16	Commencement of Draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	February



INTRODUCTION TO GOVERNANCE

Good governance is reflected by participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive government that complies with the rule of law. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are being heard in decision-making. Good governance is also responsive to the present and future needs of a municipality.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution states that the Council of a municipality has the right to govern on its own initiative and the local government affairs of the local community.

Council, as political governance, performs both legislative and executive functions and focuses on decision-making to formulate policy and to play an oversight and participatory role.

The Municipal Manager heads the administration and primarily serves as chief custodian of service delivery and implementation of political priorities.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the municipality, the Executive Mayor operates in consultation with the Executive Mayoral Committee. The Council is controlled by a majority political party.

Council also established Section 80 Committees that specializes in specific functional areas of the Municipality. The committees advise on policy matters and make recommendations to the Mayoral Committee or the Council via the Executive Mayoral Committees. The Municipality has 4 Section 80 Committees, viz. Finance, Corporate & IGR, Local Economic Development (LED) & Tourism and Community Services. The Community Services Committee deals with the function of Roads, Resorts, Municipal Health, Environmental Management and Fire & Disaster Management.

The Audit and Performance Audit Committee is an independent advisory body that advises the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality on financial control, risk management, accounting policies, performance management and effective governance. The Municipal Public Account Committee (MPAC) fulfils the duty of an Oversight Committee and comprises non-executive councillors with the specific purpose of providing Council with comments and recommendations on the Annual Report. The Oversight Committee's report is published separately in accordance with the MFMA guidelines. The MPAC Committee also investigates fruitless, wasteful and unauthorized expenditure and makes recommendations to Council.

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.



CHAPTER 2

POLITICAL STRUCTURE



Cllr. Lincoln M de Bruyn
(Executive Mayor)



Cllr. J du Toit Loubser
(Deputy Executive Mayor & Chairperson of Finance Portfolio Committee)



Ald. D du Toit
(Speaker)

EXECUTIVE MAYORAL COMMITTEE



Vacant



Cllr. I Sileku
(Chairperson: LED & Tourism Portfolio Committee)



Cllr. A Franken
(Chairperson: Community Portfolio Committee)



Cllr. K Tiemie
(Chairperson: Corporate & IGR Portfolio Committee)

COUNCILLORS

The Council of the Municipality consists of twenty-one Councillors, of who nine (9) are elected for the district council on a proportional basis by all voters in the area and twelve (12) Councillors who represent the local municipalities. **Appendix A** provides a full list of Councillors, including committee allocations and attendance at council meetings. **Appendix B** sets out committees and committee purposes.

POLITICAL DECISION-MAKING

Political decisions are taken in a formal meeting where all participating political parties in Council have equal opportunity to deliberate the items as per agenda where after a resolution is adopted.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of legislation, the Municipal Manager is the head of administration and accounting officer of the municipality. He must provide guidance to political structures and political office-bearers of the municipality to comply with legislation

The municipal manager is supported by a management team to fulfill the strategic objectives and key performance indicators set by Council. The Municipal Manager was for the greater part of the year assisted by the third level of management and the CFO (Chief Financial Officer) function was outsourced until January 2014. A Director: Management Services appointed with effect from 1 February 2014. The Municipal Manager was suspended during May the previous year, pending an investigation. In the absence of the appointed Municipal Manager the Manager: The Head of Municipal Health (Mr. WA Du Toit) was acting in the position. Mr. D P Beretti was acting as Municipal Manager from November 2014 and appointed as Municipal Manager on 1 June 2014.



TOP ADMINISTRATIVE STRUCTURE



Mr. D P Beretti
(Municipal Manager)

- Directorate Community Services**
- Roads
 - Resorts
 - Environmental Management
 - Municipal Health
 - Fire & Disaster Management



Vacant
(Director: Community Services)



Mr. JCP Tesselaar
(Director: Management Services)

- Directorate Management Services**
- Income, Expenditure & IT
 - SCM
 - Financial Services
 - IDP, LED & Tourism
 - Performance Management
 - Corporate Services
 - Human Resources
 - Records

Appendix C provides the third tier administrative structure.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

A number of intergovernmental structures promote and facilitate co-operative governance and intergovernmental relations between the respective spheres of government. Intergovernmental relations are regulated by the Intergovernmental Relations Framework Act, 1997.

The District Municipality succeeded to develop an Integrated Development Plan (IDP) for the District, which is one of the most important instruments of co-operation between the Provincial Government and Local Government.

The municipality has sound relations with the Department of Transport and Public Works relating to the road agent function delivering on their behalf as well as the Department of Rural Development & Land Reform on the assistance for the revision of the Spatial Development Framework. A Memorandum of Agreement was signed with Department of Environmental Affairs, Development & Planning for the development of a Coastal Management Programme and Western Cape: Depart of Local Government for Aerial support during the fire session.

National Treasury assisted the municipality with its Municipal Finance Improvement Programme as adopted by council and also capacitated the municipality with an advisor until March 2014.

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Participation in national structures took place indirectly through district and provincial intergovernmental structures, for example IDP Managers forum, SALGA, Premiers Co-ordination Forums and District Co-ordination Forum. With these engagements, the District Municipality and Local Municipalities filtered items to national levels to ensure coordination.



CHAPTER 2

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Politicians and management actively participated in the following provincial intergovernmental structures:

Provincial Co-ordination Forum, MinMay, Provincial Health Council, Provincial SDF Forum, Provincial Treasury Forums, MGRO, PPCOM, LG MTEC, Chief Audit Forum, Chief Risk Officers Forum, Chief Financial Officers' Forum, LED Forum, Western Cape Municipal Health Working Group, Provincial Disaster Management Advisory Forum, Provincial Fire Working Groups, Provincial Waste Management Forum, Provincial Estuary Management Task Team, Coastal Committee, Western Cape Air Quality Forum, IDP Indaba, IDP Managers' Forum and various SALGA Working Groups.

Attendance at the above-mentioned IGR forums serves as a platform to enhance co-operative governance, share best practices and seek strategic consensus in addressing national, provincial and local priorities.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

No municipal entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The District Municipality, Local Municipalities and other role players actively take part in the following district intergovernmental structures:

The District coordinating Forum (DCF), DCF Tech, District IDP Managers' Forum, Disaster Management Advisory Forum, IDP LED Managers' Forum incorporating public participation, District Skills Development Forum, District Health Council, Air Quality Officers Forum, Overberg Integrated Conservation Group, District Public Participation & Communication Forum, EPWP Forum and others.

The benefit of the forums is that problems and solutions emanating from it can be utilized to the benefit of the community. The forums give strategic direction and development and also serve as a structured way of communication.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In terms of Section 15 (b) of the Municipal Systems Act a municipality is required to establish and organise its administration to facilitate a culture of accountability among its staff. Section 16 (i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18 (i) (d) requires a municipality to supply its community with information concerning municipal governance, management and development.

The Municipality's vision states that the municipality is ***totally committed to serve the Overberg***. The communities have a right and a responsibility to participate in local government affairs and decision-making, therefore ample provision is made in legislation for communities to exercise their rights in this respect.

Accountability and community participation were enhanced by engagements through media, publication, electronically, and communication tools such as public participation meetings for the IDP and sector plans linked to the IDP. This is further enhanced through other direct engagements with the local municipalities and sectors in the district. In this regard, priority issues from local municipal areas are incorporated into the Integrated Development Plan of the district municipality.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The District's IDP/Budget Process Plan was approved by Council 29 July 2013 and made public on the Municipal website.



CHAPTER 2

As local municipalities in the district serve as the District's Ward Committee System, the IDP/Budget process is communicated and consulted on by way of District IDP structure engagements. One such structure is the District IDP Representative/Public Participation and Communication (IDP Rep/PPComm) Forum, which comprises of role-players from across the District, Western Cape Department of Local Government as well as sector departments. The following District structures also serve as IDP Task Teams of the District IDP Rep/PPComm Forum:

- Overberg Integrated Conservation Group (OICG) was restructured and replaced by five focus groups, namely
 - Municipal Coastal Committee
 - Regional Waste Committee
 - Spatial Planning Committee
 - Air Quality Committee
 - Environmental Project Committee
- Overberg District Disaster Management Advisory Forum
- District Fire Working Group

The quarterly District IDP Rep/PPComm Forum engagements were held on 5 August 2013, 28 October 2013, 5 February 2014 and 19 May 2014 to discuss the IDP and to report on communication activities. Meetings were well attended by all stakeholders. Annual Camp Committee meetings were also held with semi-permanent residents at the Municipality's Resorts.

The Municipality communicated its Performance information to the public by distributing documents for public participation to its Regional Offices, Local Municipalities, Libraries in the district and Municipal website.

Communication mechanisms used by the Overberg District Municipality includes; website, local and regional newspapers, local radio station, notice boards, IGR Forums, posters, pamphlets, awareness campaigns and Local Municipal Liaison Committees.

COMMENTS ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Through public participation, the local municipalities and the community gave valuable inputs and assisted Councillors with decisions on their behalf. It also enhanced co-operative relationships between the district municipality, local municipalities and the community and the identification of their needs.

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



COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is the systems by which municipalities direct and control their functions and relate to the communities.

The municipality succeeded in managing its finance to realize a surplus in cash, by means of monthly monitoring of the MFMA Combined Steering Committee.

2.6 RISK MANAGEMENT

RISK MANAGEMENT

In terms of section 62(1)(c) of the MFMA, the accounting officer of the municipality must take reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

The municipality has a fully functional Internal Audit unit that operates within prescribed norms and standards and conducts risk-based audits, based on an annual risk-based audit plan. These risks are based on findings from the external audit report. Although the municipality adopted a risk management policy during August 2010, a designated risk manager/officer could not be appointed, due to financial constraints. The District Municipality, together with local municipalities, investigate the possibility to appoint a Risk Manager on a shared services basis. The municipality received funds from the Department of Local Government to conduct a risk assessment and a service provider was appointed to assist the municipality to execute a risk assessment and to provide support on the implementation of risk management. An assessment was performed on the strategic risk.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Overberg subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. The municipality is committed to fighting fraudulent behaviour at all levels within the organisation. The Strategy premised on the organisations core ethical values driving the business of the Overberg, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that in practice all municipalities, departments and other business units of the municipality and even external stakeholders must be guided by the Strategy as the point of reference for their conduct in relation to Overberg. In addition to promoting ethical conduct within the municipality, it also intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption.

The Internal Audit Plan has been aligned to incorporate the Municipality's strategic risks, as far as possible and with the limited resources at disposal. The approach followed to identify certain projects was as follows:

- Review of the strategic risks identified by Management and Council; and
- Review of previously issued Internal Audit and Office of the Auditor General's Reports.

Key risk areas and significant findings are also reported quarterly to the Audit and Performance Audit Committee. The Audit and Performance Committee consists of 4 independent qualified persons who report their findings to Council. The Committee initially consisted of only 2 members at the beginning of the financial year, but another 2 members were appointed on 14 October 2013. Fraud declarations were issued monthly in terms of section 3 of the Prevention and Combating of Corrupt Activities' Act, 2004 by the CFO.

Appendix D – Report of the Audit & Performance Audit Committee. The recommendations of the committee for 2013/2014 are set out at **Appendix E**.

During the year the internal audit department made recommendations in their internal audit reports that were presented to the Audit and Performance Audit Committee. The recommendations were adopted by the committee



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and also escalated and recommended to the accounting officer. The recommendations made were pertaining to the following audit areas:

- Asset Management
- Bank and Cash Management
- Information Technology
- Supply Chain Management
- Year end stock counts
- Performance information/Pre-determined objectives
- Revenue, Receivables and Debtors management
- Expenditure Management
- Dora
- Municipal Finance Management Act
- Ad-Hoc audits

Notes: See Chapter 4 for details of Disciplinary Action taken in cases of financial mismanagement. MSA 2000 S83(c) requires providers to be chosen through a process that minimises the possibility of fraud and corruption.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The council approved a Supply Chain Management policy. Reports on the implementation of the Supply Chain Management policy are submitted monthly to the accounting officer and quarterly to the Mayor. The quarterly and annual reports are available on the municipal website.

The Procurement Processes is as follows:

- Specification (development and approval of specification to procure)
- Advertising
- Evaluation (Evaluate all bids)
- Adjudication (Award); and
- Contract Management

Appendix F refers to a list of the five largest contracts that exceed one (1) year and that had a financial implication for Council. Further comments on Supply Chain Management are set out under Financial Performance – Chapter 5 - Component D.

Note: MFMA S110-119; 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 minimise opportunities for fraud and corruption.

2.9 BY-LAWS

BY-LAWS

Note: MSA 2000 Section 11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

COMMENT ON BY-LAW

No new by-laws were promulgated by the municipality, but are in the process to review the current Municipal Health by-law. The municipality is in the process to develop new by-laws for Air Quality and Rules of Order, which will be advertised for public comments in the next financial year.



2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budget and budget-related documents - Annual Budget - Adjustment Budget	Yes	28/05/2013 25/02/2014
All current budget-related policies	Yes	Various dates
The previous annual report 2012/2013	Yes	01/04/2014
The annual report 2013/2014 to be published	-	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2013/2014 and resulting scorecards	Yes	Various dates
All service delivery agreements 2013/2014	Yes	Various dates
All long-term borrowing contracts	Yes	
All supply chain management contracts above R0 value for Year 2013/2014	Yes	Various dates
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 2013/2014	None	07/07/2014
Contracts agreed in 2013/2014 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	None	-
Public-private partnership agreements referred to in section 120 made in 2013/2014	None	-
All quarterly reports tabled in the council in terms of section 52 (d) during 2013/2014	Yes	Various dates

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

All documentation were placed on the website and complies with section 75 of the MFMA.

The municipality does not have computers that can be used by the community for information, but enquiries related to information on the municipality’s website can be logged at our head office or regional offices.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No formal satisfaction survey was conducted for the year under review. We did however; receive positive and negative comments in the performance of normal service delivery functions.



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

INTRODUCTION

The Overberg District Municipality is responsible for the delivery of basic services in terms of:

Solid Waste Disposal Sites • Provincial Roads • Municipal Health • Fire Fighting • Disaster Management
• Environmental Management • Resorts (Tourism) • Local Economic Development • Spatial Planning and Planning on a Regional Basis. The Overberg District Municipality does not provide households with basic services.

Above services are rendered with deliverables against the following strategic objectives:

- To ensure the health and safety of communities and visitors in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health, environmental management and waste disposal services.
- To support the economic drivers of the district by promoting tourism and local economic development and supporting the development of a sustainable district economy to promote youth development, economic growth, build skills, create jobs and eradicate poverty.

COMPONENT A: BASIC SERVICES

The Municipality only provides a function to solid waste. Services in respect of water, electricity, sanitation and housing are provided by Local Municipalities. The function of bulk water distribution in the district area is rendered by Overberg Water Board.

3.1 SOLID WASTE MANAGEMENT

INTRODUCTION TO SOLID WASTE MANAGEMENT

Since January 2012, the Regional Landfill site at Karwyderskraal is not in operation for services to local municipalities, which lead to a negative impact for the municipalities. Operation is limited to stockpiling of building rubble and composting of fruit and garden waste. The site is still managed according to the permit conditions, such as the monitoring of ground and surface water and annual audit.

The Landfill monitoring committee was reinstated on 25 June 2014 to ensure communication with surrounding land owners and key stakeholders.

External funding: Environmental Protection and infrastructure Programme (EPIP) funding was approved by the National Department of Environmental Affairs (DEA) for R10mil. This funding is to be spent on Karwyderskraal in order to make the site operational again (excluding cell development.) The MOA for the Karwyderskraal funding has been signed between the funder DEA and the owning entity ODM. An implementer was appointed by DEA and will be responsible for the role out of the project which will focus on the rehabilitation of the two existing cells.

Lease agreement: The ODM Council approved the leasing of Karwyderskraal Landfill to Overstrand Municipality for a period of nine years and eleven months. Overstrand will take up the responsibility of cell development and management of operations at Karwyderskraal under the permit conditions of the ODM. The ODM will remain the property owner and permit holder and continue to play an oversight role in this regard. The positive outcome of this process is a good example of co-operative governance to ensure service delivery to the communities of the Overberg.

Work streams: A Regional Waste Forum was established in order to promote cooperation between Municipalities in order to improve Waste Management within the region as well as to share best practises and the transferral of knowledge and information. The Regional Waste Forum will also ensure alignment with the Provincial Waste Forum. Members of this forum include the Provincial Department of Environmental Affairs and Development Planning: Waste Management Unit and the designated Waste Management Officers of both the District and four Local Municipalities.

Challenges: It must be mentioned that no Municipal Infrastructure Grant is allocated to finance new infrastructure development, due to the fact that the national MIG office does not recognise the households that are serviced. The



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long term funding of Regional Landfill service is still not resolved. The interim solution under the lease agreement is only addressing the short term and urgent attention needs to be given to regionalisation and funding of capital projects to maintain these services.

Stringent legislative prescription is putting enormous financial constraint on the municipality to meet all minimum requirements regarding landfill liners (containment barriers). This leads to drastic cost increases which need to be recovered from the users of the regional site over a limited period of its life cycle (if serviced by an external loan).

It is also a challenge to appoint dedicated key personnel dealing with Solid Waste Management (Solid Waste Manager as prescribed in section 10(3) of the National Environmental Management: Waste Act of 2008). The organisational structure made provision for such posts, but was not funded. For the interim, the function is performed by the Manager: Environmental Management.

Waste types and volume 2013/2014					
Waste type	Garden	Chipping	Fruit	B/Rubble	Total Tons
Jul-13	1450.5	1302.7	254.1	416.1	3423.40
Aug-13	813	554.8	116.7	320.6	1805.10
Sep-13	477.1	401.3	274.8	293	1446.20
Oct-13	523.9	474.2	159	329	1486.10
Nov-13	671.9	670.6	110.2	306.9	1759.60
Dec-13	400.3	324.9	143.1	371.8	1240.10
Jan-14	909.5	106.1	80.3	559.9	1655.80
Feb-14	829.5	546.3	229.1	580	2184.90
Mar-14	479.1	282.1	5759	256.3	6776.50
Apr-14	13.7	883.5	859.2	993.1	2749.50
May-14	849.1	0	541.3	1077.7	2468.10
Jun-14	20.2	698.7	211	1171	2100.90
Total Tons	7437.8	6245.2	8737.8	6675.4	29096.2

Financial Performance 2013/14: Solid Waste Management Services					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	16	8	8	11	42,16%
Expenditure:					
Employees	364	398	240	213	-46,46%
Repairs and Maintenance	4	25	18	5	-80,28%
Other	1 529	1 724	1 365	1 263	-26,75%
Total Operational Expenditure	1 897	2 147	1 622	1 480	-31,04%
Net Operational Expenditure	1 881	2 139	1 615	1 469	-31,32%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.



Capital Expenditure 2013/14: Solid Waste Management Services					
					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	12 503	2	2	-99,98%	
Karwyderskraal Cell 3	12 500			-100,00%	
Sundry Equipment	3	2	2	-12,64%	2

COMMENT ON SOLID WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Solid waste management had no real performance during the year under review. The facility was closed for normal operations. It will only be re-opened once a third cell has been developed. No external funding could be obtained to date to finance the development of the third cell.

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

District acts as an agent for the Department of Transport and Public Works for the maintenance of proclaimed provincial roads in the district. The local municipalities are responsible for managing roads/streets in their respective towns. The Overberg District Municipality is also responsible for the Integrated Transport Plan for the district.

3.2 ROADS

INTRODUCTION TO ROADS

The Overberg District Municipality (ODM) acts as an agent for the Provincial Department of Transport and Public Works to perform the function on roads. The ODM is responsible to maintain, repair, protect and manage the proclaimed Provincial roads in our area, as identified by the District Road Engineer, in a safe and reliable condition within the legal framework of the various Ordinances, Acts and Regulations. The function is funded in total, by means of a grant from the department which includes the employee cost of the staff in the road section.

The district’s road network is relatively well developed and plays a major role in future economic development in the area. The major access route of the Overberg district is through the N2 road transport link. It runs through the Overberg from Sir Lowry’s Pass through Swellendam. The function of the Roads Division at the ODM is administered by sub-district offices at Swellendam, Bredasdorp and Caledon.

The ODM focuses on normal maintenance, re-gravel and reseal of proclaimed provincial roads consisting of 458 km tar and 3263 km gravel roads.

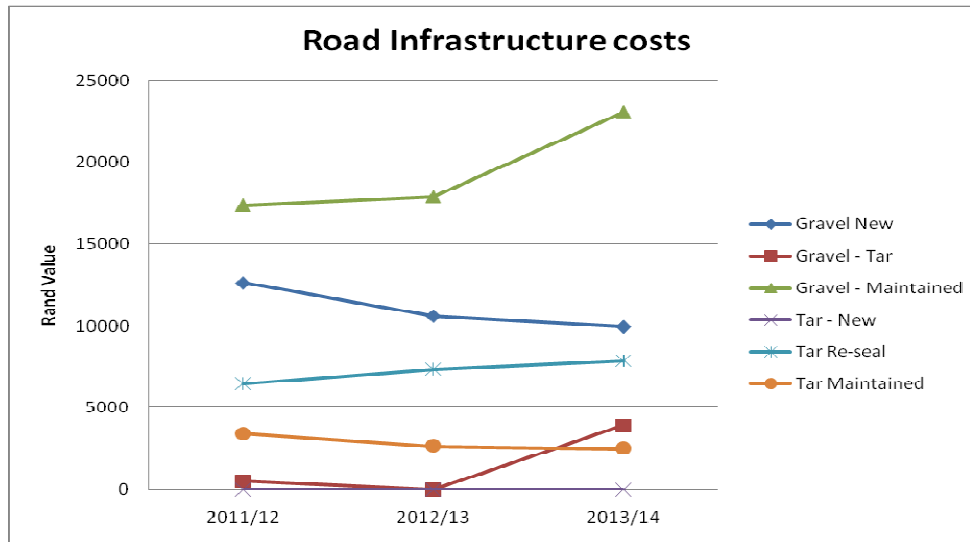
Challenges: The challenges faced by ODM to provide safe and reliable roads were the unpredictable weather of the Overberg District area and insufficient funds.



Gravel Road Infrastructure					
					Kilometres
Financial Year	Total gravel Roads	New gravel roads	Gravel roads upgraded to asphalt	Gravel roads re-gravelled	Gravel roads graded/maintained
2011/12	3200	0	1.01	51.80	3200
2012/13	3200	0	0	58.65	3200
2012/13	3263	0	2.05	42.81	3224.95

Tar Road Infrastructure					
					Kilometres
Financial year	Tar				
	Total tar roads	New tar roads	Existing tar roads re-tarred	Existing as tar roads re-sheeted	Tar roads Maintained
2011/12	430	1.01	35.19	0	431.3
2012/13	431.3	0	37.56	0	431.3
2013/14	458	2.05	28.16	0	460.05

Cost of Roads Infrastructure						
						R'000
Financial year	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-seal	Maintained
2011/12	12,650	530	17,399	0	6,482	3,400
2012/13	10,618	0	17,902	0	7,349	2,664
2013/14	9,987	3,946	23,086	0	7,877	2,502



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Roads Service Objective								
Service Objective <i>Service Indicator</i>	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Ensure health and safety of communities in the Overberg District through the provision of basic service and infrastructure into municipal health, disaster-, environmental management and waste disposal	Number of Kilometre roads a re-gravel iro Roads Agency Function	54km	58.65km	43.13km	42.81km	37.55km	37.55km	37.55km
	Number of kilometre roads grade iro Roads Agency Function	6,000km	6,676.0km	6000km	7432.27	6000km	6000km	6000km
	Number of kilometre roads maintain iro Roads Agency Function	0	0	3685km	3685km			
	Upgrading of DR1300 TWK to permanent surface by 31 March 2014	0	0	2.05km	2.05km			



Employees: Road Services					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	0	0.00%
4 - 6	2	3	2	1	33.33%
7 - 9	12	15	11	4	26.66%
10 - 12	29	50	37	13	26.00%
13 - 15	22	24	18	6	25.00%
16 - 18	94	90	88	2	2.22%
Total	163	186	160	26	13.97%

Financial Performance 2013/14: Road Services					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	41 364	39 778	54 604	50 780	27,66%
Expenditure:					
Employees	13 855	12 161	13 635	15 673	28,88%
Repairs and Maintenance	18 218	14 112	31 640	24 513	73,70%
Other	9 291	13 505	9 329	10 594	-21,55%
Total Operational Expenditure	41 364	39 778	54 604	50 780	27,66%
Net Operational Expenditure					

Variances are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure 2013/14: Road Services					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0

Capital projects on the roads were done by the Provincial Department of Transport and Public Works

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

Capital projects on the roads were done by Department of Transport and Public Works. The Department of Transport and Public Works allocates funds to the Overberg District for which an annual business plan for road maintenance is submitted to the department in line with approved budget.



3.3 TRANSPORT

INTRODUCTION TO TRANSPORT

The Overberg District Municipality is responsible for developing an Integrated Transport Plan for the District as required by the National Land Transport Act, 2009 (Act 5 of 2009) and also for updating this plan as prescribed by the Minimum Requirements. The plan was updated and approved on 29 July 2013.

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Planning and Development function at the Municipality includes Spatial Development Planning, IDP and Local Economic Development. The Municipality is experiencing a lack of human resources to perform its legislative requirements for economic development and spatial development. Functions are performed on a basic level and support was provided by the Provincial Department of Rural Development & Land Reform in respect of the District Spatial Development Framework.

3.4 PLANNING (IDP/LED)

INTRODUCTION TO PLANNING

The Integrated Development Plan (IDP) is regarded as the principle strategic planning instrument that guides and informs all planning and development and all decisions with regard to planning, management and development in the Municipality. The approach to strategic planning that involves the entire District and its citizens is to find the best solution to achieve good long-term development. It aims to co-ordinate the work of Local and other spheres of Government in a coherent plan to improve the quality of life for all people living in an area and should consider the existing conditions and resources available for development.

The District Municipality is responsible for drafting the District IDP Framework Plan, a mechanism to ensure alignment and integration between the IDPs of the District and Local Municipalities in the Overberg District. The 5-year District IDP Framework Plan, together with the IDP/Budget Process Plan was adopted by Council on 30 July 2012.

On 29 April 2013, in accordance with the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), Council approved its 2013/14 IDP Review.

Intergovernmental relations were vastly improved on and enhanced since 2012. The following District IDP structures were established:

- District IDP Steering Committee (IDP SC)
- District IDP Managers' Forum (IDP MF)
- District IDP Representative/Public Participation and Communication (IDP Rep/PPComm) Forum

A Terms of Reference has been approved for each of these IDP structures. Participation has proven to be meaningful and beneficial for the entire District. The District IDP Rep/PPCom Forum also serves as a platform for feedback from District Task Teams.

We are pleased to confirm that the District established healthy relations with various Provincial Sector Departments. Some Sector Departments actively support and participate in the District's IDP structures by sharing and reporting on information regarding programmes and activities rolled out in the Overberg. Just to highlight a few of these Sector Departments:

- Department Human Settlements
- Department Local Government: Communication



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- Department Local Government: Public Participation
- Department Cultural Affairs & Sport
- Department Social Development (MOU to be concluded with the District)
- Department of Agriculture

Supported by DPLG: IDP Directorate & local municipalities in the district and the private sector. The District IDP Rep/PPComm Forum is chaired by the District Municipal Manager. Meetings are held on a quarterly basis and rotate at venues across the District.

A core component of a Municipality's economic, sectoral, spatial, social, institutional and environmental planning is a Spatial Development Framework (SDF). The SDF is a tool to achieve the desired spatial form of the Municipality and is included as a Sector Plan in IDPs.

It was one of the Municipality's goals in 2011/2012 to review the Spatial Development Framework, as it was the first revision of the document since its approval in 2004. A service provider was appointed on behalf of the Municipality by the Department of Rural Development and Land Reform to revise the SDF. The process started in January 2011 and was extended to allow for additional public participation and inputs from the local municipalities. It was collectively agreed between the Overberg District Municipality (ODM) and the four local municipalities to allow for approval of the Draft SDF by the respective local municipalities in order for the ODM to continue with final approval of the revised document. The District SDF was then approved by Council on 24 February 2014.

In December 2013, Province awarded the Overberg District a Certificate of Excellence: Integrated Development Planning: Good Practice: Strong Focus on Performance Management. This is considered quite an achievement, as the District in 2012 was also awarded a Certificate of Excellence: Integrated Development Planning: Good Practice: Intergovernmental and Stakeholder Relations.

Challenges: Responsibilities regarding the Spatial Development are performed by Environmental Management; therefore creating a need for a Spatial Planner.



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Planning Service Objective								
Service Objective <i>Service Indicator</i>	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Support economic drivers of the district by promoting tourism, LED & support development of a sustainable economy to promote youth development, economic growth, skills, create jobs & eradicate poverty	Review and submission of the Spatial Development Framework (SDF) to Council by December 2013	1	0	1	1			
Ensure good governance practices by providing a democratic and pro-active accountable government and encouraging community participation in all public participatory matters of the municipality	Facilitate quarterly district IDP managers' forum meetings	4	6	4	5	4	4	4
	Facilitate the district IDP steering Committee	4	4	4	4	4	4	4
	Facilitate quarterly District IDP rep/PPCOM forum meetings	4	4	4	4	4	4	4



Employees: Planning Services (IDP/LED)					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	0	3	1	2	67.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
Total	1	4	2	2	50.00%

Financial Performance 2013/2014: Planning Services					
					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					0%
Expenditure:					
Employees	955	1 098	988	907	-17,40%
Repairs and Maintenance	1	4	1		-97,80%
Other	192	201	114	85	-57,71%
Total Operational Expenditure	1 148	1 303	1 104	992	-23,83%
Net Operational Expenditure	1 148	1 303	1 104	992	-23,83%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure 2013/14: Planning Services					
					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	210			-100,00%	
Vehicle IDP	190			-100,00%	
Computer Equipment	20			-100,00%	

COMMENT ON THE PERFORMANCE OF PLANNING SERVICES OVERALL

The unit managed to stay within their allocated budget.



3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The District’s Local Economic Development (LED) Strategy was adopted by Council in 2009. The Provincial Department of Economic Development and Tourism (DEDAT) undertook to assist the District with the review of its LED/Tourism Strategy by December 2012. Unfortunately, due to various commitments across the Province, DEDAT was unable to assist within the agreed timeframes.

However, following the IDP Indaba 2 engagements in February 2014, DEDAT once again confirmed their commitment in supporting the District. To this effect, various engagements were held between DEDAT and the District. DEDAT conducted an Overberg LED Maturity Assessment in February 2014, the findings of which showed a substantial improvement compared to the assessment of 2012. The report proved that the District’s political and administrative leadership is committed in supporting and promoting economic development and tourism in the District as a whole.

DEDAT will be rolling out the GENESIS and PACA processes in the District, involving all role-players and the private sector. These processes will assist and inform the development of a District LED/Tourism Strategy.

It is confirmed that the District appointed an LED/Tourism Coordinator on 1 October 2013. The District LED/Tourism Forum was formally established on 22 January 2014 and a Draft Terms of Reference is in place. The Forum comprises of stakeholders from across the District. It was also resolved that the Forum would serve as an advisory body to the DCF Tech LED/Tourism Work stream.

The District ensured alignment of its Strategic Objectives with that of National and Provincial Government:

- Government development objective: Local Economic Development
- Strategic Objective Overberg District Municipality: To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy.
- Key Strategies linked to the Strategic Objective above: (a) business/sector relation plan; (b) operational effectiveness and efficiency of Resorts; (c) formulation and implementation of new LED/Tourism Strategy; (d) promotion and implementation of the EPWP job creation initiative.
- 5-Year Predetermined Development Objectives (PDOs): (a) District Tourism Strategy; (b) District LED Strategy; (c) upgrading of Resorts; and (d) EPWP promotion.

While the Overberg District economy is small, contributing close to 3% of the Western Cape GDP, it has been together with Eden District, one of the fastest growing expanding regions growing at 5.2% per annum, from 2000 to 2011. Agriculture and agro-processing play a key role in the region’s economy. However, it’s not been the source of growth. Light industry, construction and vibrant financial and business services and retail, catering and accommodation activities have been driving the growth in the region (*Municipal Economic Review & Outlook (MERO) 2013*).

The following table depicts the real GDP growth rates of Overberg municipalities across the nine broad sectors:

Industry	TWK	Overstrand	CAM	Swellendam	Overberg
Agriculture, Forestry and Fishing	-0.4	-0.3	1.0	-3.3	-0.7
Mining and Quarrying	-5.4	-7.2	7.1	-8.5	0.1
Manufacturing	5.1	7.5	6.9	9.8	6.7
Electricity, Gas and Water	-0.4	-4.3	2.6	6.1	1.1
Construction	9.8	8.1	10.0	9.2	9.0
Wholesale & Retail Trade, Catering & Accommodation	1.0	4.8	0.6	7.3	3.6
Transport, Storage and Communication	2.8	9.5	0.5	11.1	6.3
Finance, Insurance, Real Estate & Business Services	13.0	10.8	10.6	4.5	11.0
Community, Social and Personal Services	1.3	4.6	6.1	3.7	3.6
General Government	0.0	4.3	6.2	3.2	3.3
Total	3.7	6.8	5.7	4.8	5.2



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The fastest growing municipality was Overstrand (growing by 6.8% p.a., 2000-2011), followed by Cape Agulhas at 5.7%, Swellendam at 4.8% and Theewaterskloof at 3.7%. Theewaterskloof and Overstrand have the largest municipal economies and combined accounted for close to 70% of the region-wide GDP in 2011.

COMMENT ON LOCAL JOB OPPORTUNITIES/EXPANDED PUBLIC WORKS PROGRAMME

The EPWP is aimed at creating 4.5 million work opportunities for unemployed persons, allowing them to participate economically and to contribute to the development of their communities and the country as a whole. For this purpose, Conditional Grant Agreements with the National Department of Public Works are signed by Municipalities to comply with the conditions and obligations of the EPWP Grant.

To compliment the Conditional Grant of R1m, the Overberg District Municipality contributed a further R500 000 of its own funding in an effort to provide more job opportunities. Business Plans were received from all Departments across the Municipality, specifying details of each project with Work Opportunities (WOs) and Full-Time Equivalents (FTEs) to be created during the 2013/14 financial period.

Below follows a breakdown of grant funding received, as well as municipal performance (unaudited) in terms of targets and achievements across the Overberg District for 2013/14:

Municipality	Grant Funding	WOs		FTEs	
		Target	Achieved	Target	Achieved
Overberg DM	1,000,000	145	263	19	66.5
Cape Agulhas	1,000,000	174	667	51	78.6
Overstrand	1,244,000	232	818	77	214
Swellendam	1,000,000	188	478	54	81.4/104
Theewaterskloof	1,000,000	443	103/267	101	18.1/58
Total	5,244,000	1182	2329/2493	302	458.6/521.1

Source: Western Cape Government: Department of Transport and Public Works – Q4 2013/14 (unaudited) data dump 29/07/2014

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

The municipality contributed R50 000 to Cape Agulhas Tourism towards the development of a museum/tourism hub in Napier.



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Local Economic Development Objective								
Service Objective <i>Service Indicator</i>	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Support economic drivers of the district by promoting tourism, LED & support development of a sustainable economy to promote youth development, economic growth, skills, create jobs & eradicate poverty	Create temporary jobs opportunities through the municipality's EPWP projects	115	156	145	170	135	135	135
	Investigate Tourism marketing options by developing a tourism project to promote tourism in the Overberg District by June 2014			1	1			



COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

In terms of legislation, Community & Social Services is not a function of the Overberg District Municipality so therefore the Local Municipalities fulfil the function.

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental protection is managed in terms of section 24 of the Constitution, the National Environmental Management Act, 1998 [Act 107 of 1998 (NEMA)], the Coastal Management Act, 2008 (Act 24 of 2008), the National Environmental Management Waste Act, 2008 (Act 59 of 2008) and the Environmental Management: Air Quality Act, Act, 2004 (Act 39 of 2004). Environmental management is “a purposeful activity with the goal to maintain and improve the state of an environmental resource affected by human activities in the Overberg”.

3.6 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Environmental pollution control is one of the functions of Municipal Health in terms of the National Health Act, 2003 (Act 61 of 2003).

With effect from January 2013 the function of Air Quality Management is performed by the Overberg District Municipality as prescribed by the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004).

The municipality developed an Air Quality By-law for the District for promulgation during the 2014/2015 financial year.

Municipal Health Practitioners dealt with several air pollution complaints such as fumes, smoke, dust, offensive odours and unlicensed facilities.

The Overberg District Municipality is the licensing Authority of Atmospheric Emission Licence (AEL). This licence is issued only to Listed Activity industries according to the National Environmental Management: Air Quality Act, 2004.

The following Atmospheric Emission Licences were issued:

Business	Type of industry	Status	Sub-District	Date issued
P & B Lime	Lime products	*PAEL	Cape Agulhas	2 nd PAEL issued on 9 June 2014 after the review latter took place on 18 and 19 February 2014
Bredasdorp Bricks	Clay Brick manufacturing	*PAEL	Cape Agulhas	25 March 2014
Beukes Bricks	Clay Brick manufacturing	*PAEL	Theewaterskloof	26 March 2014
Bot River Bricks	Clay Brick manufacturing	*PAEL	Overstrand	26 March 2014
Gansbaai Marine	Fish meal production	Extension letter was issued for APPA Certificate to be valid until 31 August 2014	Overstrand	Extension letter issued 31 March 2014

*Provincial Atmospheric Emission Licence (PAEL) - only valid for one (1) year, but also depending on the compliancy of the industry. After a year the PAEL will be reviewed for compliance accordance set conditions, where after a final license will be issued for a five (5) year period.



Challenges:

- The roles and responsibilities between local and district municipalities are not accepted by all municipalities, therefore hampering the implementation of the function.
- Not all local municipalities have appointed Air Quality Officers and therefore hindering communication and accountability.
- A lack of cooperation between various disciplines in local government for e.g. traffic, municipal health, town planning and building control place a burden on the successful implementation of the Act.
- Inadequate financial provision for air quality management by all municipalities within the district.
- The availability of suitably skilled human resources also remains a challenge as well as capacity building of current personnel.
- Town planning and road planning do not always consider the impact of developments on air quality.

3.7 ENVIRONMENTAL MANAGEMENT

INTRODUCTION TO ENVIRONMENTAL MANAGEMENT

The Overberg District Municipality promotes sustainability by means of partnerships; as well as an integrated environmental management approach throughout the Overberg region, and continuously promotes sustainable development by means of commenting on various development applications. It provides environmental input to the Spatial Development Framework and manages environmental datasets for the regional Geographical Information Systems (GIS) database, to ensure that all information is updated and relevant for effective planning and decision-making. The GIS was updated with the latest SDF information.

The Overberg Integrated Conservation Group (OICG) whom is a permanent structure to advise the IDP Representatives' Forum on environmental related matters was transformed into smaller focus work streams. The Environmental Management section took responsibility for the establishment of the Municipal Coastal Committee (MCC) and the Regional Waste Forum (RWF). The MCC has representation of all spheres of government that includes National Department of Environmental Affairs: Ocean & Coast, Department of Agriculture, Forestry and Fisheries, Provincial Department of Environmental Affairs and Development Planning: Coastal Management Unit, all coastal Municipalities in the Overberg, Cape Nature, Agulhas National Parks and all active estuary forums in the Overberg. The MCC strives to enhance communication and co-ordination between role-players as well as alignment with the Provincial Coastal Committee. The municipality still engaged with other local forums or committees that promote sustainable environmental management such as estuary forums, Agulhas National Park forum, Agulhas Biodiversity Initiative stakeholder engagements and Project Advisory Committees for the Working for the Coast Programme.

A service provider was appointed, for the drafting of the Overberg Coastal Management Programme as prescribed by section 48 and 49 of the Integrated Coastal Management Act (ICM Act). The Coastal Management Programme and By-laws will be drafted over a period of three financial years and will be finalised by 2016.

National Department of Environmental Affairs appointed a Control Environmental Officer, stationed at the Overberg District Municipality Office in Bredasdorp, to support the district and the local municipalities in the Overberg Region. An Alien Clearing and Infrastructure Maintenance project was successfully running over the period of November 2013 and February 2014 and creates 48 job opportunities through the municipalities EPWP program.

Staff

The personnel component remains as three full time positions dealing with Waste Management, Environmental Planning, Coastal Management and Geographical Information Systems.



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Environmental Management Objective								
Service Objective <i>Service Indicator</i>	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Ensure health and safety of communities in Overberg District through the provision of basic service and infrastructure to municipal health, disaster-, environmental management and waste disposal	Facilitate the meeting of the Overberg Integrated Conservation Group	5	5	5	5	5	5	5
	Appoint a Service Provider to draft the first phase of the Coastal Management Programme by July 2013			1	1			



Employees: Environmental Management					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	2	2	2	0	0.00%
7 - 9	1	5	1	4	80.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
Total	3	7	3	4	57.14%

Financial Performance 2013/14: Environmental Management					
R'000					
Details	2012/13	2013/2014			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	11		1	1	100,00%
Expenditure:					
Employees	846	938	1 092	1 085	15,65%
Repairs and Maintenance	7	71	45	25	-65,34%
Other	27	75	66	60	-20,01%
Total Operational Expenditure	879	1 084	1 203	1 169	7,88%
Net Operational Expenditure	868	1 084	1 202	1 168	7,79%

Variances are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure 2013/2014: Environmental Management					
R' 000					
Capital Projects	2013/2014				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All		250	227	100,00%	
Vehicle		250	227	100,00%	227

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL MANAGEMENT

Environmental Management managed to stay within their adjustment budget.



COMPONENT F: HEALTH

INTRODUCTION TO HEALTH

In terms of the National Health Act, 2003 the Overberg District Municipality is responsible for the Municipal Health services function in the district.

The service of Municipal Health is rendered from offices in Swellendam, Bredasdorp, Struisbaai, Hermanus, Gansbaai, Caledon, Grabouw and Kleinmond.

3.8 MUNICIPAL HEALTH (HEALTH INSPECTION)

INTRODUCTION TO MUNICIPAL HEALTH (INSPECTIONS, FOOD, ETC.)

In accordance with Section 1 of the National Health Act, municipal health services include:-

- Water quality monitoring
- Food control
- Waste management
- Health surveillance of premises
- Surveillance and prevention of communicable diseases, excluding immunisation
- Vector control
- Environmental pollution control
- Disposal of the dead; and
- Chemical safety.

In order to execute the legal obligations, the Overberg District Municipality: Health Services fulfils its mandate through duly qualified and skilled environmental health practitioners (EHP's). They provide and facilitate comprehensive, pro-active and need-related services to ensure a safe and healthy environment, and thereby preventing and eliminating sources of diseases.

A successful Nutrition education project, namely *Grow with the Garden* was launched at different Crèches in the Overstrand Municipality area. The project was done in collaboration with various stakeholders. The aim of the project was to provide fresh and healthy food at schools, to teach children to identify types of fresh vegetables and their nutritional importance and to promote active participation of children.

According to laboratory results, no indication of cholera was detected in water sample testing. A monitoring programme is in place to ensure compliance with applicable standards.

The Municipal Health by-law was collectively reviewed in corporation with all district municipalities in the Western Cape, Metro, Provincial Department of Health and Cape Peninsula University of Technology. The purpose of the collective review is to standardise the Municipal Health By-Law in the Western Cape. The reviewed by-law will be promulgated in the next financial year.

Challenges: The Municipal Health Services, with its limited human resources and budget, strives to perform its target set. The high cost to deliver the function and the financial position of the Municipality hamper the implementation of the function to its maximum capacity.



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Municipal Health Services Objective								
Service Objective <i>Service Indicator</i>	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Ensure health and safety of communities in Overberg District through the provision of basic service and infrastructure into municipal health, disaster-, environmental management and waste disposal	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended)	344	352	340	393	360	360	360
	Take food samples to monitor the quality of Food into the FCD Act and legislative requirements	240	360	240	332	300	300	300
	Inspect waste management sites wrt generators and couriers of medical waste according to Municipal Health By-law of Council	170	128	150	162	100	100	100
	Conduct surveillance inspections at informal settlements	116	115	132	99			
	Conduct inspections at funeral parlours iro Regulation 237 to monitor the disposal of the dead	40	42	72	74	34	34	34
	Revise Municipal Health By-law by June 2014			1	1			
	Conduct a Nutrition education project by June 2014			1	1			
	Equip Municipal Health Practitioners with beginners Municipal Health Inspection kits by September 2013			16	16			
	Train Municipal Health Practitioners towards Continuing Professional Development (CPD) points by 30 June 2014			16	9			



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Employees: Municipal Health					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0.00%
4 - 6	8	16	10	6	37.50%
7 - 9	9	29	5	24	82.76%
10 - 12	3	5	3	2	40.00%
13 - 15	0	0	0	0	0.00%
16 - 18	1	3	1	2	66.67%
Total	22	54	20	34	62.96%

Financial Performance 2013/14: Municipal Health					
					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	171	251	136	159	-36,65%
Expenditure:					
Employees	9 074	9 548	9 715	9 474	-0,77%
Repairs and Maintenance	3	21	21	9	-56,77%
Other	848	1 073	830	755	-29,64%
Total Operational Expenditure	9 925	10 642	10 566	10 238	-3,79%
Net Operational Expenditure	9 754	10 391	10 430	10 079	-3,00%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure Year 2013/14: Municipal Health					
					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	157	148	145	-7,42%	
Sundry Equipment	78			-100,00%	
Data Projectors	19	10	10	-48,29%	10
Inspection Kits	60	43	43	-27,83%	43
Computer Equipment		14	14	100,00%	
Computer Equipment		80	76	100,00%	76
Sundry Equipment			1	100,00%	1

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, ETC. OVERALL (Municipal Health)

Municipal Health managed to stay within its allocated budget. According to legislation, the service is understaffed and the level of performance is not according to the requirements set in legislation. The current financial position of the



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municipality does not allow this function to appoint additional staff and the level of service will therefore not be able to improve within the near future.

COMPONENT G: SECURITY AND SAFETY

The Overberg District Municipality performs a fire and disaster management function in the district. The functions of Fire and Disaster Management are jointly conducted by the protective services division of the municipality. The functions are controlled from the regional control centre, incorporated into the disaster management centre in Bredasdorp.

3.9 FIRE SERVICES

INTRODUCTION TO FIRE SERVICES

The Overberg District Municipality provides a full fire service as per the Fire Brigade Service Act, 1987 (Act 99 of 1987), to the Cape Agulhas, Theewaterskloof and Swellendam Municipalities. A co-operation agreement exists between Overstrand Municipality and Overberg District Municipality with a very close relationship between the two authorities.

The service responds from the different stations situated in Swellendam, Caledon, Bredasdorp, Grabouw and Villiersdorp. Satellite stations are staffed by volunteers in Greyton, Riviersonderend, Suurbraak, Malgas and Barrydale. Responses to emergency calls in regard to major fires are activated from the control centre and response from the different stations.

The three top priorities for the unit were:

- Reduction of after hour response time;
- Providing enough adequately trained staff to respond to incidents; and
- To ensure the safety of the Overberg communities and visitors during the holiday season.

The District Fire Working Group provide for the association and assembly of persons who have to deal with fires and related incidents such as veld fires, rural/urban interface fires, land management, natural resource management and prescribed burning in the Overberg District. This workgroup met successfully each quarter to discuss matters of importance, of which the establishment of a District wide Fire Prevention Association was the most important.

The district municipality managed to secure aerial support for the district for the five months of the fire season. This was not only used for fires, but also for land and seaward rescue. The fire department procured one medium fire rescue vehicle during the year and will accept delivery in September 2014.

With the limited resources, as a result of the financial constraints experienced by this council, we managed to improve reaction time, and to increase our manpower through partnerships with other organisations such as WoF and the EPWP programme.

Challenges: The biggest challenge facing the department remains our aging vehicle fleet and the lack of funding to replace it fast enough.

Details	2011/2012	2012/2013	
	Actual No	Estimate No	Actual No.
Total fires attended in the year	382	Can't estimate	536
Average turnout time – urban areas	Office hours 7 min, after hours 15 min	7 min	Office hours 7 min, after hours 15 min
Average turnout time – rural areas	15-30 min	15-30 min	15-30 min
Fire fighters in post at year end	35	39	37
Total fire appliances at year end	20	21	20
Average number of appliance off the road during the year	3	5	3



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Fire Services Objective								
Service Objective <i>Service Indicator</i>	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Ensure health and safety of communities in Overberg District through the provision of basic service and infrastructure to municipal health, disaster-, environmental management and waste disposal	Facilitate the quarterly District Fire Working Group meetings	4	4	4	4	4	4	4
	Strive to adhere to SANS 10090:2003 by purchasing fire vehicles to expand the fleet by May 2014	0	0	1	0			
	Secure aerial support service to help with the extinction of fires by December 2013			1	1			
	Develop Fire, Rescue and Disaster Management staff by 30 June 2014			10	17			



Employees: Fire Services					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0.00%
4 - 6	4	2	0	2	100.00%
7 - 9	7	69	15	54	78.26%
10 - 12	22	14	14	0	0.00%
13 - 15	5	5	4	1	20.00%
16 - 18	0	1	1	0	0.00%
Total	39	92	35	57	61.96%

Financial Performance 2013/14: Fire Services					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	123	94	88	123	30,85%
Expenditure:					
Fire fighters	10 709	11 744	12 334	12 192	3,81%
Repairs and Maintenance	991	1 010	951	965	-4,48%
Other	2 638	3 177	2 616	2 841	-10,58%
Total Operational Expenditure	14 338	15 931	15 901	15 997	0,42%
Net Operational Expenditure	14 215	15 837	15 813	15 874	0,24%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure Year 2013/14: Fire Services					
R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 500	1 500	744	-50,40%	
Computer Equipment		50	26	100,00%	26
Rescue/Sundry Equipment		100	63	100,00%	63
Vehicles	1 500	1 350	654	-56,40%	1 305

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

The Fire Brigade slightly over spent on its allocated budget due to floods experienced during the year. Vehicles and equipment utilised by this function are old and outdated and some of the vehicles have been utilised for more than 25 years. The fire department was unable to spend the its full allocation due the delay in the specialised fire fighting vehicle. The finalisation will be part of the 2014/15 rollover budget. Furthermore the function is totally understaffed compared to legislative requirements which has an effect on the performance of this function.



3.10 DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT

Disaster Management is run in the district as per the requirements of the applicable act and framework. The mandatory administrative part of the function, as described in the act, is adhered to as allowed by finances. However, it needs to be noted that Disaster Management is an unfunded mandate, and it is very difficult to fulfil the full function with the limited budget.

The main focuses of the unit are awareness, risk assessment and planned projects, which take place on an ongoing basis. Communities are supported when affected by disasters. The Overberg District *per cé* did not declare any disaster in the year under discussion, but assisted municipalities by facilitating the declaration of a provincial disaster in three of the four municipalities. A Disaster Management Advisory Forum is in place and met as planned. A Disaster Management Plan was updated and presented to council.

A co-operation agreement exists between Overberg and the City of Cape Town for evacuation regarding the Koeberg Nuclear Station. A further agreement exists with the Cape Agulhas Municipality.

Challenges: Disaster Management does not have its own operational budget and relies on the budget of the fire department, which makes the implementation of special Disaster Management Projects impossible. With the limited financial support, the Municipality has a functional Disaster Management Centre.

SERVICE STATISTICS DISASTER MANAGEMENT			
DETAIL	2012/2013	2013/2014	
	Actual No.	Estimate No.	Actual No.
Public awareness campaigns	7	4	5
Emergency evacuation plans	4	4	4
Annual revision of District Disaster Management Framework	1	1	1
Annual Revision of District Disaster Management Plan	1	1	1
Annual Revision of District Risk Assessment	1	1	1

Employees: Disaster Management					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0.00%
4 – 6	0	1	0	1	100.00%
7 - 9	1	4	1	3	75.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
Total	1	5	1	4	80.00%



Financial Performance Year 2013/14: Disaster Management					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	329	375	392	353	-5,94%
Repairs and Maintenance					
Other	4	2	5	5	181,80%
Total Operational Expenditure	334	377	397	357	-5,13%
Net Operational Expenditure	334	377	397	357	-5,13%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure 2013/14: Disaster Management					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<i>No capital expenditure was budgeted or spent for this function</i>					

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL

The Disaster Management section operated within their allocated budget for the year under review.

COMPONENT H: SPORT AND RECREATION

3.11 RESORTS

INTRODUCTION TO RESORTS

The Overberg District Municipality manages three (3) resorts, namely Uilenkraalsmond, Die Dam and Dennehof. Die Dam and Uilenkraalsmond are situated in the south of the Western Cape near Gansbaai, and borders the Indian and Atlantic Oceans to the South. Dennehof Holiday Resort is situated along the banks of the Theewaterskloof dam, near Villiersdorp. Managing these resorts serves to promote tourism development and to optimise the income for the Overberg District Municipality. Dennehof Resort was temporarily closed; pending the upgrading of the infrastructure after Health and Safety hazards was identified.

Several maintenance activities were performed to improve the infra-structure of Die Dam and Uilenkraalsmond resorts, such as upgrading of bungalows, ablution facilities to be more disabled friendly and the installation of v-drains. EPWP projects had been registered to create job opportunities for unemployed people and skills transferral took place during the implementation of these projects.



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Challenges: It remains a challenge to obtain ownership of Uilenkraalsmond and Dennehof resort as the property, on which the resorts are situated, belongs to the National Department of Public Works. The Municipality is in the process of liaising with the Department of Public Works to clarify the management, maintenance and future ownership of the resorts. As a result of the uncertainty of ownership, the entering into new contracts with semi-permanent lessees of Uilenkraalsmond has been outstanding for some time. The municipality is in the process of reviewing the contracts, and has to determine the period for lease. The negotiations with the Department of Public Works are an ongoing process.

Uilenkraalsmond resort was affected by several flash floods between 28/08/2013 and 08/01/2014. Semi-permanent houses were flooded and the roads in the resort were damaged. The Overberg District Municipality and the Overstrand Municipality are in the process of looking for solution to minimize the impact of floods to Uilenkraalsmond resort as it is situated in the boundaries of the Overstrand Municipal area.

The occupancy rate at the resorts (except Dennehof - due to its closure) shows an improvement as indicated in the table below.

Accommodation per year occupied				Day's
Resort	Type of accommodation	Quantity	2012/2013	2013/2014
Uilenkraalsmond	Chalets	40	3925	4676
	Camping Sites	110	3155	3317
	Hall	1	29	28
Die Dam	Chalets	2	341	341
	Camping Sites	83	2209	2416



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Resorts Objective								
Service Objective <i>Service Indicator</i>	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Support economic drivers of the district by promote tourism, LED & support development of a sustainable economy to promote youth development, economic growth, skills, create jobs & eradicate poverty	Report quarterly to Council via the Community Portfolio Committee on complains received vs reservations (Camp site & Bungalows) at the resorts			4	5	4	4	4
	Install electronic access control system at Die Dam and Uilenkraalsmond by 30 June 2014			2	2			
	Execute projects at Die Dam and Uilenkraalsmond as listed in the IDP by 30 June 2014			8	8			



Employees: Resorts					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	1	1	1	0	0.00%
7 - 9	3	3	3	0	0.00%
10 - 12	3	7	3	4	57.14%
13 - 15	2	10	2	8	80.00%
16 - 18	13	24	13	11	45.83%
Total	22	45	22	23	51.11%

Financial Performance 2013/14: Resorts					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	11 905	11 905	11 384	11 483	-3,54%
Expenditure:					
Employees	3 981	3 911	4 112	4 027	2,94%
Repairs and Maintenance	592	636	672	711	11,73%
Other	5 616	5 552	5 685	5 763	3,80%
Total Operational Expenditure	10 189	10 099	10 469	10 500	3,97%
Net Operational Expenditure	(1 716)	(1 806)	(915)	(983)	-45,57%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure 2013/14: Resorts					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	230	249	519	125,65%	
Access Control			91	100,00%	91
Upgrading of Roads			78	100,00%	78
Upgrade Bungalows	35	35		-100,00%	
Upgrade Swimming Beach	50			-100,00%	
Access Control			109	100,00%	109
Jungle Gym			15	100,00%	15
Refrigerators	7	7	7	14,43%	7
Computer Equipment		8	8	100,00%	8
Sundry Equipment		10	8	100,00%	8
Upgrade Bungalows	15	15		-100,00%	
Refrigerators	14	14	38	184,99%	38
Sundry Equipment	60	60	72	19,74%	72
Upgrade Sewerage	50	100	93	86,26%	93



COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

Although this section managed to stay within its allocated budget and realised a surplus for the year under review, the financial position of the municipality does not allow this section to do proper maintenance and renewal of existing facilities. The infrastructure at the resorts is old and has not been maintained due to financial shortages. Little repairs and maintenance are performed at the resorts and this may well lead to serious breakages in the near future.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES, ETC

The corporate policy offices include executive and Council, financial services, human resources, information and communication services, support services, property, legal and risk management, communication and Internal Audit.

3.12 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

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

During the year under review, executive and council strived to address its five year strategic priorities, namely secure financial sustainability; establish managerial and human resource capacity; operational effectiveness and efficiency of resorts; corporate governance audit; optimise stakeholders' management approach; operational effectiveness and efficiency of waste disposal services; business/customer relations plan; and marketing and implementation of mission statement.

The municipality could succeed to close this year with a cash surplus, due to a conservative approach to service delivery.

Council appointed the Municipal Manager and Director Management Services/CFO during the year. The position of Director Community Services is still vacant. The municipality has experienced serious capacity constraints primarily staff and finance, however, a concerted effort has been made to optimise the existing limited capacity to deliver services to a satisfactory level.

Regarding the waste disposal services, Council could not manage the developing of a new cell and the rehabilitation of cell 1 & 2 and had intensive discussions with Theewaterskloof and Overstrand Municipality, whom depend on the service. The municipality are busy with discussions with Overstrand Municipality in the establishment of a third cell. Environmental Protection and infrastructure Programme (EPIP) funding was approved by the National Department of Environmental Affairs (DEA) for R10mil. This funding is to be spent on Karwyderskraal in order to make the site operational again (excluding cell development.) The MOA for the Karwyderskraal funding has been signed between the funder DEA and the owning entity ODM. An implementer was appointed by DEA and will be responsible for the role out of the project which will focus on the rehabilitation of the two existing cells.

Council has reviewed and approved various policies to strengthen the municipality's decision-making and management, for example the language policy, communication policy. Council also reviewed the Rules of Order of Council meetings, which will be promulgated in the next financial year.



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Executive and Council Objective								
Service Objective <i>Service Indicator</i>	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Ensure good governance practices by providing a democratic and pro-active accountable government and encouraging community participation in all public participatory matters of the municipality	Review Rules of Order of Council meetings by June 2014			1	1			4
	Compile a Communication Policy and submit to Council by end June 2014			1	1			
Ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development in order to achieve objectives as per the Performance Management System	To fill posts as identified in the IDP by June 2014			3	3			
Attain financial viability by executing accounting services according to legislation, MFIP, Action plan on AG Report	Manage the administration of the municipality to reduce external audit COMAF's and report December 2013 on the number COMAF's received			40	41			
Attain financial viability by executing accounting services according to legislation, MFIP, Action plan on AG Report	Resolve external audit findings by 30 June 2014	40%	71.95%	65%	86.04%	80%	80%	80%
Ensure good governance practices by providing a democratic and pro-active accountable government and encouraging community participation in all public participatory matters of the municipality	Compile quarterly internal newsletter (Decus Nostrum)			4	4	4	4	4
	Report Bi-annually to Council on communication activities (MCRT)			2	2	2	2	2



Employees: Council					
Job Level	2011/12	2012/2013			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	0	0	0	0	0.00%
7 - 9	0	0	0	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
Total	1	1	1	0	0.00%

Employees: Executive & Office of Municipal Manager					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	3	2	1	33.33%
4 - 6	1	2	1	1	50.00%
7 - 9	1	1	1	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
Total	3	6	4	2	33.33%

Employees: Internal Audit					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	1	1	1	0	0.00%
7 - 9	0	3	1	2	66.67%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
Total	1	4	2	2	50.00%



Financial Performance 2013/14: The Executive and Council					
					R'000
Details	2012/13	2013/2014			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	50 523	54 328	54 886	54 265	-0,12%
Expenditure:					
Employees	3 663	4 993	4 822	5 048	1,10%
Repairs and Maintenance		4			
Other	7 755	10 635	10 565	10 055	-5,45%
Total Operational Expenditure	11 418	15 632	15 387	15 103	-3,39%
Net Operational Expenditure	(39 105)	(38 696)	(39 499)	(39 162)	1,20%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure 2013/14: The Executive and Council					
					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	10	8	100,00%	
Projector	0	10	8	100,00%	8

COMMENTS ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Due to unforeseen impairment executive and council was unable to stay within the allocated budget.

3.13 FINANCIAL SERVICES

INTRODUCTION TO FINANCIAL SERVICES

During the year under review a Director Management Services/Chief Financial Officer and other critical final post ere filled. The remaining critical vacancies were identified and budgeted for as part of the MTREF 2014/2015 – 2016/2017.

Despite the limited non-filling of critical vacancies, all financial activities were performed and up to date, all reports in terms of the MFMA have been submitted, all creditors were paid and financial statements submitted to the Office of the Auditor-General on time.

Council is still budgeting for a deficit due to financial difficulties and constraints; the budget is cash-backed. The municipality however was able to save an amount of R 1 193 232 on the operating budget. All unspent grant funding as at 30 June 2014 is cash-backed.



Debt Recovery								
								R' 000
Details of the types of account raised and recovered	2012/13		2013/14			2014/15		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Electricity, Water & Sanitation	588	100%	243	210	86%	27	26	95%
Refuse	33	613%	28	27	96%	28	27	96%
Other	11,149	96%	8,917	9,275	104%	10,063	9,761	97%



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Financial Services Objective								
Service Objective <i>Service Indicator</i>	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Attain financial viability by executing accounting services according to legislation, MFIP, Action plan on AG Report	Manage the supply chain process of the municipality so that no successful appeals are achieved	0	1	0	1	0	0	0
Attain financial viability by executing accounting services according to legislation, MFIP, Action plan on AG Report	Hold monthly Combined Steering Committee meetings			12	10	12	12	12
Attain financial viability by executing accounting services according to legislation, MFIP, Action plan on AG Report	Capital Budget Actually spend on capital projects by 30 June	0		100%	65.68%	98%	98%	98%



Employees: Financial Services					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	3	2	1	33.33%
4 - 6	1	3	3	0	0.00%
7 - 9	8	10	8	2	20.00%
10 - 12	3	5	3	2	40.00%
13 - 15	0	0	0	0	0.00%
16 - 18	1	1	0	1	100.00%
Total	15	22	16	6	27.27%

Financial Performance Year 2013/14: Financial Services					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6 202	1 801	2 604	3 216	78,57%
Expenditure:					
Employees	5 731	6 801	6 405	6 185	-9,06%
Repairs and Maintenance	111	33	100	96	191,14%
Other	5 325	2 314	3 771	4 201	81,55%
Total Operational Expenditure	11 167	9 148	10 276	10 482	14,58%
Net Operational Expenditure	4 965	7 347	7 672	7 266	-1,10%

Variances are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure Year 2013/14: Financial Services					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	30	165	178	493,33%	
Sundry Equipment		5	4	100,00%	4
Computer Server		60	60	100,00%	60
Computer Equipment	30	100	114	280,12%	114

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

Financial Services managed to stay within its budget.



3.14 INTRODUCTION TO HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resource division of the Overberg District Municipality presides over the following functions and duties:

- Labour Relations;
- Recruitment and Selection;
- Employment Equity;
- Training and Development;
- Occupational Health and Safety;
- Organisational Structure and Job Evaluation;
- Human Resource Administration; and
- Employee Assistance Programme.

The priorities for the past year were to comply with legislation regarding all aspects in Human Resource Management. One new policy was approved by council and another one was reviewed. Seven new policies were developed and are in the process of approval.

Skills Development focused on Financial Competency Development according to the MFMA Competency Regulation and other training.

Interaction and communication with labour/employees were increased through regular LLF meetings and visits by the Human Resources division to offices/workplaces. We also established a Combined Management and Union Forum to improve relationships and be more transparent.

Through the Employee Assistance Programme, the Human Resources division provides an environment that supports effective and efficient service delivery, by taking employees' personal circumstances into account as far as reasonably possible. It is accepted that problems (social, personal, emotional and work-related) may influence work performance and that the employer (ODM) is obliged to provide assistance to promote employees' general health and well-being. ODM acknowledges that any loss in human resources will result in a loss of productivity and service delivery.



Chapter 3

Human Resources Objective								
Service Objective	Outline Service Targets	2012/13		2013/14		Following years		
		Target	Actual	Target	Actual	Target		
Service Indicator		Previous Year		Current Year		2014/2015	2015/2016	2016/2017
Ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development in order to achieve objectives as per the Performance Management System.	Hold monthly Local Labour Forum meetings	12	11	12	12	12	12	12
	Hold quarterly Employment Equity (EE) meetings	4	4	4	4	4	4	4
	Hold quarterly Training Committee meetings	4	4	4	4	4	4	4
	Hold quarterly Occupational Health & Safety (OHS) meetings	4	3	4	4	4	4	4
	Address the Health & Safety needs as specify in the Health & Safety risk assessment			3	4			
	Percentage of municipal budget actually spend on implementing the Workplace Skills Plan by 30 June	1%	0.18%	0.30%	0.36%	0.30%	0.30%	0.30%



Employees: Human Resources					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	1	1	1	0	0.00%
7 - 9	2	4	2	2	50.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
Total	3	5	3	2	40.00%

Financial Performance Year 2013/14: Human Resource Services					
					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	1 231	1 071	1 123	1 094	2,11%
Repairs and Maintenance		2	2		-100,00%
Other	194	261	187	128	-50,75%
Total Operational Expenditure	1 425	1 334	1 311	1 222	-8,37%
Net Operational Expenditure	1 425	1 334	1 311	1 222	-8,37%

Variations are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.

Capital Expenditure Year 2013/14: Human Resource Services					
					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	13	72	15	20,00%	
Computer Equipment	13	17	15	17,37%	15
TASK Programme		55		0%	

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES SERVICES OVERALL

The Human Resources function managed to perform its duties within its allocated budget.



3.15 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT unit is situated in the Income, Expenditure and IT section, and is staffed by two persons. One staff member left the service in December 2013, leaving only one person to serve all the offices of the municipality. The unit is responsible for 110 customers.

The top priorities of the unit are the financial system, e-mail and internet access. No data was lost on the financial system and backups are performed daily. The financial program, performance management and the information management system of roads are maintained by outside organisations.

The unit received numerous requests for support and during liaising regarding the requests, technical problems were identified. The unit started in 2012/13 with the upgrading of the network to reduce problems. Upgrading is completed at our Swellendam and Caledon Offices. New wireless hardware was installed at the Head Office.

Services statistics for ICT Services			
Number of support requests			
2012/13		2013/14	
Requests	Support given	Requests	Support given
318	318	702	680

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The costs of this function are allocated within the financial services of the municipality. The unit performed well and managed to fulfil most of the legislative requirements of this function.

3.16 SUPPORT SERVICES, PROPERTY MANAGEMENT, RISK MANAGEMENT, PERFORMANCE MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO SUPPORT SERVICES, PROPERTY, RISK MANAGEMENT, PERFORMANCE MANAGEMENT AND PROCUREMENT SERVICES

Support Services

Support Services are responsible for committee services, council support, record management, cleaning services, reception services and contract & property management.

Support was given to all Section 80, 79 Committees, Executive Mayoral Committee and all statutory committees of Council.

Properties

Council decided to fund capital projects by selling properties not needed for services delivery.

Legal

The litigation from a landowner for a fire on his property is still pending. Two labour cases of the previous year were finalised and three new labour litigations were made against the municipality, which are pending.

Risk

Risk management is a concern as there is no responsible person to drive the function. Although provision is made for a post of Risk Officer on the Organisational Structure in the office of the Municipal Manager, it is unfunded. The municipality received funds from Department Local Government to conduct a risk assessment and was a service provider appointed to assist the municipality to execute a risk assessment and to provide support on the implementation of risk management. An assessment was performed on the strategic risk.



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Performance Management

The performance Management Unit is responsible for the whole function of Performance Management, which includes the Service Delivery Budget and Implementation Plan (SDBIP) and individual performances. Individual performance agreement was signed with employees up to level 13 and plan to cascade it to the lowest level in the next financial year. The municipality is in the process to review the Performance Management Policy Framework which will be finalised in the next financial year. The unit experienced a challenge with human capacity.

Procurement Services – See Financial Services nr. 3.13

Employees: Support Services					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100.00%
4 - 6	1	1	1	0	0.00%
7 - 9	3	3	2	1	33.33%
10 - 12	3	4	2	2	50.00%
13 - 15	0	1	1	0	0.00%
16 - 18	2	4	3	1	25.00%
Total	9	14	9	5	35.71%

Employees: Performance Management					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0.00%
4 - 6	1	1	1	0	0.00%
7 - 9	0	0	0	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
Total	1	1	1	0	0.00%

Financial Performance 2013/14: Support Services & Performance Management					
					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	15		16	16	100,00%
Expenditure:					
Employees	1 538	1 919	1 898	1 816	-5,37%
Repairs and Maintenance	113	143	190	88	-38,07%
Other	2 623	2 500	2 242	2 077	-16,92%
Total Operational Expenditure	4 274	4 562	4 330	3 981	-12,72%
Net Operational Expenditure	4 259	4 562	4 314	3 965	-13,07%

Variances are calculated by dividing the difference between the Actual and Original Budget by the Original Budget.



Capital Expenditure 2013/14 Support Services & Performance Management					
					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	250	315	282	12,80%	
Archive Equipment	50	9	9	-81,67%	9
Sundry Equipment		10	12	100,00%	12
Trailer		20	9	100,00%	9
Franking Machine		30	26	100,00%	26
Computer Equipment		35	15	100,00%	15
Vehicle	200	211	211	5,42%	211

COMMENT ON THE PERFORMANCE OF SUPPORT SERVICES & PERFORMCE MANAGEMENT OVERALL

Support Services and performance management did manage to perform their functions within its allocated budget.



COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Revised Target	Sep-13					Dec-13					Mar-14					Jun-14					Overall Performance for Sep 2013 to Jun 2014		
							Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R
TL1	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Review Rules of Order of Council meetings by June 2014	Number of Revised Rules of Order submitted to council	Speaker	1	0	0	A		0	0	A		0	0			1	1	G	30/06/2014, Item A63		1	1	G			
TL2	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Create temporary jobs opportunities through the municipality's EPWP projects	Number of job opportunities created for the financial year, ending June 2014	Municipal Manager	145	0	0	N		0	0	N		0	0			145	170	G	170 Job opportunities was created		145	170	G			
TL3	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Perform a risk assessment by March 2014	Number of Risk assessments performed	Municipal Manager	1	0	0	N		0	0	N		1	0		Tender awarded	Appeal period on Tender close April 2014	0	1	B	Strategic Risk Assessment Completed - done on 9 & 10 June 2014		1	1	G		
TL4	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Compile a Communication Policy and submit to council by end June 2014	Number of Communication Policy submitted to Council	Municipal Manager	1	0	0	N		0	0	N		0	1		24/02/2014, Item A16		1	0	R			1	1	G		
TL5	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines	Financial Viability	Manage the supply chain processes of the municipality so that no successful appeals are achieved	Number of successful appeals per annum	Municipal Manager	0	0	1	R	Received appeal in June regarding service provider for printers. Finalise in July.	0	0	G	None received	0	0		No appeals received		0	0	G			0	1	R	Ensure that specifications are stated clearly and SCM committee members receive training	
TL6	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Compile quarterly internal newsletter (Decus Nostrum)	Number of internal newsletter compiled	Municipal Manager	4	1	1	G	30/08/2013	1	1	G	28/11/2013	1	1		28/02/2014		1	1	G	30/05/2014		4	4	G		
TL7	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Report Bi-annually to Council on communication activities (MCRT)	Number of reports submitted per annum	Municipal Manager	2	0	0	N		1	1	G	11/11/2013, Item A109	0	0				1	1	G	26/05/2014, Item A49		2	2	G		
TL8	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines	Financial Viability	Resolve external audit findings by 30 June 2014 (OPCAR)	% of findings resolved (Findings resolved/Findings received)	Municipal Manager	65%	0%	0%	N		0%	0%	N		0%	0%			65%	86,04%	G	37 of 43 resolved		65%	86,04%	G			
TL9	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines	Financial Viability	Manage the administration of the municipality to reduce external audit COMAF's and report December 2013 on the number COMAF's received.	Number of COMAF's received during external Audit on the previous financial year's audit	Municipal Manager	40	0	0	N		40	41	R	Received 41 COMAF's	Review AFS en Audit file by independent service provider	0	0				0	0	N			40	41	R	Review Annual Financial Statements and Audit file by independent service provider and the implementation of a Compliance model



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TL10	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines	Financial Viability	Hold monthly Combined Steering Committee meetings	Number of meetings held per annum	Director: Management Services	12	3	3	29/07/2013 26/08/2013 30/09/2013	3	2	28/10/2013 13/12/2013	Ensure independency from NT advisor.	3	3	27/01/2014, 17/02/2014, 17/03/2014	3	2	No meeting held April 2014 19/05/2014 19/06/2014	IDP/Budget/SDBIP extended calendar to ensure monthly meetings took place.	12	10	Approval of IDP/Budget/SDBIP extended calendar to ensure monthly meetings take place			
TL11	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation and Institutional Development	Percentage of municipal budget actually spend on implementing the Workplace Skills Plan by 30 June 2014	% of budget spent on WSP for the annum (Actual spent on Training/Total Operating Budget)	Director: Management Services	0,30%	0%	0%		0%	0%			0%	0%		0,30%	0,36%	R461361/R1271702		0,30%	0,36%				
TL12	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines	Financial Viability	Capital budget actually spend on capital projects by 30 June 2014	% of capital budget actually spent on capital projects for the annum (Actual spend on capital projects/Total budget)	Municipal Manager	100%	0%	0%						0%	0%		100%	81,65%	R2119366.50/R3226610.00*100	Demand Management Implementation plan	100%	65,68%	Compile Rollover adjustments budget and the implementation of a demand Management Implementation Plan			
TL13	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation and Institutional Development	To fill posts as identified in the IDP by June 2014	Number of post filled	Municipal Manager	3	0	2	Sr. Accountant Chief Clerk			1	1	LED/Tourism Co-ordinator	0	0		2	0			3	3			
TL14	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation and Institutional Development	Hold monthly Local Labour Forum (LLF) meetings	Number of LLF meetings held per annum	Municipal Manager	12	3	3	26/07/2013 28/08/2013 20/09/2013	3	3	5/11/2013 27/11/2013	December meeting was cancelled with mutual agreement between Employee and Trade Unions - No items for agenda (Ref. Collective Agreement).	3	3	30/01/2014 18/02/2014 25/03/2014	3	3	29/04/2014 23/05/2014 24/06/2014		12	12				
TL15	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation and Institutional Development	Hold quarterly Employment Equity (EE) meetings	Number of EE meetings held per annum	Director: Management Services	4	1	1	28/08/2013			1	1	27/11/2013		1	1	25/02/2014		1	1	17/06/2014		4	4	
TL16	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation and Institutional Development	Hold quarterly Training Committee meetings	Number of Training Committee meetings held per annum	Director: Management Services	4	1	1	28/08/2013			1	1	27/11/2013		1	1	25/02/2014		1	1	15/05/2014		4	4	
TL17	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation and Institutional Development	Hold quarterly Occupational Health & Safety (OHS) meetings	Number of OHS meetings held per annum	Director: Management Services	4	1	1	20/09/2013			1	1	11/12/2013		1	0	Meeting scheduled to take place in April 2014.	Meeting scheduled for 15 April 2014	1	2	15/04/2014 17/06/2014		4	4	



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TL18	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Municipal Transformation and Institutional Development	Address the Health & Safety needs as specify in the Health & Safety risk assessment	Number of Health & Safety equipment items purchased by 30 June 2014	Director: Management Services	3	0	0	A		0	0		0	0		3	4	Health & Safety Signs Emergency Alarms Stations Legislation Posters First Aid Kit	3	4	G 2							
TL19	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Facilitate quarterly district IDP managers' forum meetings	Number of meetings held per annum	Director: Management Services	4	1	1	G	05/08/2013		1	1		28/10/2013		1	2	B		4	5	G 2						
TL20	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Facilitate the district IDP steering Committee meetings	Number of meetings held per annum	Director: Management Services	4	1	1	G	29/07/2013		1	1		07/10/2013		1	2	R	27/01/2014 & IDP SC meeting Combined with Special Council Meeting of 31/03/2014	4	4	G						
TL21	To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through existing IDP structures	Good Governance and Community Participation	Facilitate quarterly District IDP rep/PPCOMM forum meetings	Number of meetings held per annum	Director: Management Services	4	1	1	G	05/08/2013		1	1		28/10/2013		1	1	G	05/02/2014		4	4	G					
TL22	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Investigate Tourism marketing options by developing a tourism project to promote tourism in the Overberg District by June 2014	Number of tourism marketing options investigated	Director: Management Services	1	0	0	A			0	0				1	1	G		1	1	G						
TL23	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Facilitate the Overberg Integrated Conservation Group meeting	Number of meetings held per annum	Director: Community Services	5	1	1	G	13/08/2013		1	1		29/10/2013		1	2	G	11/02/2014 OICG split into focus groups accordance to DFTECH meeting. Municipal Coastal Committee will replace OICG dates.	10/04/2014 12/06/2014	5	5	G					
TL24	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Construction of a 3rd waste cell and rehabilitation of cell 1 & 2 by 30 June 2014	% of project completed by June 2014 (Total planned duration vs Actual performance)	Director: Community Services	0%	0%	0%	A			0%	0%				0%	0%	A	No funds could be obtained for the project and was removed from capital projects with Adjustments Budget		0%	0%	A	No funds could be obtained for the project and was removed from capital projects with Adjustments Budget				
TL25	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Review and submission of the Spatial Development Framework (SDF) to council by December 2013	Spatial Development Framework work submitted to council	Director: Community Services	1	0	0	A			1	1		G	SDF was tabled on 11/11/2013, but was referred back to consultants for the incorporation of 8-Municipalities comments.	Submit finale document to February 2014 Council meeting.		0	0	A		0	0	A		1	1	G



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TL26	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Appoint a Service Provider to draft the Coastal Management Programme by July 2013	Number of Service Provider appointed	Director: Community Services	1	1	1	Appeals were received on the first phase of the tender, but was not successful. Provider appointed 30/07/2013 - PD Naidoo and Associates.	0	0	0	0	0	0	0	0	0	0	0	1	1	G
TL27	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Number of KM roads re-gravel Iro Roads Agency Function	Km of roads re-gravelled per quarter	Director: Community Services	43,13	19,22	19,22	19,22 for the quarter	8,91	8,91	8,91	8,91 for the quarter	0,5	2,08	2,08 for the quarter	14,5	12,6	Target not reached due to abnormal wet weather conditions and floods	Could not in advance predict in weather conditions	43,13	42,81	C
TL28	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Number of KM roads grade Iro Roads Agency Function	Km of roads graded per quarter	Director: Community Services	6 000	1 600	1 839,23	1839,23 km more done due to poor quality of roads after heavy rain.	1 500	2 241,29	2241,29 km more done due to poor quality of roads after heavy rain.	1 200	1 799,87	17799,87 km - more done due to poor quality of roads after rain.	1 700	1 551,88	Perform 1151,88 km for the Quarter	Exceed annual target.	6 000	7 432,27	G	
TL29	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Number of KM maintain Iro Roads Agency Function	Km of roads maintained per annum	Director: Community Services	3 685	0	0		0	0	0	0	0	0	0	3 685	3 685	Maintained 3685 km roads for the year.		3 685	3 685	G
TL30	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Upgrading of DR1300 TKW to permanent surface by 31 March 2014	Number of KM upgraded to permanent surface per annum	Director: Community Services	2,05	0	0		0	0	0	0	2,05	2,05	Project completed - 14/03/2014	0	0			2,05	2,05	G
TL31	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	Director: Community Services	340	85	76	July - 12 Aug - 0 Sept - 64 (Staff on leave)	Backlog to be address next quarter	85	114	Oct - 37 Nov - 77 Dec - 0	85	126	January - 80 February - 23 March - 23	85	77	April - 12 May - 60 June - 5		340	393	G
TL32	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Take food samples to monitor the quality of Food Ito the FCD Act and legislative requirements	Number of samples taken per annum	Director: Community Services	240	60	60	July - 0 Aug - 42 Sept - 18		60	102	Oct - 71 Nov - 16 Dec - 15	60	69	Jan - 2 Feb - 58 March - 9	60	101	April 32 May - 58 June - 11		240	332	G



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TL33	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Inspect waste management sites w/rt generators and couriers of medical waste according to Municipal Health By-law of Council	Number of sites inspected per annum	Director: Community Services	150	37	28	July - 12 Aug - 6 Sept - 10 (Staff on leave)	Address backlog next quarter	38	43	Oct - 9 Nov - 18 Dec - 16		37	24	Jan - 6 Feb - 7 March - 11	In the process of rectifying shortcomings	38	67	April - 18 May - 27 June - 22		150	162	
TL34	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Conduct surveillance inspections at informal settlements	Number of sites inspected per annum	Director: Community Services	132	33	22	July - 8 Aug - 8 Sept - 6 (Staff on leave)	Address backlog next quarter	33	31	Oct - 12 Nov - 8 Dec - 11	Address shortcoming during next quarter	33	23	23 for the quarter	In the process of rectifying shortcomings	33	23	April - 5 May - 7 June - 11		132	99	Put actions in place iro Disciplinary /capacity investigation and special programs to meet the target.
TL35	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Conduct inspections at funeral undertakers to secure sound disposal of the dead practices	Number of inspections conducted per annum	Director: Community Services	72	18	17	July - 8 Aug - 2 Sept - 7 (Staff on leave)	Address backlog next quarter	18	20	Oct - 8 Nov - 5 Dec - 20		18	14	14 for the quarter	In the process of rectifying shortcomings	18	23	April - 7 May - 10 June - 6		72	74	
TL36	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Revise Municipal Health By-law by June 2014	Municipal By-law revised	Director: Community Services	1	0	0			0	0			0	0			1	1	Municipal Health By-Law revised		1	1	
TL37	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Conduct a Nutrition education project by June 2014	Number of projects conducted per annum	Director: Community Services	1	0	0			0	0			0	0			1	1	Project Complete - 30/06/2014		1	1	
TL38	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Equip Municipal Health practitioners with beginners Municipal Health Inspection kits by September 2013	Number of staff equipped with inspection kits	Director: Community Services	16	16	0	Request was submitted to SCM	Finalised in October 2013.	0	16	25/11/2013		0	0			0	0			16	16	
TL39	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	Basic Services and Infrastructure	Train Municipal Health Practitioners towards Continuing Professional Development (CPD) points by 30 June 2014	Number of Municipal Health Practitioners trained	Director: Community Services	16	0	0			0	0			0	0			16	9	9 EHP done CPD points	Case to be investigated for different approach for payment	16	9	Case to be investigated



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TL40	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Facilitate quarterly District Fire Working Group meetings	Number of meetings per annum	Director: Community Services	4	1	1	06/09/2013		1	1	28/11/2013		1	1	20/02/2014		1	1	03/06/2014		4	4	G	
TL41	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Strive to adhere to SANS 10090: 2003 by Purchasing fire vehicles to expand the fleet by May 2014	Number of fire vehicles purchased	Director: Community Services	1	0	0			0	0			0	0			1	0	Order placed in April 2014. Delivery date delayed due to from scratch construction of vehicle and building time is 5 month. Paid already for chassis and cab as per tender.	Target transfer to next financial year. Delivery date will be September 2014	1	0	R	Target transfer to the 2014/2015 SDBIP. Implementation of a Demand Management Plan
TL42	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Secure aerial support service to help with the extinction of fires by December 2013	Number of areal support services secured	Director: Community Services	1	0	0			1	1	Signed agreement - 24/10/2013		0	0			0	0			1	1	G	
TL43	To ensure the health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure in terms of disaster management, municipal health and environmental management	Basic Services and Infrastructure	Develop Fire, Rescue and Disaster Management staff by 30 June 2014	Number of Staff trained per annum	Director: Community Services	10	0	0			0	0			0	0			10	17	17 persons received training		10	17	B	
TL44	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Report quarterly to Council via the Community Portfolio Committee on complains received vs reservations (camp site & Bungalows) at resorts	Number of reports submitted to portfolio committee per annum	Director: Community Services	4	1	1			1	0	No Portfolio meeting held during quarter.	Submit to next portfolio meeting scheduled for February 2014.	1	2			1	2	17/04/2014, Item 8.2 30/06/2014, Item 8.2		4	5	G 2	
TL45	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Install electronic access control system at Die Dam and Uilenkraalsmond by 30 June 2014	Number of electronic access control systems installed	Director: Community Services	2	0	0			0	0			0	2			2	0	Installation completed 28 February. Payment for service provider - 4/03/2014. Busy with implementation		2	2	G	
TL46	To promote local economic development by supporting initiatives in the District for the development of a sustainable district economy	Local Economic Development	Execute projects at Die Dam and Uilenkraalsmond as listed in IDP by 30 June 2014	Number of projects completed per annum	Director: Community Services	8	0	0			0	0			0	0			8	8	4 projects at Die Dam 4 Projects at Uilenkraalsmond		8	8	G	



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COMPONENT K: PERFORMANCE ASSESSMENT OF SERVICE PROVIDERS

Performance assessments were done throughout the 2014/2015 financial year on Providers who tendered or quoted on various tenders or quotations, or provided a service or product through other SCM processes (all expenditure above R 30 000).

The following service providers were assessed.

Name of Service Provider	Goods & Services Supply
Komatsu	Repairs to machine
Amasondo	Rental of vehicles
Jeffares & Green (PTY)LTD	Auditing of the Karwyderskraal Regional Landfill Site
TWK Communication CC	Wireless infrastructure-Wireless router and installation at Bredasdorp and Uilenkraalsmond
B&M Garage	Supply and delivery of a 4x4 vehicles
GEOSS	Surface & groundwater monitoring Karwyderskraal Regional Landfill Site
Ignite Advisory Services	SLA-Performance Management System
Mervyn D.L Systems CC	Supply and installation of 3(three) 3m vehicles barriers, access control system & equipment at Die Dam and Uilenkraalsmond
MTN	Cellphone contracts
Heidelberg Electrical Wholesalers CC t/a FC Electrical	Replacing of 15 polystyrene pole mount junction boxes and the repairs of 7 boxes
Overberg Marine	Annual Tender-Item Mechanical Services
Seventh Avenue Trading 612 CC	Supply light delivery vehicle(tipper)
Moov (Ikamva Trust)	Fuel, Oil
Overberg Agri	Fuel
V du Toit	Services at the Ferry
Lithotech	Forms
ProHeat	Repairs and services of boilers and burners
Arina Wilson	Advertisements
Indwe Risk Services	Short term Insurance
Mubeko Africa	Accounting Services
Mervyn D.L Systems CC	Supply and Installation of 3m vehicle barriers, access control system & equipment at Die Dam and Uilenkraalsmond
Easy Mix	Installation of V-Drains Die Dam
High Angel CC	Rope rescue training course
Rocla	Concrete Pipes
Infraset	Concrete Pipes
Erasmus Vervoer	Fuel
Piston Power	Oil and grease
AWV Project Management	Grader blades
Diesel Electric Cape	Filters
OJ Plant Hire	Hire of road implements & Road building material
Uitkyk Diggers	Hire of road implements & Road building material
Annev Construction CC	Hire of road implements
TVM Konstruksie	Hire of road implements



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Afrimat Aggregates	Road building material
Tosas	Bitumen and Bitumen Emulsions
Colas	Bitumen and Bitumen Emulsions
AJ Bandediens	Tyres
HI-Q Bredasdorp	Tyres
Caledon Retreaders	Tyres
Waltons	A4 Paper
Skynet	Courier Services

Results: No service provider's performance rating was poor, and therefore all service providers rendered a good service to the municipality.



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

INTRODUCTION

The Municipality's organisational development function is as follows:

Municipal Manager Office

- Communication
- Risk Management
- Internal Audit

Directorate Management Services

- Income, Expenditure and IT
- Financial Services, IDP/LED and Tourism
- Supply Chain Management
- Performance Management Services
- Human Resources
- Support Services

Directorate Community Services

- Roads (Agency function)
- Municipal Health
- Environmental Management
- Resorts
- Disaster Management and Fire Services

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS; TURNOVER AND VACANCIES

Employees					
Description	2012/2013	2013/2014			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Roads	163	186	160	26	13.97%
Planning (IDP/LED)	1	4	2	2	50.00%
Environmental Management	3	7	3	4	57.14%
Municipal Health	22	54	20	34	62.96%
Fire Services	39	92	35	57	61.96%
Disaster Management	1	5	1	4	80.00%
Resorts	22	45	22	23	51.11%
Council	1	1	1	0	0.00%
Executive & Office of Municipal Manager	3	6	4	2	33.33%
Internal Audit	1	4	2	2	50.00%
Finance	17	22	16	6	27.27%
Human Resources	3	5	3	2	40.00%
Corporate Policy Offices And Other	9	14	9	5	35.71%
Performance Management	1	1	1	0	0.00%
Totals	286	446	279	167	37.00%

Calculation: Employees and Approved posts number at 30 June



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Vacancy Rate 2013/14			
Designations	Total Approved Posts No.	Vacancies on 30 June 2014 No.	Vacancies %
Municipal Manager	1	0	0.00
Other S57 Managers (excluding Finance Posts)	1	1	100.00%
Other S57 Managers – CFO (Finance posts)	1	0	0.00%
Fire fighters	72	45	62.50%
Senior management: Levels 1-3 (excluding Finance Posts)	7	0	0.00%
Senior management: Levels 3 (Finance posts)	3	1	33.33%
Highly skilled supervision: levels 4-6 (excluding Finance posts)	31	12	38.71%
Highly skilled supervision: levels 4-6 (Finance posts)	3	0	0.00%
Totals	119	59	49.58%

Turn-over Rate			
Details	Total Appointments from beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate
2012/2013	18	16	5.59%
2013/2014	5	11	3.94%

Calculation: Terminations/by total number of employees who occupied posts at 30 June

COMMENT ON VACANCIES AND TURNOVER

The positions of Municipal Manager and Director Management Services were filled. Positions that were approved and budgeted for were filled. The reason for the turnover rate experienced was the result of death, retirements and resignations.



COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Local Labour Forum serves as a tool to ensure working relations between the workforce, management and council. The workforce is represented by Trade Union members who serve on various committees. The workforce is also governed by collective agreements. As from this year a Combined Management and Union Forum were established to enhance transparency.

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Employment Equity	100%	100%	November 2013
2	Workplace Skills Plan	100%	100%	April 2014
3	Private work (Employee)	100%	100%	6 October 2006
4	Acting Allowance (payment for additional duties)	100%	100%	30 March 2008
5	HIV/Aids	100%	100%	18 June 2012
6	Smoking	100%	100%	18 June 2012
7	Travelling and Subsistence Policy	100%	100%	18 June 2012
8	Dress Code Policy	100%	100%	18 June 2012
9	Recruitment and Selection Policy	100%	100%	28 September 2012
10	EAP (Employee Assistance Programme)	100%	100%	28 September 2012
11	Task (Job Evaluation)	100%	100%	03 December 2012
12	Cellular Phones and Allowance Policy	100%	100%	19 June 2013
13	Information Technology (Computer)	100%	100%	19 June 2013
15	Promotion Policy for the Fire Department	100%		26 May 2014

COMMENT ON WORKFORCE POLICY DEVELOPMENT

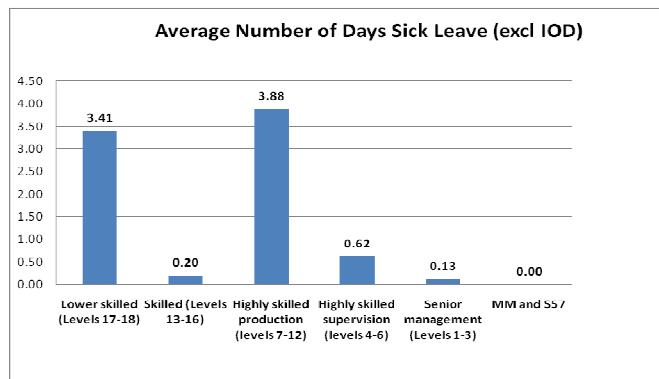
Human Resources policies were developed, which address principles and rules to guide decisions and achieve rational outcomes. Policies assist in both subjective and objective decision making, and also assist senior management with decision making and guide all employees to comply with standards. One new policy was approved.



4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	201	17	6.05%	40.2	80
Temporary total disablement					
Permanent disablement					
Fatal					
Total	201	17	6.05%	40.2	80

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post as at 30 June 2014	Average sick leave per Employee	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 17-18)	950	10%	87	89	3.41	253
Skilled (Levels 13-16)	57	15%	6	42	0.2	17
Highly skilled production (levels 7-12)	1082	10%	89	114	3.88	492
Highly skilled supervision (levels 4-6)	172	12%	20	23	0.62	180
Senior management (Levels 1-3)	35	5%	5	9	0.13	46
MM and S57	0	0%	0	2	0.00	0
Total	2296	9%	207	279	8.23	988



COMMENT ON INJURY AND SICK LEAVE

Sick leave taken by employees has service delivery and cost implications. By monitoring the record for sick leave and leave for injuries on duty, the employer can detect patterns or trends. Corrective actions were taken when necessary.



Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Municipal Manager (Previous)	Misconduct	13 May 2013	Settlement agreement	13 November 2013

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
None			

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS

The Municipality has implemented a performance management system for S57 appointees, as required by Section 52 of the Constitution, Chapter 6 of the MSA and the MFMA. This is in accordance with the Municipal Systems Act, 2000 (Act. 32 of 2000), and Local Government Municipal Performance Regulation, 2006, which require municipalities to adopt a performance management system. After the completion of the annual review of the IDP and the approval of the budget, the municipality drafts the SDBIP in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. Performance Agreements were signed with personnel to level thirteen; assessment is done bi-annually. There is no performance reward/incentive system in place for any employee and no performance rewards were paid to any employee.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of the municipality must also comply with the Skills Development Act, 1998 (Act 81 of 1998), and the Skills Development Levies Act, 1999 (Act 20 of 1999).

Municipal Minimum Competency training receives preference above other training planned. Ten employees is currently busy with ABET training.



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4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2014	Number of skilled employees required and actual as at 30 June 2014											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual 2013	Actual: End of 2014	Target	Actual 2013	Actual: End of 2014	Target	Actual 2013	Actual: End of 2014	Target	Actual: End of 2013	Actual: End of 2014	Target
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	2	0	0	0	1	2	2	1	0	0	2	2	2
Councillors, and Managers	Female	5	0	0	0	1	1	1	3	0	0	4	1	1
	Male	22	0	0	0	5	2	2	4	1	1	9	3	3
Technicians and Trade Workers	Female	1	0	0	0	0	0	0	2	0	0	2	0	0
	Male	8	0	0	0	0	1	1	8	0	0	8	1	1
Professionals and Senior Officials	Female	11	1	0	0	5	5	5	6	3	3	12	8	8
	Male	14	1	1	1	6	2	2	2	1	1	8	4	4
Sub total	Female	17	1	0	0	6	6	6	11	3	3	18	9	9
	Male	46	1	1	1	12	7	7	15	2	2	28	10	10
Total		63	2	2	2	18	13	13	26	5	5	46	19	19



Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	0	1	0
<i>Chief financial officer</i>	1	0	1	0	1	0
<i>Senior managers</i>	1	0	1	1	0	1
<i>Any other financial officials</i>	8	0	8	5	0	5
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	0	1	1	0	1
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL	12	0	12	7	2	7

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

A total amount of R500 000 was allocated for Workplace Skills, of which R461 361 was spent in the financial year. The focus was mainly on the MFMA Competency Regulation. 12 Officials completed the training, while 13 are currently busy with training. Council requested an extension until the 30 September 2015, which was granted.

The ODM reported on its Skills Development Plan to LGSETA on 30 April 2014, and the 2014/2015 plan was submitted to LGSETA

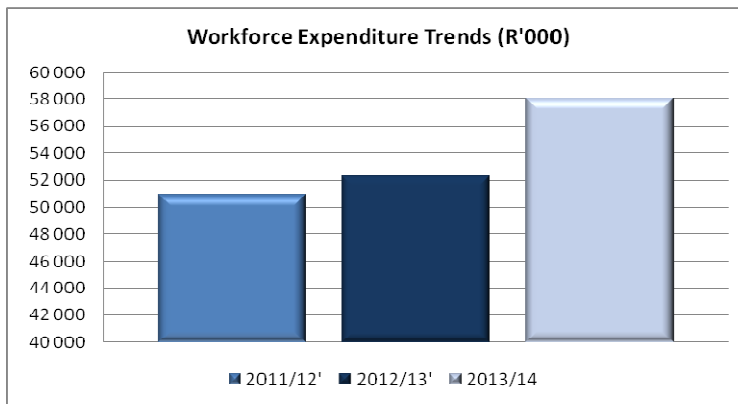


COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The workforce expenditure is controlled by means of an approved staff establishment and a salary budget. The salary structure and increase in workforce expenditure are controlled by Human Resource Policies and Bargaining Council Collective Agreements.

4.6 EMPLOYEE EXPENDITURE



COMMENT ON WORKFORCE EXPENDITURE

The workforce expenditure for the year under review is 47.5% of the total expenditure, which is 12.5% above the norm of 35%. The reason for the high rate is the limited income of the municipality in relation to core functions. The total percentage of employee-related costs decreased despite salary increases as determined by the Bargaining Council. This was solely due to vacancies not being filled, due to the current financial position of the municipality.

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
<i>Lower skilled (Levels 18-17)</i>	<i>Female</i>	<i>0</i>
	<i>Male</i>	<i>0</i>
<i>Skilled (Levels 16-13)</i>	<i>Female</i>	<i>0</i>
	<i>Male</i>	<i>0</i>
<i>Highly skilled production (Levels 7-12)</i>	<i>Female</i>	<i>0</i>
	<i>Male</i>	<i>0</i>
<i>Highly skilled supervision (Levels 4-6)</i>	<i>Female</i>	<i>0</i>
	<i>Male</i>	<i>0</i>
<i>Senior management (Levels 1-3)</i>	<i>Female</i>	<i>0</i>
	<i>Male</i>	<i>0</i>
<i>MM and S 57</i>	<i>Female</i>	<i>0</i>
	<i>Male</i>	<i>0</i>
Total		4



CHAPTER 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation			
Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	N/A

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
None				

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

The municipality did not make any appointments to posts that do not exist on the staff establishment in the 2013/2014 financial year..

DISCLOSURES OF FINANCIAL INTERESTS

Financial disclosures were made by the Municipal Manager, Director Management Services/CFO and Councilors. See **Appendix G**



CHAPTER 5: FINANCIAL PERFORMANCE

INTRODUCTION

Although the municipality’s financial position improved significantly during the year under review, it is still in a precarious position. The cash flow situation of the municipality improved, but the overall situation is still not satisfactory. The liquidity ratios as displayed in this chapter clearly indicate that the financial position is still very poor.

The ratios in fact indicate that there is still serious doubt regarding the going concern assumption of the municipality. Furthermore, the municipality is almost entirely dependent on government grants. No significant source of its own revenue has been developed for district municipalities. The equitable share allocated to the municipality is insufficient to perform the core functions of the municipality at an acceptable level.

The Municipal Health and Fire Brigade functions are totally understaffed according to legislative requirements. Furthermore the vehicles and equipment of the Fire Brigade are old and outdated, and this resulted in several occasions during the year under review where emergency situations could not be addressed within prescribed time frames. This may well in future lead to claims against the municipality, with serious financial implications. Another huge area of concern is the resorts, where the infrastructure has been neglected due to a shortage of funds to perform a proper asset management programme. This may also lead to serious financial implications for the municipality.

Despite all the negative indicators and possible problems that might occur, it is still encouraging to be able to report that the municipality managed to meet all its commitments during the year under review.

This chapter comprises four components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Cash Flow Management and Investment
- Component D: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The Annual Financial Statements of the municipality were drafted according to GRAP as prescribed in the relevant legislation. All new GRAP standards applicable have been implemented. A complete list of all implemented and adopted GRAP standards is included in the municipality’s accounting policy attached below.

Although the statements have been prepared on a going concern assumption, the municipality’s financial position and results raise serious doubt whether this assumption is still applicable to the municipality. It is a known fact that no municipality in the past had to close down because of financial constraints, but all ratios calculated clearly indicate that the financial sustainability of this municipality is at serious risk.

The main reason for the precarious financial position of the municipality is that there no significant own revenue source has been developed or approved for district municipalities. The municipality is almost solely dependent on government grants. Unfortunately these grants did not keep up with the inflation rate, while certain components increased in excess of the mentioned rate, e.g. the fuel price as well as salary increases.

Unfortunately the financial position forced the municipality to cut back on essential expenditure such as repairs and maintenance. The condition of almost all municipal assets is deteriorating and no money is available to perform proper repairs and maintenance on assets. The best example of this is the fire brigade vehicles and infrastructure at the resorts.

Statements of Revenue Collection Performance by vote and by source are included in **Appendix H**.



CHAPTER 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
R' 000						
Description	2012/2013	2013/2014			2013/2014 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	-	-	-	-		
Service charges	621	510	651	646	26,48%	-1%
Investment revenue	485	500	1 300	1 290	158,04%	-1%
Transfers recognised - operational	88 328	91 289	106 146	101 746	11,46%	-4%
Other own revenue	20 895	15 866	15 630	16 372	3,19%	5%
Total Revenue (excluding capital transfers and contributions)	110 329	108 165	123 727	120 054	10,99%	-3%
Employee costs	52 276	54 968	56 756	58 065	5,63%	2%
Remuneration of councillors	3 979	4 740	4 862	5 144	8,54%	6%
Depreciation & asset impairment	2 447	2 558	2 067	2 449	-4,29%	18%
Finance charges	1 392	1 263	846	861	-31,81%	2%
Materials and bulk purchases	-	-	-	-		
Transfers and grants	-	-	-	-		
Other expenditure	48 263	48 505	62 639	55 784	15,01%	-11%
Total Expenditure	108 358	112 034	127 170	122 304	9,17%	-4%
Surplus/(Deficit)	1 972	(3 869)	(3 443)	(2 250)	-41,84%	-35%
Transfers recognised - capital	-	-	-	-		
Contributions recognised - capital & contributed assets	-	-	-	-		
Surplus/(Deficit) after capital transfers & contributions	1 972	(3 869)	(3 443)	(2 250)	-41,84%	-35%
Share of surplus/ (deficit) of associate	-	-	-	-		
Surplus/(Deficit) for the year	1 972	(3 869)	(3 443)	(2 250)	-41,84%	-35%
Capital expenditure & funds sources						
Capital expenditure	1 445	17 692	3 226	2 119	-88,02%	-34%
Transfers recognised - capital	-	-	-	-		
Public contributions & donations	-	-	-	-		
Borrowing	-	15 300	-	-	-100,00%	-100%
Internally generated funds	1 445	2 392	3 226	2 119	-11,40%	-34%
Total sources of capital funds	1 445	17 692	3 226	2 119	-88,02%	-34%
Financial position						
Total current assets	17 194	5 650	8 686	17 906	216,92%	106%
Total non current assets	42 344	51 373	43 909	42 530	-17,21%	-3%
Total current liabilities	(20 417)	(13 373)	(11 292)	(19 914)	48,91%	76%
Total non current liabilities	(60 322)	(76 197)	(66 063)	(63 972)	-16,04%	-3%
Community wealth/Equity	(21 201)	(32 547)	(24 760)	(23 451)	-27,95%	-5%
Cash flows						
Net cash from (used) operating	14 484	2 438	(6 925)	3 237	32,77%	-147%
Net cash from (used) investing	617	(15 913)	(1 422)	12	-100,08%	-101%
Net cash from (used) financing	(646)	13 506	(871)	(1 027)	-107,60%	18%
Cash/cash equivalents at the year end	14 455	1 584	3 270	14 710	828,63%	350%
Cash backing/surplus reconciliation						
Cash and investments available	12 487	1 584	3 270	14 710	828,63%	350%
Application of cash and investments	10 945	(747)	706	8 774	-1274,51%	1143%
Balance - surplus (shortfall)	1 542	2 331	2 564	5 936	154,65%	132%
Asset management						
Asset register summary (WDV)	40 700	49 776	42 322	40 939	-17,75%	-3%
Depreciation & asset impairment	2 447	2 558	2 067	2 449	-4,28%	18%
Renewal of Existing Assets	40	1 650	1 500	747	-54,73%	-50%
Repairs and Maintenance	20 041	17 561	33 640	26 411	50,40%	-21%
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the Original Budget. This table is aligned to MBRR table A1</i>						



5.2 GRANTS

Grant Performance						
R' 000						
Description	2012/2013	2013/2014		2013/2014 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	45 898	48 777	48 777	48 777	0%	0%
Equitable share	43 926	46 637	46 637	46 637	0%	0%
Municipal Systems Improvement Department of Water Affairs	964	890	890	890	0%	0%
Levy replacement	1 008	1 250	1 250	1 250	0%	0%
Other transfers/grants [insert description]						
Provincial Government:	42 430	42 258	57 369	52 969	25%	-8%
Health subsidy	103	120	120	115	-4%	-4%
Financial Management Grant		150	100		-100%	-100%
Management Finance Improvement Programme			300	221	100%	-26%
MSP		150			-100%	-100%
SETA	110	242	500	367	52%	-27%
Human Rights		100	100	50	-50%	-50%
Sport & Recreation		400	400	400	0%	0%
Coastal Management Plan	7	500	420	114	-77%	-73%
Tourism		50	50	14	-72%	-72%
Rism Management				66	100%	100%
EPWP	1 024	1 000	1 000	1 000	0%	0%
Roads Subsidy	41 186	39 546	54 379	50 622	28%	-7%
Total Operating Transfers and Grants	88 328	91 035	106 146	101 746	12%	-4%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the Original Budget.</i>						

COMMENT ON OPERATING TRANSFERS AND GRANTS

The municipality is almost entirely dependent on government grants. During the year under review government grants represented 80% of total revenue. This is a very unfavourable situation and unfortunately nothing can be done at this stage to improve this situation.

Several encounters with high-level role-players on increasing the equitable share for the municipality came to no avail – a new project is however currently been launched to investigate the possibility of funding District Municipalities based on cost. The component replacing the RSC levies is still based on the past three years in which RSC levies were levied. Furthermore this component increased by a less than inflation rate (%) per annum over the past couple of years.

If the grant allocations to the municipality do not increase, or alternatively if an own revenue source is not developed, this municipality will struggle to meet its commitments within the near future.

Appendix I indicates conditional grants received.



CHAPTER 5

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2012/13	Actual Grant 2013/14	2013/14 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
SETA	222 641	80 019		On-going	N/A	Training as per WSP
EPWP	1 000 000	1 000 000	300 000	On-going	On-going	Extended Public Works Programme - skills transfer programme
Karwyderskraal	250 000			Once off	N/A	Determining tariffs
MFIP		914 976		31 March 2015	N/A	Funding for various MFMA improvement and compliance projects
Risk Management	300 000	100 000		Once off	N/A	Risk Assessment
Office upgrade/maintenance		57 392		Once off	N/A	Office upgrade/maintenance
Foreign Government - none						
Private Sector / Organisations - none						

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

With regards to on-going projects the municipality received grant funding, namely SETA (training) and EPWP (skills transfer). A further amount of R 100 000 was received with regards to Risk Assessment and will be utilised during 2014/2015 financial year. The amount of R 57 392 represents the sale of a Provincial building in Caledon sold by the municipality on behalf of Province and then returned as a grant. A once off amount of R 914 976 (MFIP funding) was provided to the municipality for MFMA improvement and compliance and the balance will be utilised in 2014/2015.



5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

No significant new or renewal of asset projects were done during the year under review.

Asset Management 2013/2014							
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Pre-Audit
CAPITAL EXPENDITURE							
Total New Assets	1	520	328	1 406	16 042	1 726	1 371
Infrastructure - Road transport		-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-
Infrastructure - Other		8	7	-	12 500	-	-
Infrastructure		8	7	-	12 500	-	-
Community		-	-	1 345	20	-	15
Heritage assets		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Other assets	6	408	305	-	3 522	1 671	1 356
Agricultural Assets		-	-	-	-	-	-
Biological assets		-	-	-	-	-	-
Intangibles		103	17	61	-	55	-
Total Renewal of Existing Assets	2	-	-	-	1 650	1 500	747
Infrastructure - Road transport		-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	50	100	93
Infrastructure - Other		-	-	6	-	-	-
Infrastructure		-	-	6	50	100	93
Community		-	-	34	100	50	-
Heritage assets		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Other assets	6	-	-	-	1 500	1 350	654
Agricultural Assets		-	-	-	-	-	-
Biological assets		-	-	-	-	-	-
Intangibles		-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	50	100	-
Infrastructure - Other		8	7	6	12 500	-	93
Infrastructure		8	7	6	12 550	100	93
Community		-	-	34	120	50	15
Heritage assets		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Other assets	6	408	305	1 345	5 022	3 021	2 010
Agricultural Assets		-	-	-	-	-	-
Biological assets		-	-	-	-	-	-
Intangibles		103	17	61	-	55	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	520	328	1 446	17 692	3 226	2 118
ASSET REGISTER SUMMARY - PPE (WDV)	5						
Infrastructure - Road transport		1 205	1 183	1 011	766	876	718
Infrastructure - Electricity		708	318	298	122	118	399
Infrastructure - Water		4 495	4 173	3 997	1 521	1 483	1 180
Infrastructure - Sanitation		3 677	3 782	3 624	6 091	6 534	3 634
Infrastructure - Other		5 880	5 571	5 285	17 239	5 269	7 872
Infrastructure		15 967	15 027	14 215	25 738	14 281	13 803
Community		1 326	1 309	1 326	1 486	1 316	4 092
Heritage assets		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Other assets		25 413	26 115	24 815	22 302	26 347	22 768
Agricultural Assets		-	-	-	-	-	-
Biological assets		-	-	-	-	-	-
Intangibles		389	344	343	249	377	275
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	43 095	42 795	40 699	49 776	42 322	40 938
EXPENDITURE OTHER ITEMS							
Depreciation & asset impairment		2 690	5 033	2 447	2 558	2 067	2 449
Repairs and Maintenance by Asset Class	3	15 908	15 866	20 041	17 561	33 640	26 410
Infrastructure - Road transport		10 701	10 305	15 962	11 902	29 390	24 513
Infrastructure - Electricity		-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-
Infrastructure - Other		9	1	-	5	5	5
Infrastructure		10 710	10 306	15 962	11 907	29 395	24 518
Community		431	312	246	287	346	711
Heritage assets		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Other assets	6, 7	4 767	5 248	3 833	5 367	3 898	1 181
TOTAL EXPENDITURE OTHER ITEMS		18 598	20 900	22 488	20 120	35 707	28 858



CHAPTER 5

COMMENT ON ASSET MANAGEMENT

The maintaining of asset of the municipality is poor and no significant improvement can be foreseen within the near future. Serious financial constraints forced the municipality to cut back on expenditure for repairs and maintenance. This resulted in the condition of the municipality's assets deteriorating at an alarming rate.

Especially the fire brigade vehicles and equipment which are old and outdated and this may well lead to serious problems within the near future. Another huge concern is the infrastructure assets at the resorts. During the year under review, the Dennehof resort had to be closed down due to a health and safety investigation that indicated that the electricity network may be life threatening

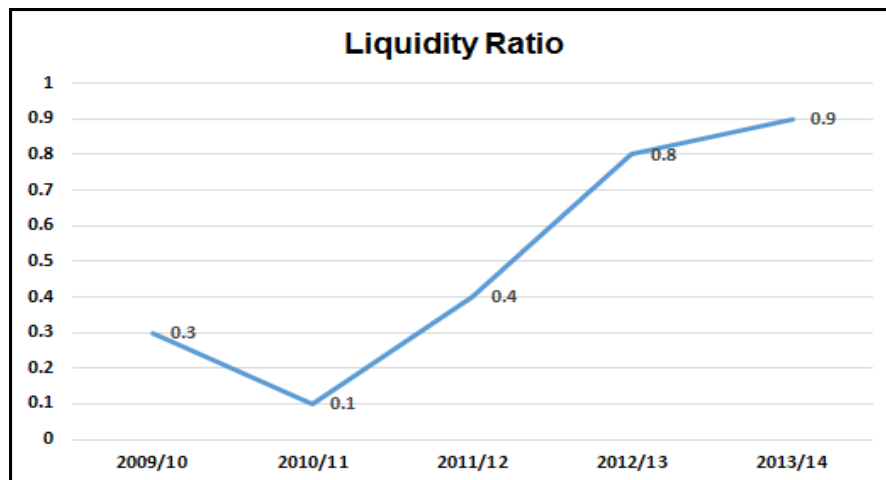
Repair and Maintenance Expenditure: 2013/2014				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	17 561	33 640	26 411	50,40%

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

Although percentages indicate that repairs and maintenance expenditure are within the acceptable norm, this is not the case. The expenditure on the roads, which is done as an agency function on behalf of the provincial legislature, represents 92.8% of the total expenditure on repairs and maintenance. If the roads expenditure is deducted, the repairs and maintenance represent only 1.6% of the total expenditure of the municipality. This is way below any acceptable norm.

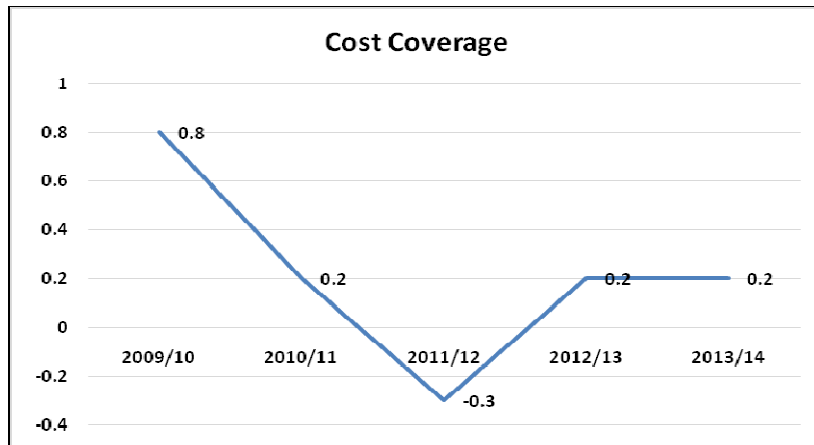
This had a serious negative impact on the condition of the municipality's assets during the year under review.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

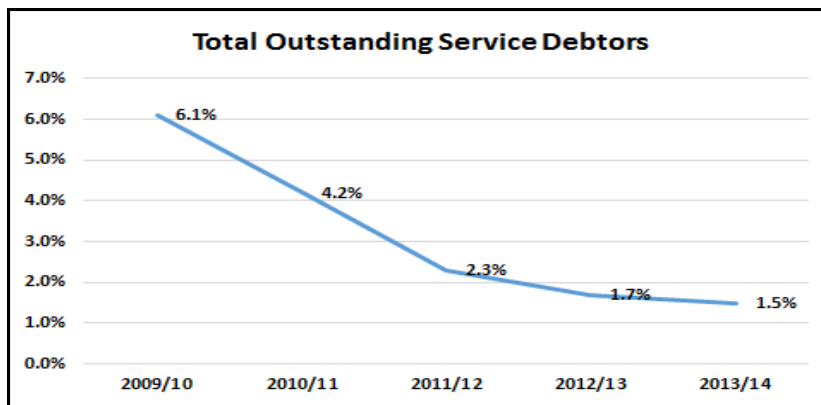


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

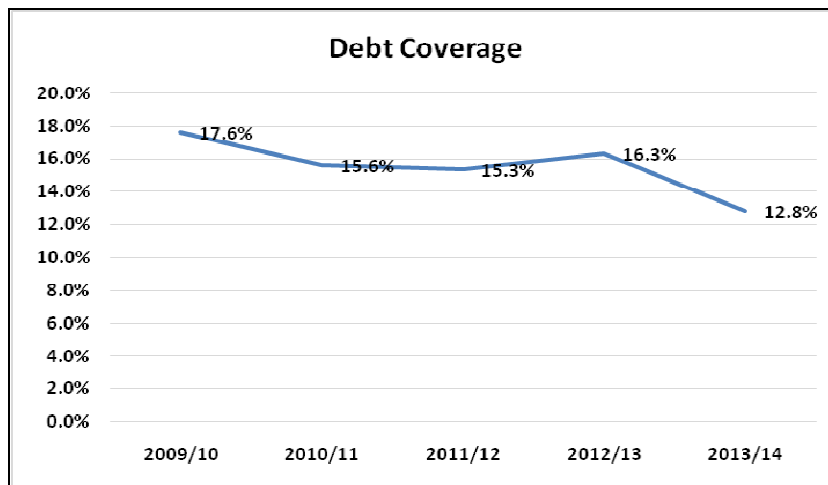




Cost Coverage – it explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality. A higher ratio is better

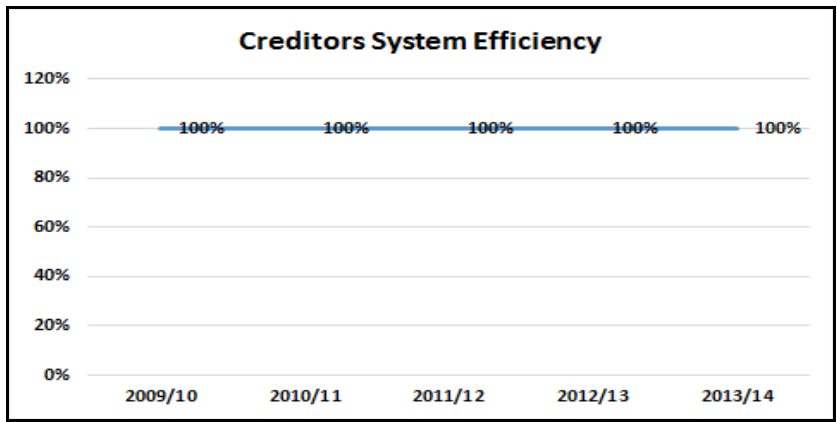


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

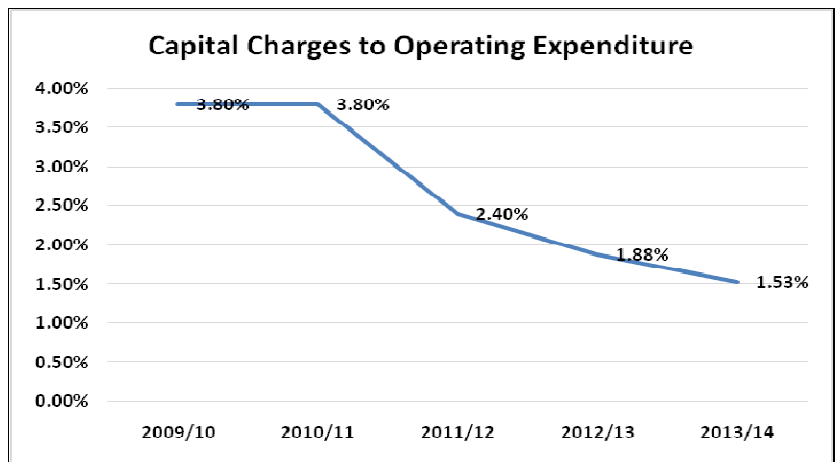


Debt Coverage – The number of times debt payments can be accommodated within operating revenue (excluding grants).

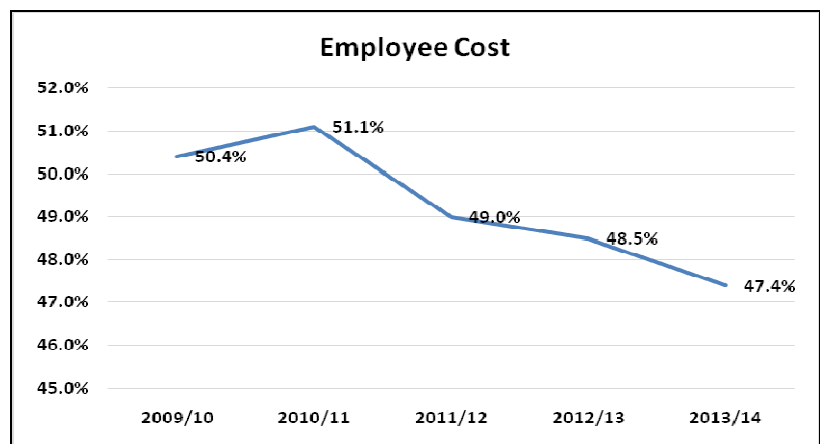




Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

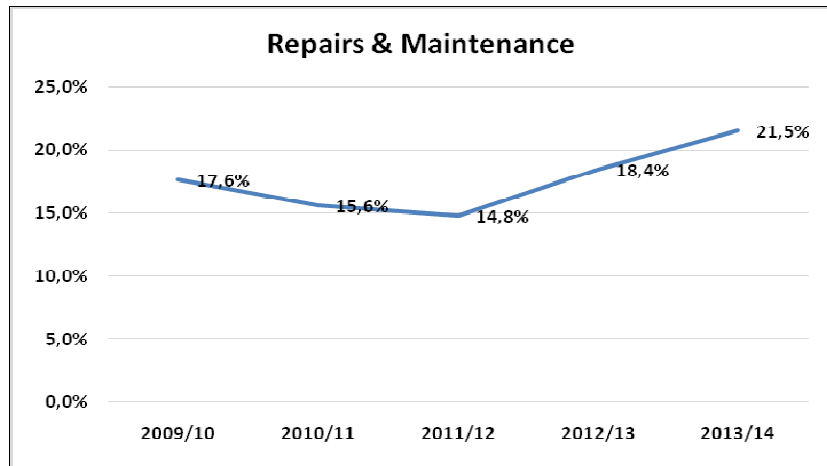


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.



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





Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance by total operating expenditure.

COMMENT ON FINANCIAL RATIOS

The financial ratios of this municipality clearly indicate that the municipality does have serious financial constraints. All ratios are way below the accepted norm and although there was some improvement since the previous financial year, it still raises serious doubt about the financial sustainability of this municipality.

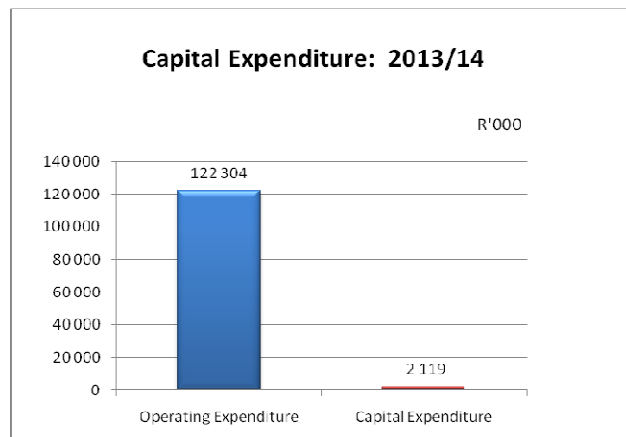
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Upon the approval of the original budget during May 2014, Council envisaged that proceeds on the selling of properties would be used to fund essential capital expenditure. Due to the Municipality’s financial position, no external funding could be obtained.

Appendix J refers to capital expenditure and **Appendix K** to capital programme by project.

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 2012/13 to 2013/14						
R' 000						
Details	2012/13	2013/14				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	822	15 300			-100,00%	-100%
Public contributions and donations					0,00%	0,00%
Grants and subsidies	139			303	0,00%	100%
Other	484	2 392	3 226	1 816	34,87%	-24%
Total	1 445	17 692	3 226	2 119	-81,77%	-88,02%
<i>Percentage of finance</i>						
External loans	56,9%	86,5%	0,0%	0,0%	122,3%	113,6%
Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants and subsidies	9,6%	0,0%	0,0%	14,3%	0,0%	-113,61%
Other	33,5%	13,5%	100,0%	85,7%	-42,6%	27,4%
Capital expenditure						
Water and sanitation					0,00%	0,00%
Electricity					0,00%	0,00%
Housing					0,00%	0,00%
Roads and storm water					0,00%	0,00%
Other	1 445	17 692	3 226	2 119	-81,77%	-88%
Total	1 445	17 692	3 226	2 119	-81,77%	-88,02%
<i>Percentage of expenditure</i>						
Water and sanitation	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Electricity	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Housing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Roads and storm water	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Other	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

COMMENT ON SOURCES OF FUNDING

Two main sources of funding were budgeted for during the year under review. The Karwyderskraal regional landfill site would have been funded from an external loan which did not materialised.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

No significant capital projects were performed during the year under review.

COMMENT ON CAPITAL PROJECTS

No significant capital projects were performed during the year under review.



INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Not applicable.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow became a serious issue for this municipality during the past few financial years. During the year under review, a concerted effort was implemented to turn this situation around. When one looks at the cash flow results displayed below, it is very clear that the municipality has indeed succeeded in turning this situation around. All unspent government grants that have to be cashed backed are indeed cash backed at the end of the financial year under review, which was not the case at the end of the previous financial year.

Although the financial position has improved significantly, it is still not satisfactory, and the municipality will have to maintain strong financial management and discipline.



Cash Flow Outcomes				
R'000				
Description	2012/13	2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	18 538	17 272	16 277	16 180
Government - operating	97 398	90 239	97 049	99 574
Government - capital				
Interest	489	504	1 304	1 295
Dividends				
Payments				
Suppliers and employees	(101 634)	(104 314)	(121 321)	(113 579)
Finance charges	(306)	(1 263)	(233)	(233)
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	14 484	2 438	(6 924)	3 237
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1 704	1 779	1 289	2 132
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	358			
Payments				
Capital assets	(1 445)	(17 692)	(2 710)	(2 119)
NET CASH FROM/(USED) INVESTING ACTIVITIES	617	(15 913)	(1 421)	12
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	15 300	-	-
Increase (decrease) in consumer deposits	(2)	-	-	(6)
Payments				
Repayment of borrowing	(643)	(1 794)	(871)	(1 021)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(646)	13 506	(871)	(1 027)
NET INCREASE/ (DECREASE) IN CASH HELD	14 456	31	(9 216)	2 222
Cash/cash equivalents at the year begin:	(1 968)	1 554	12 487	12 487
Cash/cash equivalents at the year end:	12 487	1 584	3 270	14 710

Source: MBRR SA7

COMMENT ON CASH FLOW OUTCOMES

The cash flow position of the municipality has improved significantly, but strong financial management and discipline will have to be maintained to ensure the future financial sustainability of the municipality.

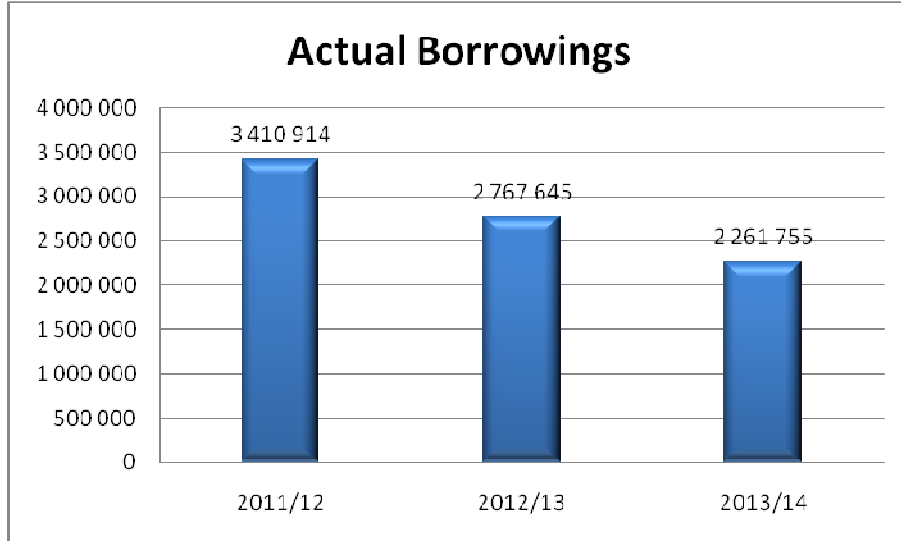


5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

No new external loans were raised during the year under review.

Actual Borrowings Year 2011/12 to 2013/14			
R' 000			
Instrument	2011/12	2012/13	2013/14
Municipality			
Long-Term Loans (annuity/reducing balance)	2 618	1 958	1 235
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	793	809	1 027
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Municipality Total	3 411	2 768	2 262



Municipal Investments			
			R' 000
Investment* type	2011/12	2012/13	2013/14
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other	331		
Municipality sub-total	331		
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total			
Consolidated total:	331		

COMMENT ON BORROWING AND INVESTMENTS

No new long-term debt was raised during the year, except for new financial leases entered into during the year. The financial leases are for rented vehicles that are treated as financial leases in terms of GRAP 13.

The only investments the municipality had at the end of the previous financial year, were shares held in Overberg Agri and Pioneer Foods. All the shares were sold during the year under review. The current financial position of the municipality did not allow the municipality to make any investments during the current financial year.

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The municipality has no Public Private Partnerships.



5.12 PUBLIC PRIVATE PARTNERSHIPS

SUPPLY CHAIN MANAGEMENT

SCM policy and unit are in place, as well as a checklist implemented to comply with SCM regulations.

No councillor form part of the bid process. All officials dealing with Supply Chain Management signed a declaration of interest and a code of ethics.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

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

The municipality has fully implemented GRAP and has been audited as such.



CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDING

INTRODUCTION

In terms of Section 188 (1)(b) of the Constitution of the Republic of South Africa 1996, Act no 108 of 1996, the functions of the Auditor-General includes auditing and reporting on the accounts, financial statements and financial management of all municipalities. Section 45 of the Local Government: Municipal Systems Act 2000, Act no 32 of 2000, indicates that the results of performance management must be audited annually by the Auditor-General.

The Auditor-General conducted the audit of this municipality. The financial statements were submitted to them within the prescribed timeframes as determined by Section 126 (1)(a) of the Local Government: Municipal Finance Management Act 2003, Act no 56 of 2003.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2012/13

6.1 AUDITOR-GENERAL REPORT 2012/13 AUDIT REPORT

Auditor-General Report on Financial Performance Year 2012/2013	
Audit Report Status*:	Unqualified with other matters specified
Non-Compliance Issues	Remedial Action Taken
<p>Audit committee: The audit committee was not constituted in the manner required by section 166(4)(a) of the MFMA, as the audit committee did not consist of at least three members for the whole period under review. One of the members resigned in April 2012 and a further member resigned in May 2013, with the result that the audit committee consisted of only two members and not three as required.</p>	Rectified, new members appointed during October 2013.
<p>Conditional grants:</p> <ol style="list-style-type: none"> The municipality did not evaluate its performance in respect of programmes funded by the Municipal Systems Improvement Grant within two months after the end of the financial year, as required by section 12(5) of DoRA. The municipality did not in all instances submit, within 10 days after the end of each month, its monthly expenditure reports to the national department (CoGTA), as required by the Division of Revenue Grant Framework, Government Gazette No. 35399. 	<p>Will in future comply with prescripts.</p> <p>Will in future comply with prescripts.</p>
Internal control deficiencies	Remedial Action Taken
<p>Leadership:</p> <ol style="list-style-type: none"> The accounting officer did not have a compliance monitoring tool to ensure that all laws and regulations pertaining to the municipality were complied with and this resulted in DoRA reports not being submitted as required. Leadership did not fill vacancies in a timely manner to ensure that the committee consists of at least three persons thus resulting in non compliance with section 166 of the MFMA. 	<p>Will in future comply with prescripts.</p> <p>New members have been appointed during October 2013.</p>
<p>Financial and performance management: Management did not ensure that reported information against predetermined objectives was supported by</p>	Staff had a training session with an official of the Auditor-



schedules or listings to enable management and the auditors to agree and reconcile reported targets, thereby confirming the completeness of reported performance against predetermined objectives	General to ensure that suitable supporting documentation will be available during the next audit.
Emphasis of matters	Remedial Action taken
<p>Significant uncertainties:</p> <ol style="list-style-type: none"> As disclosed in note 43 to the financial statements, the municipality is involved in labour disputes with officials whose employment was terminated. As disclosed in note 43 to the financial statements, the trade union, IMATU, contested the implementation of a wage curve agreement in the labour court and the court ruled in favour of IMATU. The employers' organisation, SALGA, resolved to take the ruling of the labour court on review. The effect of the ruling is a general 2% increase in remuneration as from October 2009. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements. 	<p>Waiting for labour disputes to be resolved.</p> <p>Waiting for outcome from the Labour Court.</p>
<p>Restatement of corresponding figures:</p> <p>As disclosed in note 30 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 2012-13 in the financial statements of the Overberg District Municipality at, and for the year ended, 30 June 2012.</p>	Restatement done in original submitted statements to rectify discrepancies of the previous year.
<p>Funding of operations/ financial sustainability/ going concern</p> <p>The statement of financial performance indicates that the Overberg District Municipality incurred a net profit of R1 959 913 during the year ended 30 June 2013 and, as at that date, the municipality's total liabilities exceeded its total assets by R21 316 585. These conditions, along with other matters as set forth in note 45 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.</p>	Noted, cannot be rectified due to financial constraints. Will investigate the possibility of changing the land and buildings from the cost module to the valuation module to improve the ratio between assets and liabilities.
<p>Material underspending of the budget</p> <p>As disclosed in the statement of comparison of budget and actual amounts, the municipality has materially underspent its operating budget by R6564 053. This was mainly due to cost-cutting efforts to improve the financial sustainability of the district municipality. The service delivery by the district municipality was however not impacted.</p>	<p>Main reason for under spending was the transfer of the roads agency fee from grants to own revenue and therefore not including it as expenditure under the roads function.</p> <p>The financial and cash flow position of the municipality was the exclusive reason for all other savings on the budget.</p>

Auditor-General report on service delivery performance 2012/13	
Audit Report Status:	Qualified
Non-Compliance Issues	Remedial Action Taken
<p>Reliability of information</p> <ol style="list-style-type: none"> Significantly important targets with respect to Strategic objective – Sustainable Basic Services and Strategic objective – Environmental Protection are: <ul style="list-style-type: none"> materially misstated and not reliable when compared to the source information and/or evidence provided. This was due to the lack of monitoring of the completeness of source documentation in support of actual achievements. 	Staff had a training session with an official of the Auditor-General to ensure that suitable supporting documentation will be available during the next audit.
<p>Achievement of planned targets – not material</p> <p>Of the total number of 55 targets planned for the year, 23</p>	Targets will be determined in line with available funds to



CHAPTER 6

targets were not fully achieved during the year under review. This represents 42% of total planned targets that were not achieved during the year under review.	ensure that realistically reachable targets are set in future.
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COMPONENT B: AUDITOR-GENERAL OPINION 2013/14

6.2 AUDITOR-GENERAL REPORT 2013/14 AUDIT REPORT

To be completed

AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS 2013/14

See **Appendix L** for the Auditor-General Report.

COMMENTS ON AUDITOR-GENERAL'S OPINION 2013/14

To be completed

COMMENTS ON MFMA SECTION 71 REPOSIBILITIES

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

Appendix M states the declaration of returns not made in due time.



GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Include at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. These include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “ <i>what we wish to achieve</i> ”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “ <i>what we produce or deliver</i> ”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a



GLOSSARY

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



APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

<i>Councillors, Committees Allocated and Council Attendance</i>					
<i>Council Members</i>	<i>Full Time / Part Time</i> <i>FT/PT</i>	<i>Committees Allocated</i>	<i>Party Represented</i>	<i>Percentage Council Meetings Attendance %</i>	<i>Percentage Apologies for non-attendance %</i>
Patricia Athyhosi	PT	None	ANC	78	22
Johan Niewoudt	PT	Portfolio Corporate & IGR Services	DA	89	11
Dudley Coetzee	PT	Portfolio Community Services and Portfolio Financial Services	DA	100	N/A
Phillipus May	PT	Portfolio Financial Services	ANC	100	N/A
Ntombizine Sapepa	PT	Portfolio Corporate & IGR Services	ANC	89	11
Anton Coetsee	PT	Portfolio Community Services	DA	78	22
Isaac Sileku	PT	Mayco and Portfolio LED & Tourism,	DA	89	11
Kiro Tiemie	PT	Mayco and Portfolio Corporate Services	DA	100	N/A
Marie Hector	PT	Portfolio LED & Tourism	DA	100	N/A
Charles November	PT	Portfolio LED & Tourism	ANC	78	22
Unathi Sipunzi	PT	Portfolio Corporate & IGR Services	ANC	89	11
Anthony Appel	PT	Portfolio Community Services	ANC	78	22
Samuel Tebele	PT	Portfolio Financial Services	ANC	89	11
Jan Gelderblom	PT	Portfolio Community Services	ANC	56	44
Lincoln de Bruyn	FT	Mayor	DA	78	22
Andries Franken	FT	Mayco and Portfolio Community Services	DA	100	N/A
Daan Oosthuizen	PT	Mayco and Portfolio Financial Services	DA	89	11
Daniel Du Toit	FT	Mayco and Speaker	DA	100	N/A
Johan Kriel	PT	Portfolio LED & Tourism	DA	100	N/A
Deanna Ruiters	PT	Portfolio LED & Tourism	ANC	89	11
Jasper du Toit Loubser	PT	Mayco and Portfolio Corporate Services & IGR & Finance Portfolio	DA	100	N/A



APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 80 Committee	The Section 80 Committees assist the Executive Mayor and Executive Mayoral Committee in respect of Community Services, Financial Services, Corporate & IGR Services and Local Economic Development & Tourism. This Committee has no statutory powers and reports to the Executive Mayoral Committee.
Audit & Audit Performance Committee	In terms of section 166 of the MFMA. To advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality relating to matters listed in the MFMA , section 166.
Municipal Public Accounts Committee (MPAC)	In assisting the council with its oversight function, a Municipal Public Accounts and Oversight Committee was established in terms of section 79 of the Municipal Structures Act, no 117 of 1998. Section 129(4)(b) of the MFMA. The MPAC also serves as the Oversight Committee of the Annual Report.
Training Committee	In terms of Skills Development Act 97 of 1998. To promote skills development in the workplace.
Employment Equity	In terms of the Employment Equity Act. To promote equal opportunities and fair treatment to all in the workplace.
Local Labour Forum	According to the SALGBC Main Collective Agreement to promote sound Labour Relations
Health & Safety Committee	In terms of the Occupational Health and Safety Act 85 of 1993. To promote healthy and safe working environment for employee and community
Section 32 Committee	It is an ad hoc committee, appointed by Council, to investigate unauthorised, irregular or fruitless and wasteful expenditure.
Alleged breaches	It is a special committee established by Council to assist in the discipline of Councillors.
Combined Steering Committee	The Combined Steering Committee serves the purpose of a Budget Steering Committee, which was established in terms of the Budget and Reporting Regulation, and to monitor the Municipal Financial Improvement Plan.
IDP Steering Committee	To monitor the IDP process plan and IDP related processes.



APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	<i>Sr Internal Auditor - Mr. W P Coetzee</i>
	<i>Risk & Fraud Officer - Vacant</i>
	<i>Communication Officer - Mrs. T Nefdt</i>
Directorate: Management Services	<i>Manager: Expenditure, Income & IT - Mr. J H Snyman</i>
	<i>Manager: Financial Services - Vacant</i>
	<i>Manager: SCM – Mr. D Lambrechts</i>
	<i>Chief Admin Officer - Vacant</i>
	<i>Sr Human Resource Officer - Miss G Spangenberg</i>
	<i>Performance Management Officer - Mrs. M Dunn</i>
Directorate: Community Services	<i>Manager: Resorts - Mrs. S Petersen</i>
	<i>Manager: Municipal Health - Mr. W A du Toit</i>
	<i>Manager: Environmental Management - Mr. F Kotze</i>
	<i>Manager: Protection Services - Mr. R Geldenhuys</i>
	<i>Manager: Roads - Mr. A van Eeden</i>



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OVERBERG DISTRICT MUNICIPALITY: ANNUAL OVERSIGHT REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

INTRODUCTION

The Audit and Performance Audit Committee presents its report for the year ended 30 June 2014 in terms of its responsibilities and duties set out in the relevant legislation and its Terms of Reference.

The Committee serves as both the Audit Committee in accordance with Section 166 of the *Municipal Finance Management Act, 2003* and the Performance Audit Committee in terms of the *Municipal Planning and Performance Management Regulations, 2001*. In terms of regulation 14(4)(a)(iii) of the same Regulations a performance audit committee must at least twice during the financial year submit an audit report to the municipal council concerned. This report is submitted also in compliance with that requirement.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee originally consisted of four independent, external members, but membership was reduced to three during the 2011/2012 financial year due to the resignation of one of the members. The Council decided not to fill the vacancy at the time. Soon after the Committee expressed its concern over the risk that its membership could be reduced to two, another member resigned, leaving the Committee with only two members. Because the relevant legislation requires an audit and performance audit committee to consist of at least three members, the resulting non-compliance was reported to the Executive Mayor and Acting Municipal Manager. The remaining two members nevertheless continued to perform the tasks of an audit and performance audit committee. As expected, the Auditor General pointed out the non-compliance in his 2012/2013 annual report.

On 14 October 2013 two new members, Messrs D M Farenhem and H J Jansen van Rensburg were appointed. Mr Farenhem, who is a Chartered Accountant and Mr Jansen van Rensburg with extensive general and performance management experience, were valuable additions to the Committee.

Meetings of the Committee were held on 20 August 2013, 27 August 2013, 25 November 2013, 21 January 2014, 11 February 2014 and 20 May 2014. The attendance by the members was as follows:

Name of member	No. of meetings attended
A Pienaar (Chairman)	6 meetings
H V Liebenberg	6 meetings
D M Farenhem	4 meetings
H J Jansen van Rensburg	4 meetings

The Chairman also attended the interviews with and appointment of the new members on 14 October 2013 and meetings of the Audit Steering Committee.

TRAINING AND CONFERENCES

The newly appointed members underwent training/induction conducted by officials of National Treasury on 25 November 2013. The training session was also attended by the other two members.

The chairman and chief audit executive attended a training course organised by the Public Sector Audit Committee Forum on 26 and 27 September 2013. Mr Liebenberg also attended the course as a member of the audit committee of another municipality. The chairman also attended a conference for performance management system managers, chief audit executives and audit committee chairpersons on 18 and 19 November 2013 and a meeting of the Audit Committee Chairpersons' Forum on 25 March 2014. Mr Jansen van Rensburg attended a training course on performance management presented by the School for Management of the University of Stellenbosch on 19 and 20 March 2014 and Mr Farenhem attended a training course for audit and performance audit committee members presented by Mazars on 29 and 30 May 2014.



APPENDICES

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee has complied with its responsibilities arising from sections 166(2) and 121(4) (g) of the MFMA and the Performance Management Regulations respectively.

The following is a list of the matters that were attended to by the Audit Committee during the year:

- Monthly financial reports;
- Approval of Risk Based Internal Audit Plan for 2013/2014;
- Dealing with National Treasury's MFMA Circular no 65;
- Approval of Internal Audit Strategy and Work Procedures;
- Self-evaluation and valuation of Internal Audit unit;
- Status of internal audit reports;
- Review of Internal Audit Charter and Audit Committee Terms of Reference;
- Feedback on MGRO Assessment conducted by Provincial Treasury;
- Costly length of disciplinary procedures;
- Lease agreements Uilkraalsmond;
- Considering internal audit reports on matters such as DoRA, cash management at Die Dam Resort, IT control, year-end stocktaking at Caledon, Bredasdorp, Swellendam and Uilkraalsmond, card payments at Uilkraalsmond, Debtors, Expenditure management, cash counts and receipt verification.

The Audit Committee regulated its affairs in compliance with the Audit Committee Charter and has discharged its responsibilities as contained therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

In accordance with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance regarding the effectiveness of internal controls. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested improvements to the controls and processes. From the various reports of the Internal Auditor, it was noted that the system of internal control was not in all respects adequate and effective for the year under review. Deficiencies in the system of internal control and/or deviations were reported and in some instances the matters reported previously had not been fully and satisfactorily addressed.

FINANCIAL STATEMENTS

The draft financial statements for the financial year 2013/2014 were presented to and reviewed by the Audit Committee on 15 August 2014. The statements are deemed to be in compliance with statutory requirements and accounting standards. The Committee also considered documents titled "Comments" and "Ratios" respectively and wish to reiterate the following:

- *The Committee had hoped that the use of the valuation model to replace the cost model for fixed property would already be reflected in the 2013/14 statements, a change which would significantly improve the Accumulative Deficit (Negative Community Wealth) position. However, it was now reported that the change could not be implemented and would take longer than expected.*
- *The cash and cash equivalents situation has improved significantly over the past two years, mainly due to improved financial management in general and better credit control measures in particular. However, the major portion of the cash on hand consists of unspent grants and subsidies that are still to be spent. While the Council does not currently experience the cash-flow problems of recent years, it must be borne in mind that the Council's financial commitments far exceed the cash on hand. In this respect, the CFO pointed out that the ideal cash-backed situation to fund the mentioned priorities as at 30 June 2014 should be as follows:*



APPENDICES

Unspent grant funding:	R 2 654 575
Road subsidy paid in advance:	R 6 062 518
Properties sold:	R 904 930
Roads security:	R 1 039 740
Payables from exchange transactions (creditors):	R 1 230 274
Employee benefits:	R62 730 707
Karwyderskraal rehabilitation:	R 7 838 715
Depreciation (capital replacement):	<u>R 21 833 551</u>
Amount to be cash-backed:	<u>R104 295 010</u>
Less: Cash available:	<u>R 14 709 550</u>
Cash shortage:	<u>R 89 585 460</u>

- A positive aspect is the fact that the Council is considering a number of steps to alleviate the situation described above. Nevertheless, it will be extremely difficult to meet all the financial commitments, since it is very unlikely that the main source of day to day funding, the so-called equitable share funding, will be reviewed to favour the Council. The Audit Committee's concern is that the Council will be forced to further cut down on expenditure, which will result in budgeting exclusively for expenditure which will maintain the status quo while funds will not be available for other essentials such as the proper maintenance and replacement of plant and equipment, improved health and fire-fighting services, risk management, fraud prevention, occupational safety, strengthening the internal audit section and the appointment of additional staff.
- The following paragraph in the 2013/2014 financial statements is cause for serious concern:
"The financial results, however, may indicate that the going concern assumption of this Municipality may be in serious doubt. The amounts promulgated in the DORA have serious impact on the level of service that this municipality can render and it may well raise doubt about the future financial sustainability of this municipality and may cause serious health and other risks regarding service delivery to the communities within the jurisdiction of this municipality."

PERFORMANCE MANAGEMENT

As the Council's Performance Audit Committee, the Committee executed its responsibilities in terms of the approved Terms of Reference. Quarterly reports, conducted by the Internal Audit Unit on performance information and predetermined objectives were reviewed and the necessary recommendations were made to management in order to improve the adequacy and effectiveness of the internal control environment. In his report on for the year ended 30 June 2013 the Auditor General commented as follows:

121. Based on the phased-in approach to the auditing of predetermined objectives, audit is annually increasing its focus on compliance matters. The Overberg District Municipality must therefore continuously update its knowledge of and compliance with applicable legislation and regulations.

122. Increased focus is placed on the linking of the budget to indicators. This linkage is two-fold, viz. linking the budget to key focus areas, objectives and indicators and linking the entire budget to applicable indicators to ensure that the entire budget can be evaluated through service delivery.

In the light of various inputs, especially insights gained by attending the abovementioned training courses and convention and interacting with audit and performance audit committee members of other municipalities, it is realised that the Committee can and is expected to play a much wider role in the auditing and improvement of the municipality's performance. As intimated above, it is also expected that the Auditor General's annual audits will in future place more emphasis on performance audits.

The Performance Audit Committee is expected to regularly audit the entire performance management plan of the municipality and to do this, it will have to be involved in the entire process from the IDP, the budget, the formulation of KPI's and indicators right through to the system of evaluating individual achievement in reaching the predetermined goals. The Committee must scrutinize the KPI's and targets to determine whether they are relevant, measurable, well defined, verifiable, specific and time bound. The Audit Committee is not in a position to do all these things itself and expects Internal Audit to carry out the various tasks and to report to the Committee. It is clear that the quality of the work produced by the Audit Committee depends greatly on the quality of the work and reporting done by Internal Audit.

If the function of performance auditing is to be performed properly, it will place a heavy burden on the staff of Internal Audit. Unless the unit is adequately staffed, it will be impossible for the Audit Committee to perform



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as expected. It is therefore recommended that the staffing position of the Internal Audit Unit be reviewed and attended to as a matter of urgency.

APPOINTMENT OF SENIOR MANAGEMENT

The Committee wishes to congratulate the Council on the appointment of Mr D P Beretti as Municipal Manager and Mr J C P Tesselaar as Director Management Services and Chief Financial Officer. From the interaction between the Committee and these officials, the Committee is confident that the organisation has now reached a position of stability.

THANKS

We thank the Executive Mayor and management for their cooperation and for accepting the Committee as an essential component in the structures of the municipality. We trust that, with the added expertise of the newly appointed members, the Committee will continue to assist the Council in providing the best services to the public of the Overberg. We also thank Messrs Flippie Coetzee and Rayno Africa for their loyalty and assistance and Ms Ria Colling and Mr Chris Stoltz of National Treasury for the presentation of the training course/induction to the newly appointed committee members and for attending some of the meetings. We also highly appreciate the assistance, advice and inputs by the Municipal Manager, the CFO and other staff members who are involved with the work and meetings of the Committee.

A PIENAAR
CHAIRMAN
23 August 2014



APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE 2013/2014

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2012/2013	Recommendations adopted (enter Yes) If not adopted (provide explanation)
24 th July 2012	Municipal Manager to negotiate with National Department of Public Works to finalise the outstanding transactions of sale, and obtained commission to sublet the portions of Uilenkraalsmond.	Yes
6 th November 2012	Council should consider disposing of the Karwyderskraal dumpsite and transferring it to one of the municipalities within the Overberg Region.	No, application for loan with DBSA was in process to develop cell, and discussions with TWK and Overstrand Municipality to go into a Service level agreement regarding Karwyderskraal.
26 th February 2013	Comments of the Municipal Manager where there is underperformance on the SDBIP be included in the Scorecard as a separate column.	Yes
26 th February 2013	The Municipal Manager and performance manager meet on a regular basis and discuss where there is underperformance on the SDBIP.	Yes
26 th February 2013	That names of officials not be included in the reports, but only the position	No, internal audit reports are private and confidential. Only relevant parties receive the report.
26 th February 2013	That internal auditors response enrolls the comments of senior management	Yes
26 th February 2013	That detail of sampling and period of the audit be included in the Audit Report.	Yes, not always applicable in all reports.
26 th February 2013	That all ad-hoc assignments as requested to the Internal Auditor be submitted to the chairperson of the Audit-and Performance committee	Yes
26 th February 2013	That corrective measures be put in place that accumulated debts not happen again in the future	Yes
26 th February 2013	Supply chain management to arrange meeting with the AG and request the checklist they use for the audit on the SCM	Yes
11th February 2014	Capacity of internal audit – fill vacant positions in the Internal Audit Activity	Yes
11th February 2014	Financial reports to be included and adjusted in AC agenda (monthly reports)	Yes
11th February 2014	Senior Internal Audit to attend all CAE forums	Yes
11th February 2014	Two extra members to be appointed for the Audit and performance Audit committee.	Yes
11th February 2014	Managements comments to be obtained on a timely manner, and if not that it be reported to the Municipal Manager by the IAA	Yes



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11th February 2014	Auditor Generals Key Controls be tabled to Audit committee for Discussion	Yes
11th February 2014	That the Accounting officer comment on targets not reached on the Top Layer SDBIP and that corrective measures have been put in place to reach targets.	Partially, only comments were made, did not ensure corrective measure was sufficient to reach target.
11th February 2014	The continues audit of SCM had numerous recommendations specifically on the management of inventory- Fuel	Partially, only redundant and obsolete stock written off.
11th February 2014	Recommended to council to apply to the MEC of local Government in terms of Section 135 of the MFMA to intervene and take the necessary steps.	Yes
11th February 2014	Management to take note of the shortcomings of follow up reports and address them accordingly.	No
11th February 2014	Debtors: All debt collection procedures to be implemented as according to the Debt collection policy	Yes
11th February 2014	Debtors: Termination or cancelation of lease contracts should be attached to the lease agreement	Yes



APPENDIX F – LONG-TERM CONTRACTS

Name of service provider	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project manager
Enviroserve	Operation and maintenance of the Karwyderskraal regional landfill site	01/03/2012	30/06/2015	F Kotze
Amasondo	Rental of vehicles	01/04/2013	31/03/2016	J van Wyk
Avis	Rental vehicles	10/12/2009	9/12/2012	D Lambrechts
PDNA	Consulting services – Overberg Coastal Management Programme	2013	2016	F Kotze
Mubesko Africa	Accounting Services	21/2/2013	20/02/2016	CFO
Ignite	Performance Management System	01/07/2013	30/06/2014	M Dunn
Bytes	Financial System	01/07/2013	30/06/2013	J Snyman
KPMG	Risk Management	2014	2017	M Dunn



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APPENDIX G – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests 2013/2014		
Position	Name	Description of Financial interests (Nil / Or details)
Executive Mayor	Lincoln de Bruyn	Property, GEPP
Deputy Mayor	Jasper Du Toit Loubser	Property, Livestock, Trustee, Shares, Pension
Member of MayCo	Andries Franken	Property, Livestock, Trustee
Member of MayCo	Kiro Tiemie	Shareholder (Building Construction), Livestock
Member of MayCo	Isaac Sileku	Shareholder (Events Company)
Speaker	Daniël du Toit	Property, Trustee
Cllr	Patricia Atyhosi	Nil
Ald	Johan Nieuwoudt	Property, Pension
Cllr	Dudley Coetzee	Property, Pension
Cllr	Phillipus May	Property, Shareholder (Fishing Company), Pension
Cllr	Ntombizine Sapepa	Nil
Cllr	Anton Coetsee	Attorney Business, Property, Pension, Subsidy
Cllr	Marie Hector	Nil
Ald	Charles November	Property, Pension, Subsidy
Cllr	Unathi Sipunzi	Nil
Cllr	Daan Oosthuizen	Property, Pension, Shares
Ald	Anthony Appel	Shares
Cllr	Simphiwe Tebele	Shareholder (Trading Company), Director of a Company
Cllr	Jan Gelderblom	Shareholder (Events company), Property
Cllr	Johan Kriel	Property, Pension
Cllr	Deanna Ruiters	Property
Municipal Manager	D P Beretti	Property, Shares, Trustee
Director Management Services	J C P Tesselaar	Property, Shares, Trustee



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APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX H (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							R' 000
Vote Description	2012/2013	Current Year: 2013/2014			2013/2014 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Municipal Manager	3,873	3,959	4,489	4,489	13%	0	
Management Services	52,867	52,170	50,397	53,008	2%	5	
Community and Technical Services	53,590	52,036	66,221	62,557	20%	-6	
Total Revenue by Vote	110,330	108,164	123,727	120,054	11%	-1%	

APPENDIX H (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R' 000
Description	2012/2013	2013/2014			2013/2014 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Service Charges - refuse revenue	33			28	100%	100%	
Service Charges - other	588	510	651	618	21%	-5%	
Rentals of facilities and equipment	11,145	11,285	10,644	10,718	-5%	1%	
Interest earned - external investments	485	500	1,300	1,290	158%	-1%	
Interest earned - outstanding debtors	4	4	4	5	25%	25%	
Licences and permits	45	60	45	76	27%	69%	
Agency services	3,873	3,959	4,489	4,489	13%	0%	
Transfers recognised - operational	88,328	91,289	106,146	101,746	11%	-4%	
Other revenue	5,212	558	448	589	6%	31%	
Gains on disposal of PPE	616			495	100%	100%	
Total Revenue (excluding capital transfers and contributions)	110,329	108,164	123,727	120,054	11%	-3%	



APPENDIX I: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
<i>Other Specify:</i>				%	%	
Financial Management Grant	1 250	1 250	1 250	0%	0%	Interns and financial management programme
Municipal Systems Improvement Grant	890	890	890	0%	0%	Operational purposes
SETA Training Fund	242	500	367	52%	-27%	Training
Human Rights	100	100	50	100%	-50%	Human Rights
Sports & Recreation	400	400	400	100%	0%	Sports & Recreation
Coastal Management Plan	500	420	114	100%	-73%	Compile Coastal Management Plan
MSP	150					
Tourism	50	50	14	100%	-72%	Promoting Tourism
EPWP Grant	1 000	1 000	1 000	0%	0%	Job creation
FMG	150	100		0%	-100%	Operational Purposes
MFIP		300	221	100%	-26%	Operational Purposes
FMSG Risk Management			66	100%	100%	Risk assessment
Total	4732	5 010	4 372	29%	-13%	



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

APPENDIX J (I): CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
Description	Year	Year 2013/2014			Planned Capital expenditure		
	2012/2013	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
	Actual						
Capital expenditure by Asset Class							
Infrastructure - Total	-	12 500		-	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-		-	-	-	-
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>							
Infrastructure: Other - Total	-	12 500		-	-	-	-
<i>Waste Management</i>		12 500					
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community - Total	-	20		15	-	-	-
<i>Parks & gardens</i>							
<i>Sportsfields & stadia</i>							
<i>Swimming pools</i>							
<i>Community halls</i>							
<i>Libraries</i>							
<i>Recreational facilities</i>		20		15			
<i>Fire, safety & emergency</i>							
<i>Security and policing</i>							
<i>Buses</i>							
<i>Clinics</i>							
<i>Museums & Art Galleries</i>							
<i>Cemeteries</i>							
<i>Social rental housing</i>							
<i>Other</i>							

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Capital Expenditure - New Assets Programme*							
							R '000
Description	Year 2012/2013	Year 2013/2014			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	-	-		-	-	-	-
Buildings							
Other							
Investment properties - Total	-	-		-	-	-	-
Housing development							
Other							
Other assets	1 345	3 523	1 671	1 356	482	435	580
General vehicles	1 078	390	461	446			
Specialised vehicles							
Plant & equipment	139	60	63	527	6		
Computers - hardware/equipment	89	63	364	346	140	120	100
Furniture and other office equipment	39	3 010	783	37	336	315	180
Abattoirs							
Markets							
Civic Land and Buildings							100
Other Buildings							150
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							50
Agricultural assets	-	-		-	-	-	-
<i>List sub-class</i>							
Biological assets	-	-		-	-	-	-
<i>List sub-class</i>							
Intangibles	61	-	55	-	-	-	-
Computers - software & programming	61		55				
Other (<i>list sub-class</i>)							
Total Capital Expenditure on new assets	1 406	16 043	1 726	1 371	482	435	580
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							



APPENDIX J (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year 2012/2013	Year 2013/2014			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	6	50	100	93	-	-	50
Infrastructure: Road transport -Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-	-		-	-	-	50
Generation							
Transmission & Reticulation							
Street Lighting							50
Infrastructure: Water - Total	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	6	50	100	93	-	-	-
Reticulation							
Sewerage purification	6	50	100	93			
Infrastructure: Other - Total	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community	34	100	50	-	35	75	60
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities		100	50		35	75	60
Fire, safety & emergency	34						
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-	-	-	-	-	-
Buildings							
Other							

Table continued next page



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Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year 2012/2013	Year 2013/2014			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	1 500	1 350	654	250	1 200	1 500
General vehicles							
Specialised vehicles		1 500	1 350	654	250	1 200	500
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							1 000
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-	-	-	-	-	-
<i>List sub-class</i>							
Biological assets	-	-	-	-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-	-	-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	40	1 650	1 500	747	285	1 275	1 610
Specialised vehicles	-	1 500	1 350	654	250	1 200	500
Refuse							
Fire		1 500	1 350	654	250	1 200	500
Conservancy							
Ambulances							

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



APPENDIX K – CAPITAL PROGRAMME BY PROJECT 2012/13

Capital Programme by Project: 2013/2014 (Excluding Financial Leases)					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Health					
Sundry Equipment	78			-100%	-100%
Data Projector	19	10	10	0%	-47%
Inspection Kits	60	43	43	0%	-28%
Computer Equipment		94	90	-4%	100%
Refuse removal					
Karwyderskraal 3rd cell	12,500			-100%	-100%
Sundry Equipment	3	2	2	0%	-33%
Sports, Arts & Culture					
Recreational Facilities			15	100%	100%
Equipment	81	91	125	37%	54%
Computer Equipment		8	8	0%	100%
Access Control			200	100%	100%
Upgrading of Roads			78	100%	100%
Upgrade Bungalows	50	50		-100%	-100%
Upgrade Swimming Beach	50			-100%	-100%
Upgrade Sewerage	50	100	93	-7%	86%
Planning & Environmental Management					
General Vehicles	190	250	227	-9%	19%
Computer Equipment	20			-100%	-100%
Safety and Security					
Specialised Vehicles	1500	1359	654	-52%	-56%
Rescue and Sundry Equipment		100	63	-37%	100%
Computer Equipment		50	26	-48%	100%
ICT and Other					
Projector		10	8	-20%	100%
Sundry Equipment		15	16	7%	100%
General Vehicles	200	231	220	-5%	10%
Computer Equipment	43	212	204	-4%	374%
Furniture & Office Equipment	50	39	35	-10%	-30%
Intangible Assets		55		-100%	0%



APPENDIX L – AUDITOR GENERAL REPORT ON FINANCIAL STATEMENTS AND PERFORMANCE REPORT 2013/2014

Insert



APPENDIX M – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 Returns Not Made During Year 2013/2014 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date
January 2014	The OSA (Statement of Financial Performance) form for January was submitted to National and Provincial Treasury on the due date; however, the database rejected the form due to a date error in the document.



VOLUME II: ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements – Volume II of annual report

