

# Breede Valley Municipality

**Annual  
-  
Report**

**2011/12**



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# Chapter 1: Mayor's Foreword & Executive Summary



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

### COMPONENT A: MAYOR'S FOREWORD



***Our vision of a unique and caring valley of service excellence, opportunity and growth** depicts where the Breede Valley wants to be within the greater Cape Winelands area. Our mission informs the vision. By *providing sustainable and affordable basic services in a safe and healthy environment, which promotes social and economic welfare through participative governance in a committed service orientated approach, and by appreciating committed staff as the organization's most valuable resource and key to service delivery*, the vision will become reality.*

The Municipality's strategic objectives are included in our strategic plan, referred to as the IDP, which is aligned to the provincial strategic objectives and national key performance areas. The strategic pillars – opportunity, safety, caring, inclusiveness and a well-run municipality, are informed by the strategic objectives. The following objectives have been developed to address the challenges identified during the IDP

developmental process and are linked to service areas and pre-determined objectives:

- To create a unique and caring Valley of service excellence, opportunity and growth.
- To provide, maintain and assure basic services and social upliftment for the Breede Valley community
- To create an enabling environment for employment and poverty eradication through proactive economic development and tourism
- To ensure a safe, healthy, clean and sustainable external environment.
- Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government.
- Ensure a healthy and productive workforce and an effective and efficient work environment.
- Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices.

Linked to the new Five Year IDP (2012-2017), referred to as the 3<sup>rd</sup> Generation IDP is an organisational restructuring process that will enhance service delivery. This organisational restructuring process mainly focuses on the alignment of the organisational strategic framework with the organisational personnel structure. It entails the reorganisation of the macro structure followed by the micro/operational structure or organogram.

To address the challenges identified in the budget, Council has adopted a radical approach to borrowing over the medium term to finance capital expenditure. New loans were taken up in the 2010/11 financial year to provide for capital requirements for catalytic projects, essential for sustainable service delivery and to attract economic investment. Council is also in the process of finalising our Integrated Human Settlement Plan, an enabling instrument

to make available land for middle-income Gap Housing.

The OPCAR project (Operation Clean Audit Report) was launched to address accounting challenges and control deficiencies identified in the 2010-11 audit report. The Municipality in terms of its developmental mandate and values, based on Batho Pele (Putting People First) is committed to improve customer service and taking local government to the coalface of communities. With the implementation of the decentralised service delivery model, there was a notable improvement in service delivery in towns where regional managers were appointed and a more deliberate focus on addressing local issues followed.

The development of a long term economic-development strategy, Genesis, in co-operation with the Worcester Business Forum will most definitely stimulate growth in the economic sector. With the completion of the multi-million rand upgrading of the Worcester Waste Water Treatment Works the opportunities for larger developments have now become more viable.

Council also acknowledges the importance of stability in our communities as a key factor in realising the region's economic potential. To bridge any possible racial and cultural divide, Council entered into a partnership with the Worcester Hope and Reconciliation Initiative, working towards peace and prosperity for all in our unique and caring Valley of service excellence, opportunity and growth.

The establishment of ward committees commenced and concluded during September 2011. Since the optimal functioning of ward committees remains a challenge, our organisational review intends to address these challenges. The future general operations are foreseen to be much more fluent with greater communication becoming a core principle of the good governance process. The solution to our challenges lies in communication and public participation, not in protest action. The development of a communication and accountability model to ensure an effective flow of information between communities and local government structures via councillors and ward committees will be accommodated in our revised public participation and communication strategy.

In addition to the said partnerships with the Worcester Business Forum and the Worcester Hope and Reconciliation Initiative, Council also entered into a partnership with Business and the South African Police Service to improve the safety conditions in the central business district.

During the past Year Council experienced challenges and highlights. With the support of the Mayoral Committee, Council and dedicated staff, we will strive to further improve on service standards for all communities within the municipal boundaries.

Regards,



Basil Kivedo

Executive Mayor





## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW



Breede Valley Municipality made a commitment to all its residents to improve living standards in the municipal area, through continuous and sustainable service delivery, create an environment that is conducive for job creation and poverty alleviation based on affordability and realistic service delivery targets.

We acknowledge that it is important to contextualize the numerous challenges facing the municipality that emanated from years of neglect, compounded by certain sectors of our community's frustration and lack of trust in the municipality. Part of the solution is to continue the dialogue with our communities, and to manage the culture of entitlement, unrealistic perceptions and expectations through tangible service delivery.

Meaningful change is not going to take place overnight and to achieve the above requires political leadership that is bold enough to take unpopular long term ~~and~~ decisions with its associated risk and unintended consequences that needs to be mitigated as far as practically possible, through an effective communication strategy, community involvement and ownership for the long term strategy, in the process implement sustainable municipal solutions.

The 2011 year was the first year of the new Council and administration, the first step on a very long journey of introspection, changing of staff mind sets, continuous co-operation between Council executing its oversight role and the administrations pursuit of strategic and operational best practices.

With the 2011-12 budgets the Municipality sought to improve services throughout our municipal area. Despite our continuous efforts, it is a reality that we are unfortunately still facing service delivery challenges amongst the informal settlements, backyard dwellers and the smaller towns.

The 2011-12 SDBIP/Budget was the last of the 2006-2011 IDP/Budget cycle but the first step on a multi-year planning journey to reduce the R1,9 billion bulk infrastructure backlogs, replace the old dilapidated service delivery fleet that is older than 19 years, reduce 25 000 low cost housing backlogs, upgrade 7 000 informal settlement units, upgrade aging road network, ensure the continuous maintenance of other bulk infrastructure network, reduce the 3 000 rental units' maintenance backlogs, upgrade or replace the dilapidated municipal buildings and improve the financial sustainability of the Municipality.

Although Breede Valley Municipality has adequate resources to continue operations at the current level in the foreseeable future, the increase in indigent cases place an unbearable demand on the limited income source of the Municipality. We are currently experiencing a positive cash flow and the utmost care is taken in the commitment of financial resources to operational and capital requirements.

The Municipality has adopted a radical approach to borrowing over the medium term to finance its capital

expenditure. New loans were taken up in the 2010-2011 financial year to provide for capital requirements for catalytic projects, essential for sustained service delivery and to attract economic investments such as the R202 million loan to co-fund the Worcester Waste Water Treatment Works (R106 229 million), Worcester 66/11kv substation (R59 812 million) and counter funding for the Rawsonville 2 ml reservoir and pipeline (R14 402 million), and the Stetteynskloof pipeline to Worcester (R20,55 million).

The OPCAR project (Operation Clean Audit Report) was launched to address accounting challenges and internal control deficiencies, identified in the 2010-11 audit report. The BVM administration remains steadfast in its endeavor to achieve an unqualified audit for the year ending 30 June 2012 and we eagerly awaiting the outcome of the Auditor-generals report.

Council implemented the decentralised service delivery model in Touwsriver and De Doorns by appointing two town managers with the intent to have more deliberate focus on addressing local service delivery issues.

Although ward committees were established, the successful functioning of all wards still remains a challenge for the Municipality. The Municipality acknowledges the importance of effective public participation in municipal processes. and is exploring innovative ways to remodel and review current ward committees to make them more functional and accessible to the public.

During the past couple of months we experienced highlights, successes, challenges such as protest action in Zwelethemba and Avian Park (Worcester), demanding of the current Council and Municipal administration to prioritize their grievances.

The Municipality has initiated cost-benefit analysis focussing on the following non-core asset, Nekkie's resort, investigating alternative arrangements for our dilapidated fleet and municipal building.

Some of the stretched targets management have to achieve is to "do more with less" ,inculcating a new leadership culture of professionalism and discipline, in the process become trail blazers for a new organizational culture ,leading with a positive attitude and passion , and relentlessly pursue service excellence.

The following are some of the old institutional model challenges that were addressed during the last quarter of the financial year:

- Complex arrangements with large span of control and fragmented approach in implementation;
- Silo planning, operational implementation, monitoring and reporting;
- Dual roles, responsibilities and accountability resulting in tensions between departments and sections;
- The need for greater co-operation between different departments to prevent fragmentation, ensure economies of scale and to optimise system and value chains;
- Clarify regional powers and functions; and
- Outdated staff establishment, etc.

Communities still do not take co-ownership for challenges relating to illegal dumping of solid waste, theft of municipal equipment and the destruction of municipal infrastructure which negatively impact on our service delivery.

As accounting officer I would like to convey a word of thanks to the Executive Mayor, Deputy-Mayor, Speaker, Mayoral Committee members, Councillors and staff for taking up the challenge and buying into Councils vision.



## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Although we do not always get it right the first time, we remain steadfast in our pursuit of service excellence. Although the challenges we face are immense, TOGETHER we can make a difference, establishing cohesive and caring communities, and to become one of the best governed municipalities in the province.

Regards,



**Gerrit Matthyse**





### 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

This report addresses the performance of the Breede Valley Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2011-12 Annual Report reflects on the performance of the Breede Valley Municipality for the period 1 July 2011 to 30 June 2012. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

#### 1.2.1 VISION AND MISSION

The Breede Valley Municipality committed itself to the vision and mission of:

*Vision:*

*"A Unique and caring valley of service excellence, opportunity and growth"*

*Mission:*

*"To provide sustainable and affordable services in a safe and healthy environment whilst promoting social and economic welfare through participative governance and committed service orientated approach to treasure the staff as the organisation's most valuable resource and key to service delivery"*

#### 1.2.2 DEMOGRAPHIC INFORMATION

##### A) MUNICIPAL GEOGRAPHICAL INFORMATION

The most striking feature of the Breede Valley in the Western Cape is its scenic beauty. Majestic mountains, fertile valleys, vineyards and vast plains, covered with indigenous semi-desert vegetation, captivate the soul. The Region has an estimated population of **198 700 (inclusive of the informal settlements\*)**, covers an area of **3 015 km<sup>2</sup>** and comprises of the towns Worcester, De Doorns, Rawsonville, Touws River and the Matroosberg rural area. The Breede valley has a vibrant economy, based on strong agricultural, manufacturing and tourism sectors. The commercial and service sectors are also well-developed.

*\*This information is as per the 2001 SA Stats Census (146 028) plus an empiric survey done by Operations to physically count all household structures from a helicopter and multiplying it by approximately 5.*

**Wards**

The Municipality is currently structured into the following 21 Wards:

WARD	AREAS
1	The entire community of Touws river, including business and residential areas
2	De Doorns South Stofland, Hasie Square, Ekuphumleni
3	The Centre of De Doorns
4	De Doorns Town Centre and adjacent Farm Areas
5	De Doorns Farming areas including Brandwag, De Wet and Sand Hills
6	N1 Worcester entrance, Altona, Brandwag, Tuindorp, Bergsig, Van Riebeeck Park, Panorama
7	Residential areas of partly Esselenpark and Worcester West
8	The Chessies and part of Worcester South
9	Roodewal Area
10	Hexpark and Johnsonspark Area
11	Noble Park
12	OVD, Parkersdam and Russell Scheme
13	Avianpark
14	Riverview Flat and Parkersdam Area
15	Langerug, Panorama and Goudini
16	Zwelethemba
17	Zwelethemba Residential space next to R300 on Robertson Road
18	Zwelethemba
19	Part of the centre of Rawsonville and outlying farming community
20	Part of the centre of Rawsonville, and areas towards N1
21	Avianpark and all surrounding informal areas

*Table 1: Municipal Wards*

**De Doorns, Hex River Valley**

De Doorns lies on the main route to and from Cape Town, Johannesburg and Port Elizabeth. With its wide range of service and commercial facilities, De Doorns has become the business and shopping centre for the entire valley and surrounding towns. De Doorns is a town with a particularly impressive cultural heritage. In 1819 De Doorns was proclaimed a sub-drostdy of Tulbagh. Two farms were bought for the purpose of laying out a town. In 1822 De Doorns was proclaimed a full drostdy.

The little town of De Doorns lies at the centre of the Hex River Valley only one and a half hours' drive from Cape Town, just off the N1 and 35 kilometres north of Worcester, in the midst of South Africa's Table Grape industry. This is a valley of vineyard upon vineyard, historical Cape Dutch homesteads, and snow-capped mountains during winter that combine to make it one of the most picturesque valleys, particularly during autumn when the different vines give rise to a display of variegated colour so rich that all who see it are inspired and none left untouched by its beauty.

De Doorns literally translated means 'the thorns' in Dutch and refers to the Acacia thorn trees that dominate the Hex River banks. De Doorns' wine cellar boasts the longest harvest season in the world, from December through until April, and the area exports some 17 million cartons of grapes annually. Farms here lie nestled between the Hex and Quadou Mountains, which provide much in the way of hiking, mountain biking and rock climbing.

### **Rawsonville**

Rawsonville is a small wine growing and farming community in the Breede River Valley of the Western Cape province of South Africa. The town forms part of the Breede Valley Local Municipality, and is located in a scenic portion of the valley on the eastern flanks of the Du Toitskloof Mountains.

The climate is hinterland (further from oceanic influences) Mediterranean, with cool, rainy winters and warm, dry summers. Due to its more inland location, winters can sometimes get frosty, with heavy snowfalls sometimes falling on the surrounding high-ground, summers are generally pleasant, although some February and March days can reach 38°C or higher.

The area is known for the Breedekloof Wine Route with its 22 Cellars and Wine Estates and also hosts the annual Breedekloof extreme sports festival. The economy remains heavily reliant on serving the agricultural community, however tourism in the form of weekend retreats are becoming more important to the town's income. Rawsonville is 90 km to the east of Cape Town and 15 km to the west of the large town of Worcester.

### **Touws River**

On 7 November 1877, the Worcester-Matjiesfontein section of the Cape Government Railways' Cape Town-Kimberley main line was opened to traffic. The line included a station, originally named "Montagu Road", where the line bridged the Touws River. The name was given in reference to the town of Montagu, which lies about 90 kilometres (56 mi) to the south by road. In 1883 the station was renamed "Touwsrivier".

The town of Touws River developed around the railway depot, at which locomotives were changed after the climb over the Hex River Pass. It was particularly busy because of the need to bank trains over the pass; banking locomotives were turned at Touws River to return to De Doorns. From 1924 it also served as the junction for the branch line to Ladismith. The closing of the Ladismith branch in 1981 and the opening of the Hex River Tunnel in 1989 reduced the importance of Touws River as a depot.

Touws River received municipal government in 1962; with the transformation of local government in South Africa it has been incorporated into the Breede Valley Local Municipality. It is located in ward 1 of the local municipality, which in turn falls within the Cape Winelands District Municipality.

Touws River is located at an elevation of 770 meters (2,530 ft) on the south-western edge of the Great Karoo, east of the Hex River Mountains and north of the Langeberg, at the point where the Donkies River flows into the Touws River. It lies just to the south of the N1 highway, 180 kilometres (110 mi) by road from Cape Town. The railway line passes through the town, with the yards and depot being located just to the north-east; by rail it is 257 kilometres (160 mi) from Cape Town.

### **Worcester**

Worcester is a town in the Western Cape, South Africa. It is located 120 km north-east of Cape Town on the N1 highway north to Johannesburg.

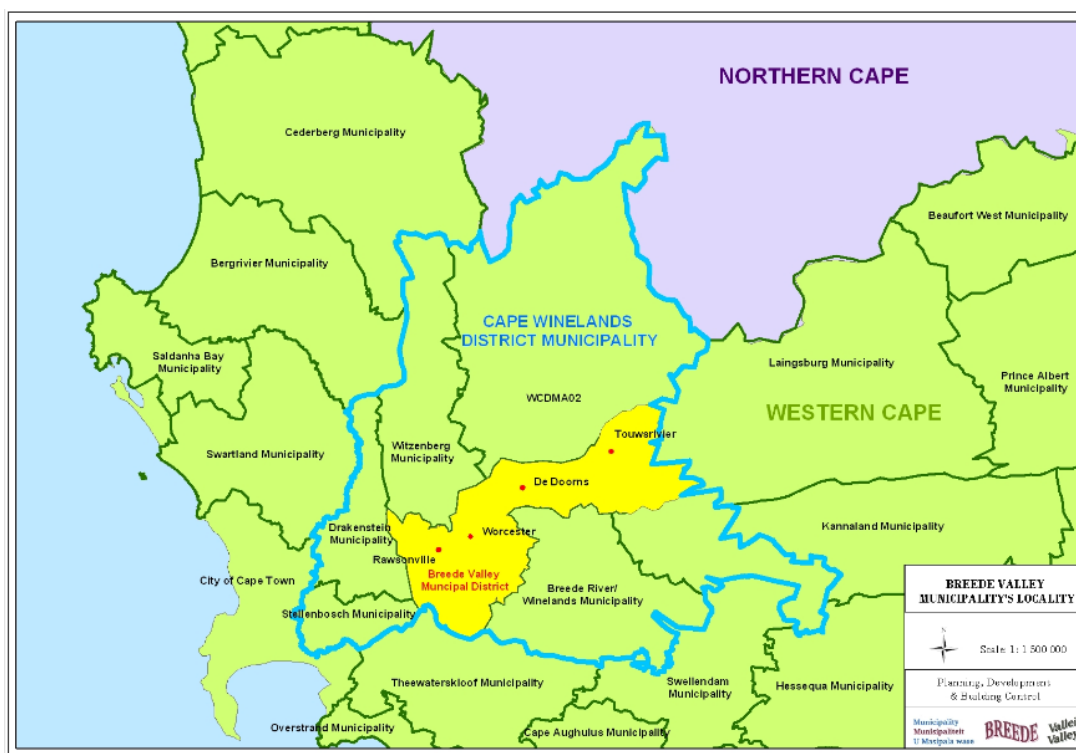
## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The Breede Valley Local Municipality was formed in December 2000 encompassing the towns of Touws River, De Doorns, Worcester and Rawsonville.

Worcester is the largest town in the Breede Valley Municipality, home to approximately 100 000 people, including those people living on the surrounding farms. It is an old town established in 1820 and named after Lord Charles Somerset's nephew, the Marquis de Worcester. In 1823 there were only 10 houses in Worcester. It also serves as the administrative capital of the Breede Valley Local Municipality and as regional headquarters for most National and Provincial Government Departments. The town also serves as the hub of the Western Cape's interior commercial, distribution and retail activity with a shopping mall, well developed central business district and infrastructure.

Worcester is also the largest wine growing region in South Africa, both in number of vines and volume of wine produced, accounting for 20% of the total production. There is plenty to see and do in the area and being so centrally situated with the surrounding towns and other places of interest an hour or less drive from Worcester it is an ideal base from which to explore the region.

**Below is a map that indicates the five municipalities within the Cape Winelands District area:**



*Figure 1 Western Cape Area map*

### B) POPULATION

Population size provides an indication of the volume of demand for government services in a particular geographical space. It also serves as a planning measure to assist budget planners to match available resources to address the relative demand for services. Breede Valley has the 3rd largest population in Cape Winelands District with a population size of **146 028** in accordance with the **2001** census of Stats SA and **134 270** in accordance with the **2007** survey.

## a) Total Population

The table below indicates the total population within the municipal area according to the 2001 census:

<b>Total population</b>	146 028
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*Table 2: Demographic information of the municipal area – Total population*

Source: 2001 Census

## c) HOUSEHOLDS

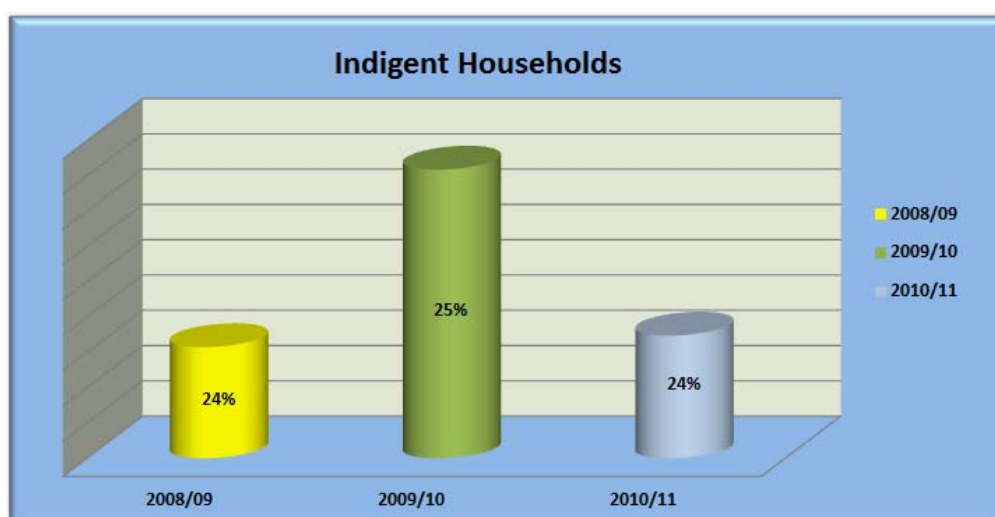
The total number of households within the municipal area decreased from **25 791** households in 2010/11 financial year to a total of **26 565** households in 2011-12 financial year. This indicates an **increase** in the total number of households within the municipal area over the two years.

Households	2009/10	2010/11	2011-12
Number of households in municipal area	26 317	25 791	*26 565
Number of indigent households in municipal area	6 429	6 560	6 507

*Table 3: Total number of households*

*\*Note: Formal and estimated informal households within the urban edge. This figure will differ from the information as per page 36*

The graph below shows that the total number of indigent households decreased from **6 560** in 2010/11 to **6 507** in 2011-12 financial year.



*Graph 1: Total % indigent households within the municipal area*

## **D) KEY ECONOMIC ACTIVITIES**

Intensive agricultural areas are located along river courses. The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description
Agriculture	Winery
	Table grapes, olives, dairy
Tourism	Agri- and Outdoor Tourism, Wine Route, Big 5, Guesthouses and B&B's, Canoeing and fishing, Hiking in mountains
Manufacturing	Textiles, Steel tankers, Food processing, Brandy and Wood products

*Table 4: Key Economic activities*

## **1.2.3 SOCIO ECONOMIC INFORMATION**

### **A) SOCIO ECONOMIC GROWTH**

The socio-economic information for the municipal area is as follows:

Housing Backlog	Unemployment Rate	Households with No Income	People older than 14 years illiterate	HIV/AIDS Prevalence
	(%)	(#)	(%)	(%)
25 300	19.7	3 138	20.1	8.8

*Table 5: Socio Economic information*

*Source: 2001 Census*

## **1.2.4 MUNICIPAL CHALLENGES**

The following general challenges are experienced by the Municipality:

CHALLENGES	ACTIONS TO ADDRESS
R1,9 billion infrastructure backlogs	Constructive effort to create a proactive maintenance plan and capitalised of partnerships with public and business at large to overcome the challenge
Consumer/ community education	By in of the Breede Valley Community to accept the challenge of working together in a responsible way. To stop things like illegal refuse dumping that cost the municipality millions of rand at the cost of the very same community etc.
Housing	Get an Integrated Human Settlement plan in place to address the housing challenge in the Breede Valley
Uncontrollable growth of squatter camps	Strengthen and by in from community for the effective operation of a law enforcement unit
By-law enforcement	Strengthening of the Law enforcement unit
Fleet Management	Implement a proper fleet management unit in order to ensure that proper control are done on dilapidated fleet and that misused of fleet resources are fully address

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CHALLENGES	ACTIONS TO ADDRESS
Review & implementation of the organization structure	Review the organogram and implement to ensure the effective and efficient usage of the human resources of this municipality
Accomplishing a clean audit report in 2014 or sooner	Identify the Gaps and implement plans to accomplish a clean audit in 2014
Broadening the tax base	Facilitate the LED to ensure the broadening of the tax base

*Table 6: Municipal Challenges*

### 1.3 SERVICE DELIVERY OVERVIEW

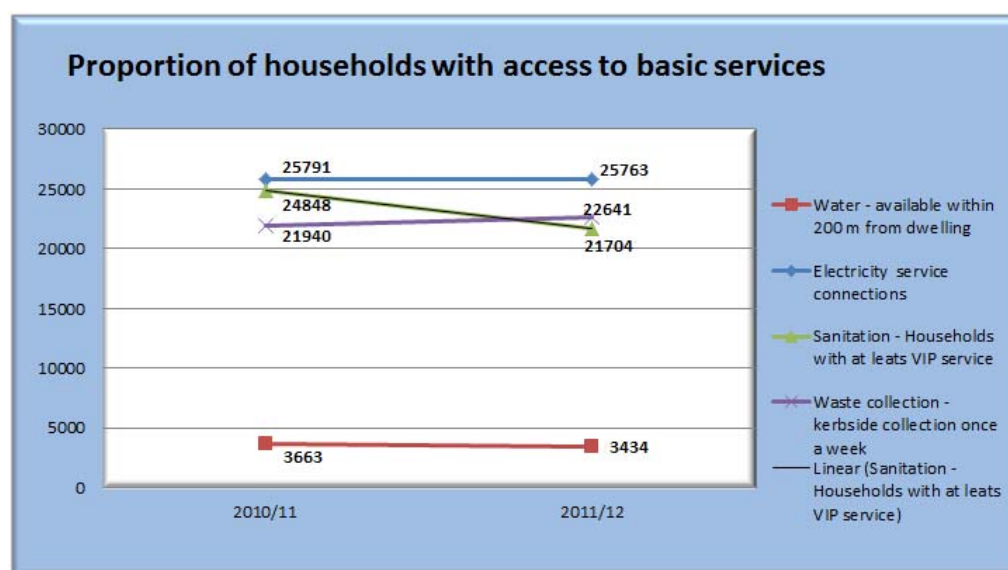
#### 1.3.1 PROPORTION OF HOUSEHOLDS WITH ACCESS TO MINIMUM LEVEL OF BASIC SERVICES

The table below shows the total of households that do have access to the minimum levels of basic services

Level of Services	2010/11	2011-12
Electricity service connections	25 791	25 763
Water - available within 200 m from dwelling	3 663	3 434
Sanitation - Households with at least VIP service	24 848	21 704
Waste collection - kerbside collection once a week	21 940	22 641

*Table 7: Households with minimum level of Basic Services*

The graph below shows the proportion of households with access to basic level of services:



*Graph 2: Households with access to basic services*



## **1.4 FINANCIAL HEALTH OVERVIEW**

### **1.4.1 FINANCIAL VIABILITY HIGHLIGHTS**

The following highlights were achieved by the Municipality regards to financial viability:

<b>Highlight</b>	<b>Description</b>
The Breede Valley ended on a net surplus of R2,727,198	Proof that the municipality is financially sound
The current Ratio (Liability ratio) was 1.42:1 on 30 June 2012 whilst the ratio was 1:53:1 on 30 June 2011.	Financially sound in the municipal contexts
The credit rating are still stable at A3.za (refers to a stable outlook)	The same as the rating for 2010
Debt Recovery Rate is 97.5%	Very good recovery rate within the current economic circumstances

*Table 8: Financial Viability Highlights*

### **1.4.2 FINANCIAL VIABILITY CHALLENGES**

The following general challenges are experienced by the Municipality regards to financial viability:

<b>Challenge</b>	<b>Action to address</b>
Maintain a sound financial position in the context of the national & international economic climate	Breede Valley took a conservative principle not to borrow until the Tax base has broadened. Breede Valley also accepts that they should do more with less.
Revenue enhancement	Try to further enhance the effectiveness and completeness of debt recovery
Create economies of scale	Research and implement best practise and ensure that the best economic solutions balanced with the social responsibility are implemented
Constantly improve the economic health of the municipality	By focussing on liquidity and the improvement of it

*Table 9: Financial Viability Challenges*

### **1.4.3 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)**

The following table indicates the municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

<b>KPA &amp; Indicator</b>	<b>2010/11</b>	<b>2011-12</b>	<b>Comments</b>
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	9.78	9.06	This ratio indicates the municipality's ability to service its debt payment. A ratio of 2 is generally acceptable. The higher the ratio the lower the risk
Service debtors to revenue – (Total	12.51	14.26	This ratio indicates how effective revenue

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

KPA & Indicator	2010/11	2011-12	Comments
outstanding service debtors: revenue received for services)			collection is being executed by the municipality. The current outstanding debt is 13.43 % of revenue
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure	2.71	2.00	This ratio indicates the municipality's ability to meet its monthly expenditure. The ratio decreased from 2.71 in 2010/11 to 2.04 in 2011-12, however the ratio is still in excess of 1:1 which is positive

**Table 10: National KPI's for financial viability and management**

### 1.4.4 FINANCIAL OVERVIEW

The table below shows the financial overview of the municipality:

Details	Original budget	Adjustment Budget	Actual
(R'000)			
<b>Income</b>			
Grants	135 125	147 209	139 429
Taxes, Levies and tariffs	427 054	429 717	436 810
Other	49 582	48 271	48 275
Sub Total	611 761	625 197	624 515
Less Expenditure	635 254	634 225	621 788
<b>Net surplus/(deficit)</b>	<b>(23 493)</b>	<b>(9 028)</b>	<b>2 727</b>

**Table 11: Financial Overview**

### 1.4.5 OPERATING RATIOS

The following table contains the operating ratios for the 2011-12 financial year:

Detail	Expected norm	Actual	% Variance
	(%)		
Employee Cost	35	31.93	3.07
Repairs & Maintenance	8-12	6.83	1.17
Finance Charges & Depreciation	18	16.62	1.38

**Table 12: Operating ratios**

- Employee cost is 3% above the norm and should be considered in future budgets.
- Repairs and maintenance is ±1% below the expected norm. Under spending on repairs and maintenance can shorten the life of assets and will have an impact on service delivery.
- Finance charges & depreciation are more or less within the norm.

## 1.4.6 TOTAL CAPITAL EXPENDITURE

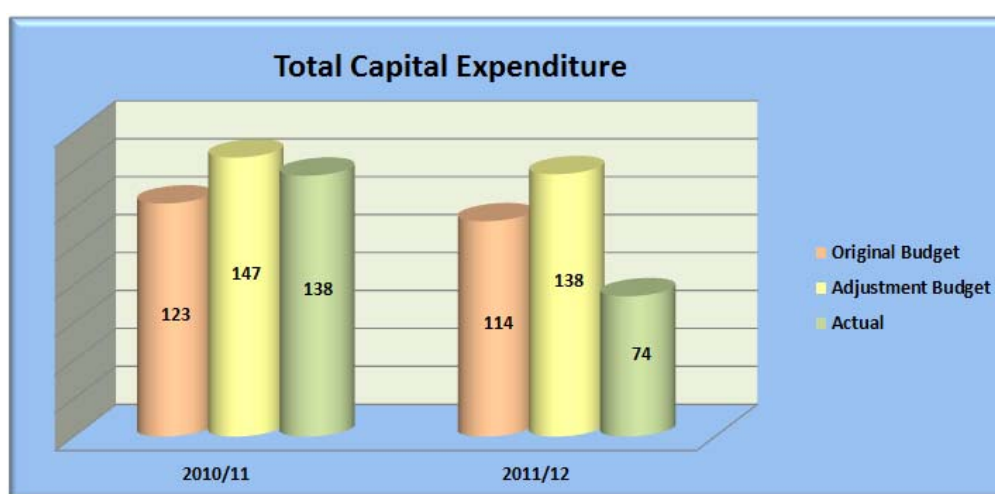
The table below shows the total capital expenditure for the last two years:

Detail	2010/11	2011-12
	(R'000)	
Original Budget	122 879	113 513
Adjustment Budget	147 122	138 345
Actual	137 534	73 978

**Table 13: Total Capital Expenditure**

*Note: Refer to page 256 – 261 for explanation of numbers*

The graph below shows the total capital expenditure for the last two financial years:



**Graph 3: Total Capital Expenditure**

Variations are as a result of roll-overs from previous financial years, as well as adjustment budgets within the year in actuals, adjustment budget and original budget. Refer to page 246-248 for explanation of numbers.

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### 1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

The following highlights were achieved by the municipality regards to municipal transformation and organisational development:

Highlight	Description
Impact of improved people management	Appointment of the new Municipal Manager, Mr G Matthyse at the Breede Valley Municipality on 1 March 2012.
	Compilation of a new Organisation Structure to ensure efficient, effective and economic service delivery in terms of the new Integrated Development Plan.
	Submitted the Employment Equity reports to Department of Labour and a draft Employment Equity Plan for the period 2012 until 2017 was compiled.
	Workshops were held at different work premises to explain the purpose of the

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Highlight	Description
	Employment Equity Act to all employees at Breede Valley Municipality. Various policies were compiled to ensure adherence with legislative requirements and collective agreements.
	The Skills Development Training Report was approved and submitted to LGSETA on 28 June 2012, reflecting all the training that took place for the 2011/2012 financial year. Emphasis was placed on the municipal competency modules, internships and learner ships e.g. Water and process control, auditing, financial procedures, etc.
	The new Skills Development Plan for the 2012/2013 period was compiled and approved at the Training Committee Meeting which was held on 26 June 2012. This plan is based on prioritised training needs in the different departments to address skills shortages and lack of competencies.
	There was a decrease in the overtime payments, compared to the 2010/2011 financial year. This was achieved through improved control mechanisms where planned overtime must be motivated and approved in a prescribed format.
	There was an improvement in absences from work without permission as the employees did not receive any pay and the required disciplinary action was taken.
	There are continuous investigations regarding incapacity due to poor performance and illness.
	Increase in dismissals due disciplinary actions that were taken as a result of misconducts.

**Table 14: Municipal Transformation and Organisational Development Highlights**

### 1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

The following general challenges are experienced by the municipality regards to municipal transformation and organisational development:

Challenge	Actions to address
High personnel turnover	Compile an Award and Incentive Policy Compile a Retention and Scarce Skills Policy
Poor overall performance of employees	Implement job descriptions with specific inputs, outputs and outcomes with operating standards that need to be achieved Performance evaluations of staff in terms of their job descriptions Address high level of absences from work and abuse of sick leave through incapacity due to illness and incapacity due to poor performance investigations
Employed staff who do not meet the minimum requirements in terms of job specifications	Identify the skills gaps by comparing the skills audits with the requirements of the job descriptions in order to arrange training and development to address the shortcomings.
Lack of office space and outdated or ineffective equipment has a direct impact on performance of employees	Investigate the extent of the problems and address it in the new budget for 2012/2013
Restructuring and alignment of the organizational structure.	To really ensure that we use our staff compliment in the most effective and efficient way it became a priority to ensure that we review the organisational structure in the context of proper alignment to ensure effectiveness and efficiency in service delivery along with economy in resource utilization.
Local Economic Development and as a result broadening of the Tax base	The Municipality is in process to upgrade certain of its bulk services, such as the Worcester Waste Water Treatment Plant in order to create the capacity for future developments
High economic pressures during the 2010/2011 financial year that had a negative impact	Improve the debt recovery rate further

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Challenge	Actions to address
on service delivery	Enhance LED to eventually broaden the Tax base and promote employment creation Create an understanding with management and the community that it can't be business as usual.
Low moral & unacceptable conduct of staff that sometimes culminates in unprofessional and disloyal behaviour.	The implementation of an appropriate code of conduct, strengthened by a performance management system that speaks to all levels of the municipality will definitely assist to address the issue. Staff moral need to be further enhance through a proper PMS that are linked to a recognition and reward system
Greater focus on Local Economic Development.	The collaboration with other stakeholders, such as business, to ensure that the investment made in the upgrading of our bulk services, with reference to the Worcester Waste Water Treatment Plant, are being capitalised on, especially with the aim in mind to better the life of the poor through job creation.
Broadening the Tax base of the municipality.	To ensure an appropriate revenue resource based that will enhance financial health and sustainability.
Create a greater sense of responsibility in the broader Breede Valley community.	Create a sense of responsibility that speaks to the moral generation of a society with self-respect and pride and an understanding that something, like for instance irresponsible refuse/ rubbish distribution, above others, can create a high cost burden on the coffers of the municipalities and may result in unnecessary tariff increases for the community's pockets.
Squatter Control and control on informal settlements.	There's a need that squatter control are constructively implemented to reduce the further expansion of a situation that will not only become uncontrollable but will impact negative on the resources and pockets of the Breede Valley Society.
Proper prioritization of limited resources	To efficiently, effectively and economically address the ultimate priorities of basic service delivery and as a result proper control over expenditures, such as proper fleet management, etc. Will assist that limited resources end up in the right priorities.
Seek for innovative ways to provide/ render services	To ensure that the required standard of service delivery, such as, refuse removal & filling of potholes etc. are rendered, it is important that new ways are found to deal with service delivery, due to the fact that we know that resources are limited. It can't be business as usual.
Constant and continuous improvement of debt recovery	Although the debt recovery rate is good, the good is not well enough anymore and BVM acknowledge that it need to pull all stops to improve on the current rate.
To ensure the successful implementation of the Vision, Mission and objectives of the new political regime	This really indicates the importance of the alignment of the administration to ensure the staff is keen to implement the objectives to the best of their ability.
Expenditure Management	To ensure that proper control take place over expenditures such as, Fleet Management, Overtime, telephones, Leave Administration, etc.

**Table 15: Municipal Transformation and Organisational Development Challenges**

### 1.5.3 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007,

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“(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations.”

**37** Employees were identified to obtain the abovementioned qualification and prescribed competencies. By the end of June 2012, a total of 37 officials - Financial and Non-financial - were identified, and started with the minimum competencies training. A total of 6 officials were competent at the end of the financial year, and the other officials are currently in the process of completing their unit standards in terms of the regulations.

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>				
Accounting officer	1	0	1	0
Chief financial officer	1	0	1	1
Senior managers	2	2	0	0
Any other financial officials	13	13	0	5
<b>Supply Chain Management Officials</b>				
Heads of supply chain management units	1	1	0	1
Supply chain management senior managers	2	2	0	0
<b>TOTAL</b>	<b>20</b>	<b>18</b>	<b>2</b>	<b>7</b>

**Table 16: Financial Competency Development: Progress Report**

## 1.6 AUDITOR GENERAL REPORT

Unqualified opinion, the financial statements present fairly, in all material respects, the financial position of the Breede Valley Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA

### 1.6.1 AUDITED OUTCOMES

Year	2007/08	2008/09	2009/10	2010/11	2011-12
Status	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

*Table 17: Audit Outcomes*



# Chapter 2: Governance





## CHAPTER 2: GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

### A) NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2009/10	2010/11	2011-12
The percentage of a municipality's <b>capital budget</b> actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	92.48	93.48	49.3*

**Table 18: National KPIs - Good Governance and Public Participation Performance**

*\*Note: The main reasons for the low expenditure are included on Appendix D3 of the Annual Financial Statements.*

### B) PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following highlights were achieved by the municipality regards to good governance and public participation:

Highlight	Description
Successful engagement with ward committees & Wards regarding IDP needs	An inclusive approach was followed with the establishment of needs for the next financial year
Brede Valley has an Audit Committee that is fully functional and constructive & contribute vastly to the oversight role in order to strengthen internal control and governance	Audit Committee function successfully within their required roles and responsibility
The Brede Valley accomplish unqualified audits for the past 4 consecutive years	Brede Valley focus on the implementation of proper plans towards accomplishing a clean audit
New Council is well establish	New council is well established and function optimally

**Table 19: Good Governance and Public Participation Performance Highlights**

## **C) CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The following general challenges are experienced by the municipality regards to municipal good governance and public participation:

<b>Description</b>	<b>Actions to address</b>
Breed Valley aspire to accomplish a clean audit report sooner than 2014	A implementable MGRO (Municipal Governance Review Outlook) plan has been implement to accomplish a clean audit
Implementation of an MPAC (Municipal Public Accounts Committee)	MPAC need to be implemented as further strengthening of the oversight role
Implementation of a new organizational structure of the municipality	Breed Valley in process to compile and review the organogram

*Table 20: Good Governance and Public Participation Challenges*

## **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

### **2.1 POLITICAL GOVERNANCE STRUCTURE**

The council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

### **A) COUNCIL**

Below is a table that categorised the councillors within their specific political parties and wards:

<b>Name of councillor</b>	<b>Capacity</b>	<b>Political Party</b>	<b>Ward representing or proportional</b>
Cllr. B.D. Kivedo	Executive Mayor	DA	Proportional
Cllr. J.D. Levendal	Deputy Executive Mayor	DA	Proportional
Cllr. A. Steyn	Speaker	DA	6
Cllr. R. Farao	Chief Whip	DA	13
Cllr. W.M. Blom	Member of Mayoral Committee	DA	Proportional
Cllr. A.E. Jordaan	Member of Mayoral Committee	DA	Proportional
Cllr. A.M. Du Toit	Member of Mayoral Committee	DA	Proportional
Cllr. S. Goedeman	Member of Mayoral Committee	DA	19
Cllr. M. Sampson	Member of Mayoral Committee	DA	11
Cllr. E.Y. Sheldon	Member of Mayoral Committee	DA	12
Cllr. W.R. Meiring	Member of Mayoral Committee	DA	7
Cllr. J.F. Van Zyl	Member of Mayoral Committee	DA	Proportional
Cllr. M.N. Bushwana	Councillor	ANC	Proportional
Cllr. L. Dyabooi	Councillor	ANC	Proportional

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Name of councillor	Capacity	Political Party	Ward representing or proportional
Cllr. N. Jali	Councillor	ANC	16
Cllr. S.E. James	Councillor	ANC	Proportional
Cllr. J.J. Januarie	Councillor; District Municipality Councillor	ANC	Proportional
Cllr. P.B. Januarie	Councillor	ANC	3
Cllr. B.V. Klein	Councillor	ANC	Proportional
Cllr. M.N. Lubisi	Councillor	ANC	2
Cllr. P. Marran	Councillor; District Municipality Councillor	ANC	4
Cllr. S.B. Mfutwana	Councillor	ANC	Proportional
Cllr. B.W. Ntshingila	Councillor	ANC	Proportional
Cllr. L. Richards	Councillor	ANC	Proportional
Cllr. N.V. Steto	Councillor	ANC	8
Cllr. P. Tyira	Councillor	ANC	17
Cllr. C.F. Wilskut	Councillor	BO	Proportional
Cllr. N.P. Mercur	Councillor	BO	Proportional
Cllr. G.F. Jaftha	Councillor	CI	Proportional
Cllr. P.G. Smith	Councillor	COPE	1
Cllr. R. Blom	Councillor	DA	20
Cllr. J.A. Boshoff	Councillor	DA	15
Cllr. T.C. Dyonta	Councillor	DA	18
Cllr. B.J. Kriegler	Councillor	DA	5
Cllr. S. Lakey	Councillor	DA	Proportional
Cllr. E.S.C. Matjan	Councillor	DA	9
Cllr. S.J. Mei	Councillor; District Municipality Councillor	DA	Proportional
Cllr. J. Schneider	Councillor	DA	Proportional
Cllr. G. Stalmeester	Councillor; District Municipality Councillor	DA	10
Cllr. T.M. Wehr	Councillor	DA	21
Cllr. C. Ismail	Councillor	Independent	14

**Table 21: Council 2011-12**

Below is a table which indicates the Council meetings attendance for the 2011-12 financial year:

Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
29 July 2011	17	98	0
11 August 2011	1	100	
24 August 2011	11	98	0
27 September 2011	1	95	2.5
31 October 2011	26	95	2.5

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
29 November 2011	22	95	0
22 December 2011	2	80	3
25 January 2012	9	98	0
16 February 2012	2	100	
28 February 2012	4	98	0
29 March 2012	7	93	0
30 & 31 May 2012	6	100 & 95	5

**Table 22: Council meetings**

### B) EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, **Councillor B.D. Kivedo** assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he 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, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2011 to 30 June 2012:

Name of member	Capacity
Deputy Executive Mayor, Cllr. J.D. Levendal	Basic Services; Community Safety & Traffic
Cllr. W.M. Blom	Financial Services; Internal Audit; IDP & PMS
Cllr. A.E. Jordaan	Agriculture & Rural Development; Disaster Management (Fire & Rescue included)
Cllr. A.M. Du Toit	LED & Tourism(Business & Agri-business included)
Cllr. S. Goerdeman	Arts & Culture (Heritage matter included); Environment & Recreation & Sport
Cllr. M. Sampson	Community Services; Disabled; Library Services; Social Development; Women & Youth
Cllr. E.Y. Sheldon	Housing
Cllr. W.R. Meiring	Human Resources; Technical Services (Civil & Planning Services)
Cllr. J.F. Van Zyl	Communication & Marketing; Corporate Services & Ombudsman

**Table 23: Executive Mayoral Committee 2011-12**

The table below indicates the dates of the MayCo meetings and the number of items submitted for the 2011-12 financial year:

Meeting date	Number of items submitted to MayCo
14 July 2011	16

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Meeting date	Number of items submitted to MayCo
23 August 2011	16
22 September 2011	4
24 October 2011	9
13 December 2011	5
21 February 2012	5
22 March 2012	10
23 April 2012	8
15 May 2012	4
19 June 2012	20

**Table 24: Committee Meetings**

*(Please note that the name and functions of the committees have on numerous occasions been altered due to the change of council.)*

### C) COMMITTEES

On 11 August 2011 Council resolved that there would be three types of meetings of Council:

- Section 79 Committee that should meet on the first Tuesday of every month to discuss matters that need to be referred to MayCo or Council and to make suitable recommendations;
- MayCo Committee that should meet on the third Tuesday of every month to consider the recommendations of the Section 79 Committee and to resolve all matters referred to it in terms of delegated authority; and
- Council Meetings that should meet at least four times a year to resolve matters that have not been delegated to officials or MayCo.

The Section 79 Committee is chaired by the Speaker and all councillors attend; MayCo is chaired by the Executive Mayor and the Deputy Executive Mayor and eight "portfolio" councillors serve on MayCo (we do not have portfolio committees, the portfolio councillors on MayCo are responsible for motivating matters applicable to their respective portfolios); Council meets to discuss and rule on legislative compliance issues (only four matters which they cannot delegate – passing of by-laws, approval of budgets, imposition of rates and other taxes, levies and duties and the raising of loans).

The Section 79 Committee only met twice during the year under review.

### D) SECTION 79 COMMITTEE

Section 79 committees are committees that specialise in a specific functional area of the municipality. Council resolved that they make recommendations to the Mayoral Committee.

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The Section 79 Committee (consisting of four committees) for the 2011/16 Mayoral term and their Chairpersons are as follow:

Committee	Chairperson	Number of records of proceedings submitted to MayCo	Meeting Date
Corporate Services Section 79 Committee	Cllr. T.C. Dyonta	1	6 September & 5 October 2011
Financial Services Section 79 Committee	Cllr. J.A. Boshoff	1	6 September & 5 October 2011
Operational Services Section 79 Committee	Cllr. S. Lakey	1	6 September & 5 October 2011
Public Safety & Community Development Services Section 79 Committee	Cllr. T.M. Wehr	1	6 September & 5 October 2011

**Table 25: Portfolio Committees**

## 2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official		Department	Performance agreement signed (Yes/No)
Mr. G. Mathyse		Municipal Manager	Yes
Mr. M.K. Gagu		Corporate Services	Yes
Mr. D. McThomas		Financial Services	Yes
Mr. W.H. Visser		Operational Services	Yes
Dr. W.R. Murray		Public Safety and Community Development Services	Yes

**Table 26: Administrative Governance Structure**

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

Breed Valley is a stakeholder in numerous cooperative governance and intergovernmental relation initiatives and also partake successfully in them, such as:

- The District forums;
- Provincial and National departmental forums and meetings;
- Municipal Managers Forums;
- Chief Financial Officers Forums;
- IDP forums; and
- Business Forums within the Breed Valley, etc.

It is indeed the intention of the Breed Valley administration and council to ensure that the community get the best out of what is available within the liaison of these forums and meetings and therefore active participation is of utmost importance to all within the Breed valley.

### **2.3 INTERGOVERNMENTAL RELATIONS**

#### **National Intergovernmental Structures**

Breed Valley are participating fully in national forums with the main purpose of ensuring that the Breed Valley capitalise on best practices and also fully address the need of the Breed Valley to create an understanding and ensure that the priority of the needs are acknowledge and addressed. The Municipal Manager also participates on the National Municipal Manager's Forum; co-ordinated by SALGA to ensure national alignment amongst Municipal Manager's etc.

#### **Provincial Intergovernmental Structures**

The provincial IGR meetings attended by BVM are:

- Provincial MinMay Technical is attended by the Municipal Manager. The meeting is between the Director-general of the Department of Local Government, provincial departments and municipalities to formulate joint strategic, policy and agenda items for the MinMay.
- MinMay is attended by the Executive Mayor and the Municipal Manager. The meeting is between the MEC for Local government and all Executive Mayors in the province.
- Premier's Coordinating Forum with the Premier, MEC's and all Executive Mayors in the province. It is attended by the Executive Mayor and the Municipal manager.

The municipality partake on all SALGA working groups, sectoral committees/forums ie.; Municipal Manager's Forum, CFO Forum, IDP forum, SCM forum, Internal Auditor's forums, Communication forum ,Speaker's forum, Provincial disaster management forum etc.

We are also active participants on all LGMtech structures ,IDP indabas etc.

### **District Intergovernmental Structures**

- District Coordinating Forum Technical is attended by the Municipal Manager and all other Municipal Managers in the district,
- District Coordinating Forum is attended by the Executive Mayor, the Municipal Manager and all other Mayors and Municipal Managers in the district to discuss strategic and policy alignment matters at a District level i.e. IDP alignment, shared service functions, transversal matters impacting on all spheres of government, SALGA matters, district specific issues etc. The added benefit is ensuring joint planning and coordination, resource optimization etc.

## **COMPONENT C: PUBLIC ACCOUNTABILITY**

MSA S15 (b): requires a municipality to establish and organize its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget.



## 2.4 PUBLIC MEETINGS

The table below show the different public meetings for the 2011-12 financial year:

<b>Nature and purpose of meeting</b>	<b>Date of events</b>	<b>Number of Participating Municipal Councillors</b>	<b>Number of Participating Municipal Administrators</b>	<b>Number of Community members attending</b>	<b>Dates and manner of feedback given to community</b>
Election of ward committees	01 August 2011	9	12	130	Elected Ward Committee
Election of ward committees	02 August 2011	9	12	250	Elected Ward Committee
Election of ward committees	03 August 2011	9	12	365	Elected Ward Committee
Election of ward committees	04 August 2011	9	12	450	Elected Ward Committee
Election of ward committees	08 August 2011	9	12	75	Elected Ward Committee
Election of ward committees	10 August 2011	9	12	750	Elected Ward Committee
Election of Ward Committees	11 August 2011	9	12	235	Elected Ward Committee
Ward Committee Community introduction	12 October 2011	3	3	130	Feedback on elected ward committee for 2012/2017
IDP Consultation Meeting	1-17 November 2011	10	10	1750	Community Needs Consultation
IDP/Budget Consultation Meeting	23 April 2012	10	10	175	Budget Consultation Meeting
IDP/Budget Consultation Meeting	24 April 2012	5	7	75	Budget Consultation Meeting
IDP/Budget Consultation Meeting	25 April 2012	7	10	253	Budget Consultation Meeting
IDP/Budget Consultation Meeting	26 April 2012	6	10	134	Budget Consultation Meeting
SDF Review Consultation	27 February 2012	0	4	75	Consultation on SDF Review
SDF Review Consultation	28 February 2012	0	4	102	Consultation on SDF Review
SDF Review Consultation	29 February 2012	0	4	56	Consultation on SDF Review
SDF Review Consultation	01 March 2012	0	4	54	Consultation on SDF Review

**Table 27: Public Meetings**

## **2.4.1 REPRESENTATIVE FORUMS**

### **A) LABOUR FORUMS**

The table below specifies the members of the Labour forum for the 2011-12 financial year:

<b>Name of representative</b>	<b>Capacity</b>	<b>Meeting dates</b>
10 Employer Representatives	5 Councillors	4 November 2011
	Municipal Manager	2 December 2011
	Directors	9 February 2012
	Manager: Human Resources	23 March 2012
10 Employee Representatives	5 SAMWU Members	18 April 2012
	5 IMATU Members	11 May 2012
		26 June 2012 – Training

**Table 28: Labour Forum**

### **B) IDP FORUM**

Breed Valley Municipality did not have an IDP Forum in place for the year 2011/2012. The gathering of all ward committees in Breed Valley in the form of a Ward Committee Summit is utilised as a representative forum.

### **C) RISK FORUM**

No risk management forum meetings were held in 2011-12. Breed Valley municipality's commitment is to appoint a Chief Risk Officer in 2012/13 to drive the process.

### **D) PERFORMANCE MANAGEMENT REPRESENTATIVE FORUM**

This forum did not exist during the 2011-12 financial year, but a Performance Audit Committee existed and was functional, as prescribed by the Municipal Planning & Performance Management Regulations, 2001.

### **E) IDP/BUDGET REPRESENTATIVE FORUM**

The table below includes the representatives and the meeting dates of the IDP/Budget representative forum for the 2011-12 financial year:

<b>Name of representative</b>	<b>Capacity</b>	<b>Meeting dates</b>
Mr. Bazil Kivedo	Executive Mayor	16 September 2011 22 September 2011
Mr. Thys Blom	MMC IDP & Budget	
Ms. Antoinnette Steyn	Speaker	
Mr. GF Matthyssen	Municipal Manager	
Mr. David McThomas	CFO	
Dr William Murray	Director Community & Public Safety	
Mr. Sybrandt Roets	Manager Financial Planning	
Mr. M Memani	Head Budget Office	
Mr. C Chordnum	IDP Manager	

**Table 29: IDP/Budget Representative Forum**

## 2.4.2 WARD COMMITTEES

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

**Ward 1:** The entire community of Touws River, including business and residential areas

Name of representative	Capacity representing	Number meetings held during the year
Mr. Filemon Beukes	Finance & Economic Development	8
Mr. Moos Nicholas	Sport, Culture & Youth	
Ms. Lea Williams	Women, CBO & Youth	
Mr. Abraham Jacobs	Housing	
Mr. Michael Visagie	Environment	
Mr. Arno Matthys	Development Planning	
Mr. Vincent Kaptein	Women, CBP, NGO	
Mr. Philip Syms	Safety	
Ms. Magdalena Persent	Infrastructure and Basic Services	

**Table 30: Ward 1 Committee Meetings**

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### Ward 2: De Doorns South, Stofland, Hasie Square and Ekuphumleni

Name of representative	Capacity representing	Number meetings held during the year
Ms. Fusi Dondolo	Finance & Economic Development	4
Mr. T W Masiloane	Sport, Culture & Youth	
Ms. Cynthia Nyithani	Women, CBO & NGO	
Ms. Nondilieseko Mphanduva	Housing	
Ms. Nkwe Dawgaca	Environment	
Ms. Vatsha Makeleni	Infrastructure & Basic services	
Mr. Andreas Nkati	Safety	
Mr. Sebezile Madlolo	Health	
Ms. V.V. Mpidipimba	Transport	
Vacant	Development Planning	

**Table 31: Ward 2 Committee Meetings**

### Ward 3: The Centre of De Doorns

Name of representative	Capacity representing	Number meetings held during the year
Mr. Adile Mfutwana	Sport, Culture & Youth	4
Ms. Nozbonele Gxagxa	Women CBO & NGO	
Mr. Anele Nyembe	Housing	
Ms. Wilhelmina Fuller	Environment	
Ms. Mzukisi Mfutwana	Development Planning	
Mr. Kholisile Madlolo	Transport	
Ms. Linda Bietou	Health	
Ms. Wilma Verendah	Safety	
Mr. S. Smith	Infrastructure & Basic Services	
Vacant	Finance & Economic Development	

**Table 32: Ward 3 Committee Meetings**

### Ward 4: De Doorns Town Centre and adjacent Farm Areas

Name of representative	Capacity representing	Number meetings held during the year
Mr. Andrias Solomons	Finance & Economic Development	4
Mr. Samuel Prent	Sport, Culture & Youth	
Ms. Elize Isaacs	Women, CBO & NGO	
Mr. Goodwill Makendlana	Housing	
Ms. Angeline Theron	Environment	
Ms. Sweetness Mbali	Development Planning	
Mr. Willem Swarts	Transport	
Ms. Elsa Lambert	Health	
Mr. Andrew Kamfer	Safety	

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Name of representative	Capacity representing	Number meetings held during the year
Mr. Jan J. Philander	Infrastructure & Basic Services	

**Table 33: Ward 4 Committee Meetings**

**Ward 5:** De Doorns Farming areas including Brandwag, De Wet and Sand Hills

Name of representative	Capacity representing	Number meetings held during the year
Mr. Jotta Plaatjies	Finance & economic Development	4
Mr. Kelvin Prins	Sport, Culture & Youth	
Ms. Bettie Fortuin	Women, CBO & NGO	
Mr. Jack Swartz	Housing	
Ms. Latoya Swartz	Environment	
Ms. Nomvula Dzingwa	Development Planning	
Mr. Henry Green	Transport	
Ms. Vuyani Mangaliso	Health	
Mr. Dennis Libo	Safety	
Mr. Curnell Barends	Infrastructure & Basic Services	

**Table 34: Ward 5 Committee Meetings**

**Ward 6:** N1 Worcester entrance, Altona, Brandwag, Tuindorp, Bergsig, Van Riebeeck Park, Panorama

Name of representative	Capacity representing	Number meetings held during the year
Mr. Havard Adams	Finance & Economic Development	8
Mr. Russel Cupido	Sport, Culture & Youth	
Ms. Cornelia Opperman	Women, CBO & NGO	
Mr. Andries Le Roux	Housing	
Mr. Andries Plaatjies	Environment	
Mr. Andries Appelgryn	Development Planning	
Mr. Pieter Stevens	Transport	
Mr. Vernon Le Roux	Health	
Mr. Edwin Afirka	Safety	
Vacant	Development Planning	
Edwin Africa	Infrastructure & Basic Services	

**Table 35: Ward 6 Committee Meetings**

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### Ward 7: Residential areas of partly Esselenpark and Worcester West

Name of representative	Capacity representing	Number meetings held during the year
Mr. J.J. Lategan	Finance & Economic Development	4
Mr. M. Swart	Sports Culture & Youth	
Mr. W. L. Lategan	Women, CBO & NGO	
Mr. D. de Koker	Housing	
Mr. P. van den Berg	Environment	
Mr. C.T. la Grange	Development Planning	
Mr. J. De Koker	Transport	
Mr. J. N. van der Walt	Safety	
Mr. J. Kritzinger	Infrastructure & Basic Services	
Vacant	Health	

**Table 36: Ward 7 Committee Meetings**

### Ward 8: The Chessies and part of Worcester South

Name of representative	Capacity representing	Number meetings held during the year
Ms. Charmaine Kobe	Finance & Economic Development	6
Mr. Daniel Mapingana	Sport, Culture & Youth	
Ms. Julia Gcuze	Women, CBO & NGO	
Ms. Stephanie Vyver	Housing	
Mr. Lourens Leteba	Environment	
Mr. Kholiwe Sogwagwa	Development Planning	
Mr. Japie Visser	Transport	
Ms. Lizeka Mngxunyeneni	Health	
Mr. Thembile Chole	Safety	
Mr. Bongani Msizi	Basic Services & Infrastructure	

**Table 37: Ward 8 Committee Meetings**

### Ward 9: Roodewal Area

Name of representative	Capacity representing	Number meetings held during the year
Ms. Angelique Pieterse	Finance & Economic Development	2
Mr. Pieter Beukes	Sport, Culture & Youth	
Ms. Michelle Plaatjies	Women, CBO & NGO	
Ms. Cynthia Plaatjies	Housing	
Mr. Leon Titus	Environment	
Ms. Henrietta Deelman	Development Planning	
Mr. Winston Maans	Transport	
Ms. Jessica Willemse	Health	
Mr. Isaac Williams	Safety	

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Name of representative	Capacity representing	Number meetings held during the year
Mr. Angelouw Fleur	Infrastructure & Basic Services	

**Table 38: Ward 9 Committee Meetings**

### Ward 10: Hexpark and Johnsonspark Area

Name of representative	Capacity representing	Number meetings held during the year
Mr. Andrew Hess	Finance & Economic Development	6
Ms. Lizette Kouter	Sport, Culture & Youth	
Ms. Ursula Pekeur	Women, CBO & NGO	
Mr. Willem Witbooi	Housing	
Ms. Catherine Pekeur	Environment	
Ms. Johanna Little	Development Planning	
Mr. Awie Booyesen	Transport	
Ms. S. Kees	Health	
Mr. M. Swartz	Safety	
Ms. Wilna Grove	Basic Services & Infrastructure	

**Table 39: Ward 10 Committee Meetings**

### Ward 11: Noble Park

Name of representative	Capacity representing	Number meetings held during the year
Mr. Rudolf Williams	Finance & Economic Development	2
Ms. Sallay Africa	Sport, Culture & Youth	
Ms. Evonne Heradien	Women, CBO & NGO	
Mr. Francious Matthews	Housing	
Mr. Thomas Jacobs	Development Planning	
Mr. Jon-Martin Jooste	Transport	
Mr. Trevor Samson	Health	
Ms. Anna Esau	Safety	
Mr. Rieyaaz Savahl	Infrastructure & Basic Services	
Vacant	Development Planning	

**Table 40: Table 27: Ward 11 Committee Meetings**



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### Ward 12: OVD, Parkersdam and Russel Scheme

Name of representative	Capacity representing	Number meetings held during the year
Ms. Lenie Pierce	Sport, Culture & Development	8
Ms. Amanda Smit	Women, CBO & NGO	
Mr. C.J. Apollis	Housing	
Ms. Ilse Claasen	Environment	
Mr. Norman November	Development Planning	
Mr. Collin Rittles	Transport	
Ms. Magdalene Abrahams	Health	
Mr. Therlo Apollis	Safety	
Ms. Inge Titus	Infrastructure & Basic Services	
Mr. Hubert Titus	Finance & economic Development	

**Table 41: Ward 12 Committee Meetings**

### Ward 13: Avian Park

Name of representative	Capacity representing	Number meetings held during the year
Mr. J. Stalmeester	Finance & Economic Development	4
Ms. A. Farao	Sport, Culture & Youth	
Mr. C. Adams	Women, CBO & NGO	
Ms. J. Fischer	Housing	
Mr. C. Fielles	Environment	
Ms. K. Gordon	Development Planning	
Mr. Claasen	Transport	
Ms. W. Faas	Health	
Mr. Karel Pekeur	Safety	
Ms. S. Jacobs	Infrastructure & Basic Services	

**Table 42: Ward 13 Committee Meetings**

### Ward 14: Riverview Flat and Parkersdam Area

Name of representative	Capacity representing	Number meetings held during the year
Mr. Adam Streyers	Finance & Economic Development	2
Mr. Raool Antonie	Sport, Culture & Youth	
Ms. Tougieda Afrika	Women, CBO & NGO	
Ms. Racheline Williams	Housing	
Ms. Haroldine Williams	Environment	
Mr. Jacobus Wyngaard	Development Planning	
Ms. Ladine Jacobs	Transport	
Ms. Kashiefa Sahabodien	Health	

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Name of representative	Capacity representing	Number meetings held during the year
Mr. Samuel Pekeur	Safety	
Ms. Cleopatre Adams	Infrastructure & Basic Services	

**Table 43: Ward 14 Committee Meetings**

### Ward 15: Langerug, Panorama and Goudini

Name of representative	Capacity representing	Number meetings held during the year
Mr. James Higgo	Finance & Economic Development	6
Mr. Lesley Cornelius	Sport, Culture & Youth	
Vacant	Women, CBO & NGO	
Ms. Anna Hamman	Housing	
Vacant	Environment	
Mr. Pieter Coetzee	Development Planning	
Vacant	Transport	
Mr. Petrus Pieterse	Health	
Mr. Willem Welgemoed	Safety	
Mr. Jan Meiring	Infrastructure & Basic Services	

**Table 44: Ward 15 Committee Meetings**

### Ward 16: Zwelethemba

Name of representative	Capacity representing	Number meetings held during the year
Mr. Siphiwo Mavemeqwana	Finance & Economic Development	8
Ms. Ntsikelelo Maqanda	Sport, Culture & Youth	
Ms. Gloria Bulani	Women, CBO & NGO	
Ms. Bulelwa Mamase	Housing	
Ms. Nombulelo Msutwana	Environment	
Mr. Daniel Sebetoane	Development Planning	
Ms. Apermethius Ningiza	Transport	
Ms. Brenda Siko	Health	
Ms. Monde Maduna	Safety	
Mr. Zolile Shoba	Infrastructure & Basic Services	

**Table 45: Ward 16 Committee Meetings**

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### Ward 17: Zwelethemba residential space next to R300 on Robertson Road

Name of representative	Capacity representing	Number meetings held during the year
Ms. Portia Nhlapo	Vacant	8
Ms. Ayanda Lamani	Sport, Culture & Youth	
Ms. Gloria Moso	Women, CBO & NGO	
Ms. Priscilla Mfengu	Housing	
Ms. Mzwanele Yeko	Environment	
Ms. Nwabisa Platyi	Development Planning	
Advocate	Transport	
Ms. Ester Nqakala	Health	
Vacant	Safety	
Mr. Gerald Guza	Infrastructure & Basic Services	

**Table 46: Ward 17 Committee Meetings**

### Ward 18: Zwelethemba

Name of representative	Capacity representing	Number meetings held during the year
Ms. Lucrecia Willemse	Finance & Economic Development	2
Ms. Sara Jacobs	Sport, Culture & Youth	
Ms. Signoria Mohlakola	Women, CBO & NGO	
Ms. Xoliswa Mroxisa	Housing	
Mr. Jacobus Van Wyk	Environment	
Mr. George Jansen	Development Planning	
Mr. Christoper Dutywa	Transport	
Ms. Speciline Pieterse	Health	
Mr. Jan Bosman	Safety	
Mr. Jim Jansen	Infrastructure & Development	

**Table 47: Ward 18 Committee Meetings**

### Ward 19: Part of the centre of Rawsonville and outlying farming community

Name of representative	Capacity representing	Number meetings held during the year
Ms. Liesbet Heyns	Finance & Economic Development	4
Mr. Gert Franse	Sport, Culture & Youth	
Ms. Anna Banies	Women, CBO & NGO	
Mr. Dawid Fredericks	Housing	
Mr. Piet Hendricks	Environment	
Ms. Fransiena Van Rooi	Development Planning	
Mr. Hendrik Prins	Transport	
Mr. Steven Bosman	Health	

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Name of representative	Capacity representing	Number meetings held during the year
Mr. Niklaas Moses	Safety	
Mr. Piet Frieslaar	Infrastructure & Basic Services	

**Table 48: Ward 19 Committee Meetings**

**Ward 20:** Part of the centre of Rawsonville, and areas towards N1

Name of representative	Capacity representing	Number meetings held during the year
Mr. Aron Pietersen	Finance & Economic Development	4
Mr. Donovan Langisa	Sport, Culture & Youth	
Ms. Sarah Skippers	Women, CBO & NGO	
Mr. Aubrey Otto	Housing	
Ms. Rozanne Sylvester	Environment	
Mr. Maans Pieterse	Development Planning	
Mr. Jonas Karelse	Transport	
Ms. Katrina Goedeman	Health	
Mr. Adam Lesley	Safety	
Mr. William Mandy	Infrastructure & Basic Services	

**Table 49: Ward 20 Committee Meetings**

**Ward 21:** Avian Park and surrounding informal areas

Name of representative	Capacity representing	Number meetings held during the year
Ms. Elsabe Willemse	Finance & Economic Development	4
Ms. Laticia Januarie	Sport, Culture & Youth	
Ms. Els Ruiters	Women, CBO & NGO	
Ms. Beatrice Adams	Housing	
Mr. Jeffrey Isaacs	Environment	
Mr. Edward Raubenheimer	Development Planning	
Mr. Amos Mtsila	Transport	
Ms. Fadeela Fillies	Health	
Ms. Melanie Whatney	Safety	
Mr. Gerald Booysen	Infrastructure & Basic Services	

**Table 50: Ward 21 Committee Meetings**

### 2.4.3 FUNCTIONALITY OF WARD COMMITTEE

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The table below provides information on the establishment of ward committees and their functionality:

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speaker's/ IDP Office	Number meetings held during the year	Committee functioning effectively: Yes / No	Actions to address
1	Yes	8	8	Yes	Not applicable
2	Yes	4	4	Yes	More structured program is required
3	Yes	4	4	Yes	Working relationship should be improved
4	Yes	4	4	Yes	More structured program required
5	Yes	4	4	No	Working relationship to be improved
6	Yes	8	8	Yes	Not applicable
7	Yes	4	4	Yes	Not applicable
8	Yes	6	6	Yes	Not applicable
9	Yes	2	2	No	Structured program required
10	Yes	6	6	Yes	Not applicable
11	Yes	2	2	No	Structured program required
12	Yes	8	8	Yes	Not applicable
13	Yes	4	4	Yes	Not applicable
14	Yes	2	2	No	More structured program required
15	Yes	6	6	Yes	Not applicable
16	Yes	8	8	Yes	Not applicable
17	Yes	8	8	Yes	Not applicable
18	Yes	2	2	No	More structured program required
19	Yes	4	4	No	More structured program required
20	Yes	4	4	No	More structured program required
21	Yes	4	4	No	More structured program required

**Table 51: Functioning of Ward Committees**

## COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes relationships among many stakeholders involved and the goals by which the institution is governed.

### 2.5 RISK MANAGEMENT

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**Risk management** is a systematic and formalised process instituted by the municipality to identify, assess, manage, monitor and report risks to ensure the achievement of objectives.

- In terms of Section 62(1)(c)(i) and Section 95(c)(i) of the Municipal Finance Management Act (MFMA), No. 56 of 2003, it requires the accounting officer to ensure that the municipality and municipal entities, if any, have and maintain effective, efficient and transparent systems of risk management.
- The main reason for risk management is that the service delivery environment and the public sector's interface with stakeholders have become far more demanding and volatile than before.
- Historical ways of doing things are no longer effective as evidenced by a number of service delivery and general failures.
- Benefits from risk management are more efficient, reliable and cost effective delivery of services, minimised waste and fraud, and also more reliable decision making.

Top five risks as identified:

- Ineffective communication channels internally from top-down amongst staff;
- Political interference;
- Non-compliance with legislation;
- Lack of performance management system; and
- Misuse of council assets

### 2.6 ANTI-CORRUPTION AND ANTI-FRAUD

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Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

## **A) DEVELOPED STRATEGIES**

<b>Name of strategy</b>	<b>Developed Yes/No</b>	<b>Date adopted/reviewed</b>
Anti-corruption strategy	Yes	Adopted at Audit Committee only
Fraud prevention strategy	Yes	Adopted at Audit Committee only

**Table 52: Strategies**

## **B) IMPLEMENTATION OF STRATEGIES**

<b>Strategies to implement</b>	<b>Key risk areas</b>	<b>Key measures to curb corruption and fraud</b>
Organisational Culture	<ul style="list-style-type: none"> <li>■ Setting the tone at the top</li> <li>■ Transparency</li> <li>■ Public awareness</li> </ul>	<p>Commitment to create an environment that is based on the prevention of fraud and corruption. This is achieved by promoting openness and honesty in all council activities. Council requires all individuals and organisations associated in whatever way with the council to act with integrity and that council members and employees, at all levels, will lead by example in these matters. Council members and employees play an important part in creating, maintaining and promoting this culture. They are encouraged to voice any serious concerns about any aspect of council's activities. Council has drafted a '<i>Whistle blowing</i>' policy, which ensures that concerns raised will be properly investigated in a professional and confidential manner.</p>
Prevention	<ul style="list-style-type: none"> <li>■ Recruitment and selection policies</li> <li>■ Code of conduct for councillors and employees</li> </ul>	<p>Council recognises that a key preventative measure in the fight against fraud and corruption is to employ staff who have high standards in terms of propriety and integrity. Council strives to achieve this through effective recruitment policies and procedures which include:</p> <ul style="list-style-type: none"> <li>i) obtaining written references prior to appointing staff, including those employed on a temporary or contract basis</li> <li>ii) undertaking police checks for designated posts where the post holder may deal with vulnerable people or where the duties require the highest level of propriety</li> </ul> <p>Upon appointment all staff is issued with the Employee Code of Conduct and are required to sign a statement to the effect that this has been read and understood. The Employee Code of Conduct details the standards all employees must uphold to maintain the integrity of council's activities. The Code includes rules regarding relationships, personal interests, gifts and hospitality and confidentiality. The Code may be amended due to requirements from time to time and employees are expected to comply with the amended requirements from the date they are introduced. More particularly, all of council's contracts of employment will also incorporate mandatory requirements arising from any employee code of conduct for local authority employees issued by government.</p>
Detection	<ul style="list-style-type: none"> <li>■ Efficient and effective systems of control</li> <li>■ Availability of open confidential communication channels</li> </ul>	<p>The preventative measures undertaken by council, particularly the implementation of sound control systems, have been designed to deter fraud and provide indicators of fraudulent activity. It is often the alertness of employees and the public to such indicators that enables detection to occur and the appropriate to take place when there is evidence that fraud or corruption may be in progress. Despite the best effort of financial managers and internal audit many incidents of fraud are discovered by chance or 'tip-off' and council has in place arrangements to enable such information to be properly dealt with.</p>
Investigation	<ul style="list-style-type: none"> <li>■ Objectivity and independence of investigating team</li> <li>■ Appropriate and</li> </ul>	<p>The investigation of any other suspected fraud or corruption is carried out by either in-house or externally appointed forensic investigators. Upon completion of the investigation, a report is issued to the municipal manager who, with the CFO, has joint responsibility for determining what further action to take. A copy of the report will also be issued to the head of department concerned.</p>



Strategies to implement	Key risk areas	Key measures to curb corruption and fraud
	uniform sanctions	The reporting procedure is essential, as it ensures: <ul style="list-style-type: none"> <li>i) the consistent treatment of information regarding any suspected fraud and/or corruption</li> <li>ii) an effective investigation by an experienced investigative team</li> <li>iii) the proper implementation of a structured response to any suspected act of fraud and/or corruption</li> <li>iv) the investigation will be undertaken in accordance with the Prevention of Corrupt Activities Act of 2004.</li> </ul>
Education and Training	Efficient and effective implementation of training and induction programmes	Council recognises that the continuing success of the Anti-Fraud and Corruption Policy and its credibility, will depend largely on the effectiveness of staff throughout the organisation. Senior management will be responsible for ensuring that all staff is properly trained in the procedures that they should follow when undertaking their duties.

**Table 53: Implementation of the Strategies**

## 2.7 AUDIT COMMITTEE/S

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance management; and
- effective governance.

### A) FUNCTIONS OF THE AUDIT COMMITTEE

**A new audit committee was appointed on 28 February 2011 and has a dual role as a performance audit committee that was fully functional during the 2011/2012 financial year.**

The audit committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

- To advise the council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- To review the performance management system and make recommendations in this regard to council.

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- To identify major risks to which council is exposed and determine the extent to which risks have been minimised.
- Review the plans of the internal audit function and in so doing, ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the internal audit function.
- Ensure that no restrictions or limitations are placed on the internal audit section.
- Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation.

### B) MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
B. J. Lodewyk	Chairperson	3 August 2011
Dr. B. P. Jansen Van Rensburg	Member	29 August 2011
N. Salie	Member	12 December 2011
A. P. Croutz	Member	27 February 2012
		13 June 2012

**Table 54:** *Members of the Audit Committee*

### C) MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

Date of committee meeting	Committee recommendations during 2011-12	Recommendations adopted
3 August 2011	Executive mayor & speaker are invited to audit committee meetings.	Yes
12 December 2011	Submission of annual financial statements to audit committee for oversight prior to submission to A.G.	Yes
27 February 2012	Audit committee minutes to be submitted to council	Yes

**Table 55:** *Municipal Audit Committee Recommendations*

## **2.8 PERFORMANCE AUDIT COMMITTEE**

The Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2) (d) that the council of a municipality designate a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

In terms of Section 166(4) (a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of an audit committee entirely.

Section 14(3) (a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

### **A) FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE**

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

- (i) review the quarterly reports produced and submitted by the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- (iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

### **B) MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE**

<b>Name of Member</b>	<b>Capacity</b>	<b>Experience</b>	<b>Meeting dates</b>
Mr. B.J. Lodewyk	Chairperson	Chartered Accountant(CA)	18 January 2012 28 May 2012
Dr. B.P. Jansen Van Rensburg	Member	Doctorate in Economics	
Ms. N. Salie	Member	BCom Finance(Hons)	
Mr. A.P. Croutz	Member	B. Proc	

**Table 56: Members of the Performance Audit Committee**

## **2.9 INTERNAL AUDITING**

Section 165 (2) (a), (b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:
  - (i) Internal audit;
  - (ii) internal controls;
  - (iii) accounting procedures and practices;
  - (iv) risk and risk management;
  - (v) performance management;
  - (vi) loss control; and
  - (vii) compliance with this act, the annual Division of Revenue Act and any other applicable legislation; and
- (c) perform such other duties as may be assigned to it by the accounting officer.

Breede Valley municipality has an in-house internal audit function consisting of three auditors and two clerks. The chief audit executive position was however vacant from July 2011 – April 2012, consequently creating a vacancy in the auditor position from April – June 2012.

### **Risk register and three-year strategic plan**

A risk assessment was performed during June 2011 and all relevant risks were populated into a new risk register for Breede Valley municipality. This risk assessment formed the basis of the 2011-12 Risk Based Audit Plan.

The 3-year Strategic Internal Audit Plan for 2012-2015 and the 2012/2013 Annual Risk Based Audit Plan was approved by the audit committee on 13 June 2012.

### **Annual Audit Plan**

The Risk Based Audit Plan for 2011-12 which was executed based on the above approach and methodology, was only implemented **50%** with available resources, which is attributable to vacancies and a lack of capacity. The table below provides detail on audits completed:

<b>BREED VALLEY MUNICIPALITY – ANNUAL AUDIT PLAN 2011/2012</b>		
<b>Description</b>	<b>No of hours estimated</b>	<b>Date completed</b>
<b>Risk Based Audits</b>		
<b>Community Services</b>		
Fire Services: National Standards	536	Review scrapped as per IA Plan amendment on 13 June 2012, due to lack of staff.

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BREEDE VALLEY MUNICIPALITY – ANNUAL AUDIT PLAN 2011/2012		
Description	No of hours estimated	Date completed
Traffic Services: Licences	536	Review rolled over to 2012/2013 financial year.
<b>Corporate Services</b>		
HR: Recruitment & Selection	600	Review rolled over to 2012/2013 financial year for completion
Admin: Maintenance Buildings	536	Review scrapped as per IA Plan amendment on 13 June 2012, due to lack of staff.
<b>Financial Services</b>		
SCU: Supply Chain/ Tenders	400	Review rolled over to 2012/2013 financial year.
Revenue: Sundries & Rentals	200	Review rolled over to 2012/2013 financial year for completion.
Expenditure: Payroll Deductions	200	Review rolled over to 2012/2013 financial year for completion.
<b>Operations</b>		
Environmental & Recreation: Cemeteries	200	Review rolled over to 2012/2013 financial year for completion.
Workshop: Vehicle Maintenance	600	Review scrapped as per IA Plan amendment on 13 June 2012, due to lack of staff.
<b>Cyclical Audits</b>		
<b>Financial Services</b>		
Annual Stock Take: Stores	80	Report issued July 2011
<b>Legislated Audits</b>		
<b>Municipal Manager</b>		
Performance Bonus (Bi-Annual Reviews)	320	Review rolled over to 2012/2013 financial year for completion.
Predetermined Objectives (Quarterly Reviews)	1 280	Review rolled over to 2012/2013 financial year for completion.
<b>Follow-up Audits</b>		
<b>Financial Services</b>		
SCU: Supply Chain/ Tenders	120	Review scrapped as per IA Plan amendment on 13 June 2012, due to lack of staff.
Revenue: Sundries & Rentals	120	Review scrapped as per IA Plan amendment on 13 June 2012, due to lack of staff.
Expenditure: Payroll Deductions	120	Review scrapped as per IA Plan amendment on 13 June 2012, due to lack of staff.
<b>Operations</b>		
Environmental & Recreation: Cemeteries	120	Review scrapped as per IA Plan amendment on 13 June 2012, due to lack of staff.
<b>Ad Hoc Requests</b>		
Consulting Activities	80	(1)Ad Hoc Audit: SPCA Account report issued 10 August 2011; and (2) Ad Hoc Audit: Work for Water Programme report issued 24 April 2012

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BREEDE VALLEY MUNICIPALITY – ANNUAL AUDIT PLAN 2011/2012		
Description	No of hours estimated	Date completed
Review of Audit Work	176	Reviewed various stages of audit work completed
Risk Assessment	240	(1) Risk Assessment Report 2011-12 submitted to council on 31 October 2011. (2) 6 Risk workshops facilitated during February 2012 & Risk Register 2012/13 completed 30 June 2012.
Compile Strategic Audit Plan	40	3 Year Strategic Audit Plan(2012-2015) & 1 Year Annual Operational Plan(2012/2013) compiled & approved by audit committee on 13 June 2012
Meetings	580	30 June 2012
Learnership	384	30 June 2012
CPD	192	30 June 2012
General Administration	1 036	30 June 2012
<b>Total Hours</b>	<b>8 656</b>	-

**Table 57: Internal Audit Coverage Plan**

Below are the functions of the internal audit unit that was performed during the financial year under review:

Function	Date/Number
Risk analysis completed/reviewed	21 June 2011
Risk based audit plan approved for 2011-12 financial year	29 June 2011
Internal audit programme drafted and approved	29 June 2011
Number of audits conducted and reported on	3
<b>Audit reports included the following key focus areas:</b>	
<i>Internal controls</i>	3
<i>Accounting procedures and practices</i>	3
<i>Risk and risk management</i>	3
<i>Performance management</i>	0
<i>Loss control</i>	2
<i>Compliance with the MFMA and other legislation</i>	3

**Table 58: Internal Audit Functions**

## **2.10 SUPPLY CHAIN MANAGEMENT**

Supply chain management includes all processes which need to be followed to procure goods and services. It entails the identification of needs by the end user departments, registration of vendors, processes of obtaining quotes and bids, keeping of inventory and payment of all creditors, councillors and personnel.

### **2.10.1 COMPETITIVE BIDS IN EXCESS OF R200 000**

#### **A) BID COMMITTEE MEETINGS**

The following table details the number of bid committee meetings held for the 2011/2012 financial year:

<b>Bid Specification Committee</b>	<b>Bid Evaluation Committee</b>	<b>Bid Adjudication Committee</b>
19	16	13

**Table 59: Bid Committee Meetings**

The attendance figures of members of the bid specification committee are as follows:

<b>Member</b>	<b>Percentage attendance</b>
Head: Procurement	100
Relevant technical expert responsible for a function	95

**Table 60: Attendance of members of bid specification committee**

The attendance figures of members of the bid evaluation committee are as follows:

<b>Member</b>	<b>Percentage attendance</b>
Head: Procurement	100
Relevant technical expert responsible for a function	95

**Table 61: Attendance of members of bid evaluation committee**

The attendance figures of members of the bid adjudication committee are as follows:

<b>Member</b>	<b>Percentage attendance</b>
Director Financial Services (Chairperson)	95
Director Technical Services	100
Director Community Services	70
Director Corporate Services	95
Deputy Director Finance/ Manager Supply Chain Management	100

**Table 62: Attendance of members of bid adjudication committee**

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.



**B) AWARDS MADE BY THE BID ADJUDICATION COMMITTEE**

The bid adjudication committee awarded 25 bids of an estimated value of **R 50 360 947.55**.

The ten highest bids awarded by the bid adjudication committee are as follows:

<b>Bid number</b>	<b>Title of bid</b>	<b>Directorate and section</b>	<b>Successful Bidder</b>	<b>Value of bid awarded (R)</b>
BV 187	Augmentation of Stettynskloof supply pipeline: Phase 1	Operations	WK Construction	35 220 000
BV 154	Supply and operation of waste compactor until 30 June 2014	Operations	Witels Grondverskuiwing	7 373 652.32
BV 194	Supply, deliver, install and commission 11kV switchgear	Operations	Zereba Electrical	1 071 140.47
BV 190	Resealing of proclaimed Roads 2011/2012	Operations	Zebra Surfacing	1 544 000
BV 200	Rental and servicing of chemical toilets from 1 April 2012 to 30 June 2013	Operations	Strand Tool and Toilet Hire	893 851.20
BV 192	Supply and delivery of 3 X low voltage (400 Volt) (800 – 1200amp) distribution boards and associated equipment	Operations	Electro Boards	449 752.00
BV 181	Supply and delivery of wheelie bins	Operations	Mondi Plastic Containers & Otto Waste System	449 548.00
BV 182	Supply and delivery of refuse bags	Operations	AWV Project Management	770 754.00
BV 179	Supply and delivery of pick ups	Operations	Worcester Nissan	675 720.00
BV 201	Supply and delivery of 2 patrol vehicles	Community Services	Jaffees Ford	264 818.92
BV 195	Supply and delivery of track and field athletic equipment	Operations	Jazz Spirit	434 270.90

**Table 63: Ten highest bids awarded by bid adjudication committee**

**C) AWARDS MADE BY THE ACCOUNTING OFFICER**

In terms of paragraph 5 (2) (a) of council's Supply Chain Management policy, only the accounting officer may award a bid which is in excess of R 5 million. The power to make such an award may not be sub-delegated by the accounting officer. The only bid awarded by the accounting officer is as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder
BV 187	Augmentation of Stettynskloof Supply Pipeline: Phase 1	Operations	WK Construction

**Table 64: Awards made by accounting officer**

**D) APPEALS LODGED BY AGGRIEVED BIDDERS**

One appeal was lodged by aggrieved bidder on awards made in terms of section 62 (1) of the Municipal Systems Act (Act 32 of 2000), which relates to BV 187. However, the municipality managed to resolve the appeal successfully and the project has already started.

**E) AWARDS MADE TO HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI'S), WOMEN AND ENTERPRISES WITHIN THE BREED VALLEY MUNICIPAL AREA**

The following table details the value of competitive bids awarded to historically disadvantaged individuals (HDI owners), women and enterprises within the Breede Valley municipal area during the 2011/2012 financial year:

Number of contracts awarded to wholly or partly owned HDI companies	Percentage of contracts awarded to HDI members	Value of contracts managed by HDI members	Percentage of contract value awarded to HDI members
BV 154	Cannot be determined	R7 383 652.32	14.67% (7 383 652/50 360 974)*100
BV 169	Cannot be determined	R200 196.00	0.4% (200 196/50 360 974)*100

**Table 65: HDI Bid Awards**

The total premium paid during the 2011/2012 financial year in order to promote specific goals as set out in the Preferential Procurement Regulations of 2001, was R0.00

**2.10.2 FORMAL WRITTEN PRICE QUOTATIONS BETWEEN R 30 000 AND R 200 000**

**A) AWARDS MADE TO THE HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI'S), WOMEN AND ENTERPRISES WITHIN THE BREED VALLEY MUNICIPAL AREA**

A total of **38** formal written price quotations amounting to **R1 978 320** were awarded.

The following table details the value of formal written price quotations awarded to historically disadvantaged individuals (HDI owners), women and enterprises within the Breede Valley municipal area during the 2011/2012 financial year:

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Number of contracts awarded to wholly or partly owned HDI companies	Percentage of contracts awarded to HDI members	Value of contracts managed by HDI members	Percentage of contract value awarded to HDI members
38	0.25% (38/15 192 orders per year)*100	R1 978 320	Cannot be determined

**Table 66: HDI Quotation Awards**

The total premium paid during the 2011/2012 financial year in order to promote specific goals as set out in the Preferential Procurement Regulations of 2001 was **R45 791.55**

### 2.10.3 DEVIATION FROM NORMAL PROCUREMENT PROCESSES

Paragraph 36 of council's Supply Chain Management Policy allows the accounting officer to dispense with the official procurement process. Deviations amounting to **R10 039 572.52** was approved by the accounting officer. The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value
Emergencies	54	1 962 838.64	19.6
Exceptional cases where procurement process was impossible	244	2 445 983.54	24.4
Sole provider	155	4 231 054.91	42.1
Strip & quote	65	898 083.52	8.9
Insurance	43	501 611.91	5

**Table 67: Summary of deviations**

Deviations from the normal procurement processes have been monitored closely since the start of the previous financial year. Monthly reporting in terms of paragraph 36 of the SCM policy has been complied with. SCM has identified instances where the normal procurement processes can be followed to avoid having to follow the deviation process. These cases have been taken up with the relevant departments and satisfactory co-operation has been received.

### 2.10.4 LOGISTICS MANAGEMENT

The system of logistics management must ensure the following:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores, Market avenue are coded and listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and services that are received are certified by the responsible person which is in line with the general conditions of contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to council.

As at 30 June 2012, the value of stock at the municipal stores amounted to **R6 724 535.74** with a satisfactory stock turnover rate of **1.42%**. For the 2011/2012 financial year a total of **R84 984.54** were accounted for as surpluses, **R99 514.93** as deficits and **R81 281.17** as redundant damaged stock items.

### 2.10.5 DISPOSAL MANAGEMENT

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise;

- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with section 14 of the MFMA which deals with the disposal of capital assets. The disposal process plan was finalised in August 2010 and aims to provide the guidelines for the disposal of all obsolete and damaged assets. Information regarding assets that are to be disposed of has already been collated and the request for approval for disposal will be tabled to council in the near future.

### 2.10.6 PERFORMANCE MANAGEMENT

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes was followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes have been developed, approved and are being implemented. Monthly reporting of appeals received by aggrieved bidders is also done to measure the performance of the bid specification and bid evaluation committees.

During the 2011/2012 financial year, the municipality name listed the following companies together with their directors as restricted suppliers on National Treasury's database.

#### Database of restricted suppliers

Name of supplier	Person registration number/ ID number	Reason for restriction	Period from
Cest Gyms	5109230081089	Owner in the service of the state	August 2011
Shine the Way 815 cc	700908 5339087	One of the members is in the service of the state.	August 2011
WS Construction	Ms. A.J Visagie	One of the members is in the service of the state.	August 2011

**Table 68: Restricted suppliers**

These companies and their directors are prohibited from doing business with any organ of state for a period of 10 years. We are only one of two municipalities who have listed companies that did not perform in terms of the bid conditions. We also listed a company and its directors as restricted suppliers during the 2011-12 financial year.

Three of the most important key performance indicators in the SCM unit, is that of turnaround time from the date that requests are received from departments until bids are adjudicated and awarded.

The following table details the performance for each of those key performance indicators:

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Key performance indicator	2010/11 Baseline	2011-12 Achievement	Remarks
Quotations between R0-R2 000	2 days	3 days	Deterioration due to implementation of the electronic system. Not every person is familiar with the system.
Quotations between R2 000 – R30 00	5 days	6 days	Deterioration due to implementation of the electronic system. Not every person is familiar with the system.
Quotations between R30 000 – R200 000	5 days	9 days	Deterioration due to implementation of the electronic system. Not every person is familiar with the system.
Competitive bidding system (tenders)	8-9 weeks	7 weeks	Has been an improvement

**Table 69: SCM performance indicators**

For the 2011/2012 financial year it took on average **3 days** for bids **less than R 200 000** to be awarded from the date of departmental request.

For the 2011/2012 financial year it took on average **49 days** for competitive bids (**R 200 000 and more**) to be awarded from bid closing date. Under normal circumstances bids should be awarded within 90 days from the bid closing date. Only one out of 25 competitive bids took longer than the 90 days requirement. Our performance in this regard is therefore exceptional.

Further to this, progress has been made with regards to the 2010/11 Auditor-General's audit findings.

### **2.10.7 PROCUREMENT AND CONTRACT MANAGEMENT – NOT ALL REGULATION 6 (3) REPORTS WERE SUBMITTED**

We have complied with Supply Chain Management Regulation 6 (3) for the 2011/2012 financial year. These reports were submitted in a timely fashion to the chief financial officer, the accounting officer as well as the executive Mayor.

### **2.10.8 PROCUREMENT AND CONTRACT MANAGEMENT – NON-COMPLIANCE WITH SCM POLICY SECTION 26 (1)**

The appointment of an independent observer is made when specific bids are requested and deemed necessary. A framework for the appointment of a neutral or independent observer will be developed for the approval by the accounting officer. The aim of such an appointment is to promote fairness and transparency within the municipal bid committee system. In addition to this and the departmental members, the manager local economic development, manager legal services and head procurement serve as members of the bid specification and/or bid evaluation committees. Their task is to provide input with reference to the IDP objectives, local economic development and compliance.

## **2.10.9 PROCUREMENT AND CONTRACT MANAGEMENT – INCORRECT DECLARATION OF INTEREST MADE**

Urgent attention was given to the declarations made by bidders when submitting bids. The necessary background checks are done as indicated to the Auditor-General. It is however problematic for the SCM unit to ascertain whether or not a false declaration is made by a prospective provider. No central database exists where all data regarding persons in the service of the state is kept.

## **2.10.10 PROCUREMENT AND CONTRACT MANAGEMENT – SUPPLIERS NOT REGISTERED FOR VAT**

VAT registration numbers of suppliers are indicated on a VAT 103 form that is issued by SARS. We can also confirm a VAT number that appears on an original tax clearance certificate. The unit has access to a VAT number validity function which is available on the SARS website. It is easily accessible and is currently utilised.

## **2.10.11 PROCUREMENT AND CONTRACT MANAGEMENT – MONITORING OF CONTRACTS NOT DONE ON A MONTHLY BASIS**

Monitoring of contracts on a monthly basis is not done. A contract management unit is not in place to monitor and report on the performance of suppliers. This will get urgent attention from senior management as additional capacity needs to be created within the SCM unit. In future the chief financial officer will make recommendations in this regard.

## **2.11 BY-LAWS AND POLICIES**

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Section 11 of the MSA gives municipal councils the executive and legislative authority to pass and implement by-laws and policies.

No by-laws were revised/adopted during the 2011-12 financial year.

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/revised	Date adopted	Public participation conducted prior to adoption of policy (Yes/No)	Date of publication
Budget, Funds & Reserve Policy	31 May 2012	Yes	7 June 2012
Property Rates Policy	31 May 2012	Yes	7 June 2012
Tariff Policy	31 May 2012	Yes	7 June 2012
Credit Control & Debt Collection Policy	31 May 2012	Yes	7 June 2012
Supply Chain Management Policy	31 May 2012	Yes	7 June 2012

**Table 70: Policies**

## 2.12 WEBSITE

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the municipality's / entity's website	Yes / No	Publishing date
Current annual and adjustments budgets and all budget-related documents	Yes	Draft Budget 2011/2012 – 11/03/2011 Approved Budget 2011/2012 – 17/05/2011 Roll-Overs – 29/08/2011 Normal Adjustment Budget – 02/03/2012
All current budget-related policies	Yes	17/05/2011
Annual report for 2010/11	Yes	1/08/2012
Annual report for 2011-12 to be published	Yes	Will be published after the February 2013 council meeting
All performance agreements and scorecards for 2011-12 as required in terms of section 57(1)(b) of the Municipal Systems Act	Yes	31 July 2012
All service delivery agreements for 2011-12	Yes	11 August 2011
All long-term borrowing contracts for 2011-12	No	None for the 2011-12 financial year
All supply chain management contracts above the prescribed value for 2011-12	Yes	Monthly
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 2011-12	No	No disposals of assets for the 2011/2012 financial year.
Contracts agreed in 2011-12 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Not applicable	Not applicable
Public-private partnership agreements referred to in	Not	Not applicable



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Documents published on the municipality's / entity's website	Yes / No	Publishing date
section 120 made in 2011-12	applicable	
All quarterly reports tabled in the council in terms of section 52 (d) during 2011-12	Yes	Every quarter on the 10th working day
<i>Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		

**Table 71: Website Checklist**

### 2.13 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation, and analysis here shows that local residents view the municipality's people relations in a negative light. A successful communication strategy therefore links the people to the municipality's programme for the year.

The communication section (unit) consists of two officials assisted by a third official who is seconded from the performance management section to perform certain tasks. Although the communication strategy/policy is still in draft form, communication at the municipality is already guided by the principles and measures contained in the draft. In addition to the customer service satisfaction survey mentioned in the table below it must be mentioned that the local media is analysed on a regular basis, complaints at council's call centre are studied, community inputs at IDP meetings are considered and other surveys are consulted to determine the level of customer satisfaction and most frequent complaints.

The table below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	The communication section along with the IDP and PMS sections form the communication unit.
Communication strategy/policy	Yes, draft policy is available.
Editorial committee	Yes, an editorial committee was established to assist with the internal and external newsletters.
Customer satisfaction surveys	Yes, part of customer satisfaction survey by Cape Winelands District municipality. News reports, call centre data and other surveys are also consulted regularly.
Functional complaint management systems	Yes, a fully-fledged call centre catering for basic services complaints has been established.
Newsletters distributed at least quarterly	A new quarterly newsletter is distributed as an insert in the local community newsletter. Extra copies are handed out in the community by the ward committees.
Pamphlets	Yes, pamphlets to inform and explain service delivery aspects have been distributed in communities.

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Communication activities	Yes/No
Web page	The municipal web page is maintained on a regular basis to be compliant with legislation and inform the public on municipal activities.

*Table 72: Communication activities*

### 2.14 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No survey was done.

# Chapter 3: Service Delivery

## Performance



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

### 3.1 PERFORMANCE MANAGEMENT

Performance management is prescribed by chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that "A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance. The municipality adopted a performance management framework and policy that was approved by council on the **28<sup>th</sup> of February 2011**.

#### 3.1.1 ORGANISATION PERFORMANCE

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved by the Mayor on the 28<sup>th</sup> of June 2011 and the information was loaded on an electronic web based system
- The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 20<sup>th</sup> of every month for the previous month's performance.
- Additionally, the performance system administrator reminded all departments on a monthly basis to update their actual performance on the web based system.
- The actual results against monthly targets set, are discussed in the monthly management meetings to determine early warning indicators and discuss corrective measures if needed.
- The first quarterly report was submitted to Council during October 2011 and the second quarterly report formed part of the section 72 report in terms of the Municipal Finance Management Act, which was submitted to the Mayor on during January 2012. The third quarter report was submitted to council on during April 2012.
- The Quarterly SDBIP performance reports are also submitted to the Performance Audit Committee. The quarterly reports were submitted to the committee on 15 October 2011, 18 January 2012, 28 May 2012 and 16 August 2012.
- Internal Audit is in the process of performing a statutory compliance review which includes revision of the information contained in the budget / SDBIP and reviewed IDP and will report thereon. In addition, a compliance review will also be performed on the submission of the budget / SDBIP and performance agreements of managers reporting directly to the Municipal Manager to ensure compliance to the relevant legislative requirements. Furthermore, a review of the 4<sup>th</sup> quarter performance proof of evidence against signed-off key performance

indicators for 2010/11, are being performed. The 1<sup>st</sup> and 2<sup>nd</sup> quarter performance of 2011/2012 is currently being reviewed.

### 3.1.2 INDIVIDUAL PERFORMANCE

#### A) MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2011-12 financial year were signed during July 2011 as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2010/11 financial year (1 January 2011 to 30 June 2011) took place on 23-24 April 2012 and the mid-year performance of 2011-12 (1 July 2011 to 31 December 2011) also took place on the 23-24 April 2012.

The appraisals was done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal Manager
- Chairperson of the Audit Committee
- Municipal Manager from Witzenberg municipality
- Community representative from ward 16 Ward Committee
- PM unit provided administrative and logistical support
- Internal Audit monitored that the process was fair and transparent and conforming to relevant legal prescripts

#### B) OTHER MUNICIPAL PERSONNEL

The municipality is in process of implementing individual performance management to lower level staff in annual phases.

## 3.2 THE IDP AND THE BUDGET

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The IDP for 2011-12 was reviewed and approved on the **5<sup>th</sup> of May 2011** whilst the budget for 2011-12 was also approved by Council on the **5<sup>th</sup> of May 2011 (Resolution number: C46/2011)**. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

### 3.3 MUNICIPAL STRATEGY MAP

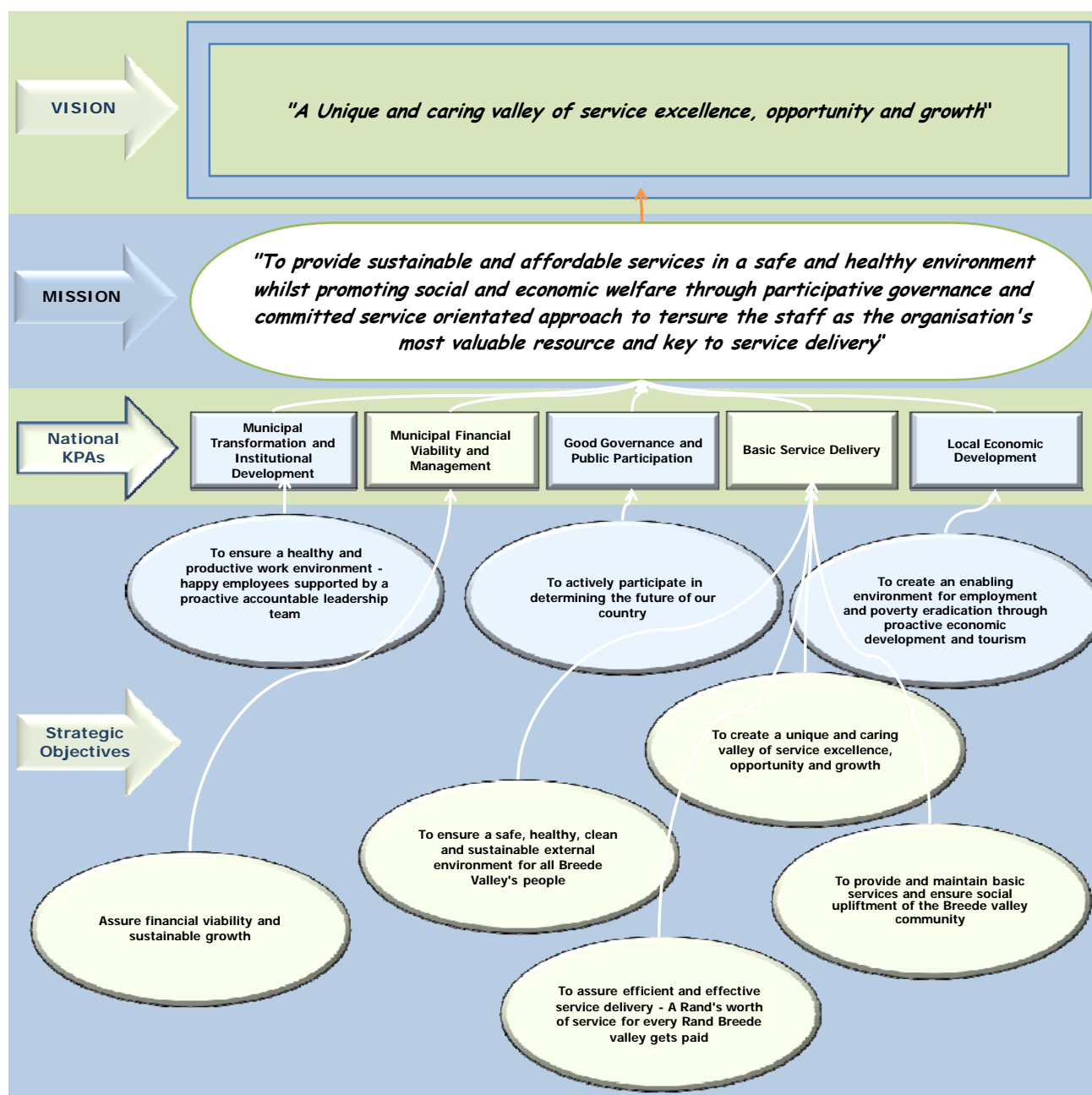


Figure 2 : Strategy Map



## 3.4 INTRODUCTION TO SERVICE DELIVERY PERFORMANCE

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2011-12 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore, includes an overview on achievement in 2011-12 compared to actual performance in 2010/11.







## 3.5 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

### 3.5.1 OVERALL PERFORMANCE

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements)

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the 5 National Key Performance Areas (KPA) linked to the Municipal KPA's and IDP (strategic) objectives.

**The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:**

Category	Color	Explanation
KPI's Not Yet Measured		KPIs with no targets or actuals in the selected period.
KPI's Not Met		0% >= Actual/Target < 75%
KPI's Almost Met		75% >= Actual/Target < 100%
KPI's Met		Actual/Target = 100%
KPI's Well Met		100% > Actual/Target < 150%
KPI's Extremely Well Met		Actual/Target >= 150%

*Figure 3 : SDBIP Measurement Categories*

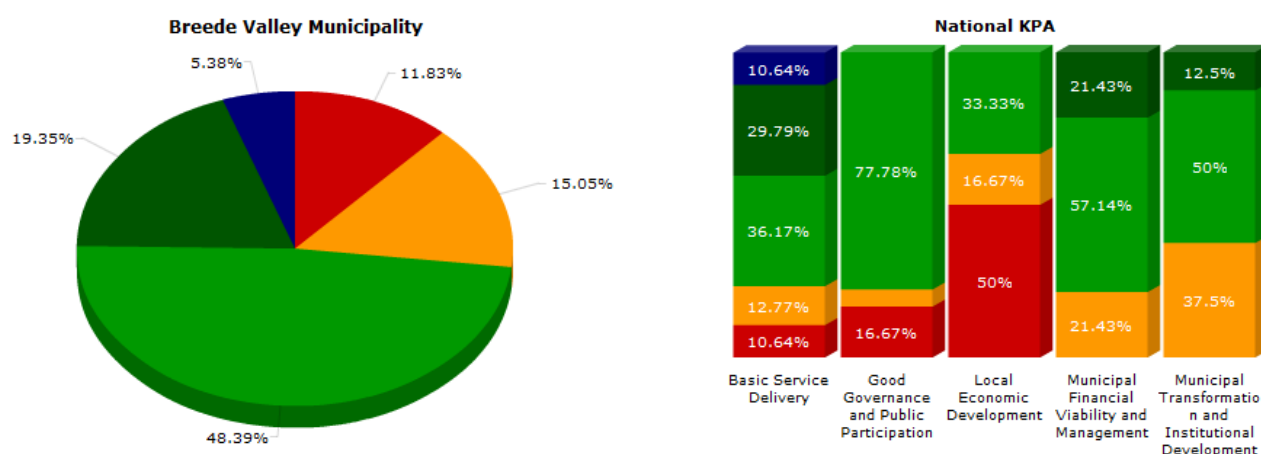
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The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the table and graph below:

	Breede Valley Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
KPI Not Met	11 (11.8%)	5 (10.6%)	3 (16.7%)	3 (50%)	-	-
KPI Almost Met	14 (15.1%)	6 (12.8%)	1 (5.6%)	1 (16.7%)	3 (21.4%)	3 (37.5%)
KPI Met	45 (48.4%)	17 (36.2%)	14 (77.8%)	2 (33.3%)	8 (57.1%)	4 (50%)
KPI Well Met	18 (19.4%)	14 (29.8%)	-	-	3 (21.4%)	1 (12.5%)
KPI Extremely Well Met	5 (5.4%)	5 (10.6%)	-	-	-	-
<b>Total:</b>	<b>93</b>	<b>47</b>	<b>18</b>	<b>6</b>	<b>14</b>	<b>8</b>

Table 73: Top Layer SDBIP Performance per National KPA

The graph below displays the overall performance per National Key Performance Areas for 2011-12:



Graph 4: Overall Strategic performance per National Key Performance Indicator



### 3.5.2 ACTUAL STRATEGIC PERFORMANCE AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED

#### A) TOP LAYER SDBIP - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The National Key Performance Area Good Governance and Public Participation are linked to the Municipal Key Performance Area namely *Good Governance and Public Participation*. The IDP Objective that is linked to Good Governance and Public Participation is: " *To actively participate in determining the future of our country*"

Ref	KPI	Unit of Measure- ment	Ward	Actual per- formance 2010/ 11	Performance of 2011-12							
					Targets					Actual		Corrective measures for targets not achieved
					Q1	Q2	Q3	Q4	An- nual			
TL27	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	New performance indicator for 2011-12. No comparatives available	1	1	1	1	4	4	G	Not applicable
TL28	Effective functioning of the executive Mayoral committee measured by the number of MayCo meetings	No of MayCo meetings per annum	All	New performance indicator for 2011-12. No comparatives available	3	2	2	3	10	10	G	Not applicable
TL20	The number of people from employment equity target groups employed in the three highest levels of management in funded vacancies for 2011-12 in compliance with the municipality's approved employment equity plan	Number of people employed	All	New performance indicator for 2011-12. No comparatives available	0	0	0	1	1	1	G	15 out of 25 are EE candidates in top 3 highest levels. MM appointed
TL46	Annual report and oversight report of council submitted before the end of January	Report submitted to Council	All	100%	0%	0%	100%	0%	100%	100 %	G	It has been done.
TL47	Functional performance audit committee measured by the number of meetings per	No of meetings held	All	1	1	1	1	1	4	2	R	Only 2 Performance Audit Committee meetings took place during 2011-12. The PAC met on 18 January 2012 and 28 May 2012. The target

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Ref	KPI	Unit of Measurement	Ward	Actual performance 2010/ 11	Performance of 2011-12							Corrective measures for targets not achieved
					Targets					Actual		
					Q1	Q2	Q3	Q4	An-nual			
	annum											for the KPI is incorrect as the legislation is clear that the PAC should at least meet 2 times per year, and not 4 times. The Audit Committee however MUST meet at least quarterly, in other words 4 times per year. To be adjusted.
TL44	No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	All	5	5	0	0	0	5	5	G	Not applicable
TL31	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	All	100%	0%	0%	0%	100%	100%	100 %	G	Not applicable
TL42	Annual revision of the anti-corruption policy and implementation of quarterly awareness actions	Number of actions implemented	All	Developed and approved by Audit Committee and not yet by Council	1	1	1	1	4	1	R	Corruption policy has been implemented and an allegation has been investigated.
TL43	Average Citizen satisfaction rate as per the survey	% Citizen satisfaction rate	All	New performance indicator for 2011-12. No comparatives available	0%	0%	0%	70%	70%	0%	R	Customer Satisfaction survey will be done in September 2012.
TL41	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per ward per annum	All	6	21	21	21	21	84	63	O	Two workshops with Ward Councillors to address non-functioning wards. About 50% are fully functional, 25% are semi functional and 25% are non-functional. Ward Committee summits where held to ensure the effective functioning of Ward Committees. Strong focused were also placed on ward committee support
TL35	IDP reviewed and approved annually by the end of May	IDP approved by the end of May	All	100%	0%	0%	0%	100%	100%	100 %	G	Not applicable
TL40	Review of	Communicatio	All	New	0%	0%	0%	100%	100%	100	G	Not applicable

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Ref	KPI	Unit of Measurement	Ward	Actual performance 2010/ 11	Performance of 2011-12							Corrective measures for targets not achieved	
					Targets					Actual			
					Q1	Q2	Q3	Q4	Annual				
	communication policy by end June to ensure effective communication with the community	n policy reviewed by end June		performance indicator for 2011-12. No comparatives available						%			
TL48	Risk based audit plan approved by June	Plan approved	All	100%	0%	0%	0%	100%	100%	100 %	G	<p>The actual performance for June 2011 was incorrectly populated as 100% in July 2011 by IA, as the actual performance was already achieved in June 2011, and so reported. So in essence the 100% which will be achieved in June 2012 cannot be populated as this will duplicate the results for 2011/2012.</p> <p>Therefore as per advice (Ignite Call Centre) IA must not populate the actual results for 2012 in this book year, as the system will sort itself out in June 2012. Follow-up was done with Ignite to rectify, but due to the fact that it is a Top-Level KPI we need Council approval to rectify which will also have an impact on already reported and audited (AG) performance information.</p>	
TL39	Strengthen the role of communities by facilitating ward based development plans	No of ward based development plans completed	All	17	0	0	0	21	21	21	G	All Ward needs where consolidated into the IDP document. A proper process plan has been developed and approved by council on the 23rd August 2012.	
TL32	The municipality comply with all the relevant legislation	0 findings in the audit report on non-compliance with laws and regulations	All	0	0	0	0	0	0	0	G	Not applicable	
TL38	The municipality listens and talks back to its people by ensuring that	No of ward committees endorsing the IDP (One per Town)	All	20	0	4	0	0	4	4	G	Process to start in new financial year, 1 consolidated meeting with town as per new process plan	

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Ref	KPI	Unit of Measure- ment	Ward	Actual perform- ance 2010/ 11	Performance of 2011-12							Corrective measures for targets not achieved
					Targets					Actual		
					Q1	Q2	Q3	Q4	An- nual			
	the IDP is endorsed by all wards											
TL37	The municipality listens and talks back to its people by ensuring that the IDP is endorsed by community organisations and stakeholders as local social compacts	No of community organisations and stakeholders endorsing the IDP	All	100%	1	1	1	1	4	4	G	Process to start in new financial year, 1 consolidated meeting with town as per new process plan
TL36	The IDP is comprehensive and complies with the requirements of the Systems Act	No of required sectoral plans included in the IDP	All	7	0	0	0	6	6	6	G	All sector plans in place and is reflected as annexure to the IDP document

**Table 74: Top Layer SDBIP – Good Governance and Public Participation**

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### B) TOP LAYER SDBIP - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The National Key Performance Area Municipal Transformation and Institutional Development are linked to the Municipal Key Performance Area namely *Municipal Transformation and Institutional Development*. The IDP Objective that is linked to Municipal Transformation and Institutional Development is: "To ensure a healthy and productive work environment - happy employees supported by a proactive accountable leadership team"

Ref	KPI	Unit of Measure- ment	Ward	Actual perfo- rmance 2010/ 11	Performance of 2011-12							Actual		Corrective measures for targets not achieved
					Targets									
					Q1	Q2	Q3	Q4	An- nual					
TL21	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementati on of the WSP	All	1.5%	0%	0%	0%	1%	1%	0.82 %	O	1% represents total amount of salary budget spent that has to be paid to the SETA as skills levy for the total workforce, including remuneration of councillors. Total spent: R187 613 512. 1% represents R 1 876 135 which translates into 82 percent actual spending.		
TL45	Institutional Performance management system in place and implement levels 0 - 6 (Van der Merwe system)	Number of levels implemented	All	New performance indicator for 2011-12. No comparatives available	0	0	0	6	6	6	G	Not applicable		
TL50	Effective and up to date By-laws	No of By-laws review annually	All	100%	0	0	0	18	18	18	G	Not applicable		
TL52	Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	13	1	1	1	1	4	3	O	Special LLF Meeting was held to obtain feedback regarding the compilation of a new organisation structure. All members of the LLF and me had to attend a 3 day workshop on the functioning of the LLF at CWDM, from the 21 – 23 May 2012. This workshop was co-ordinated by the SALGBC, A LLF meeting was held in June to determine the Rules of Order of the meeting and HR annual reports on injuries, disciplinary cases, training and appointments were submitted for information		
TL49	Review the	Plan reviewed	All	New	0%	0%	0%	100%	100%	90%	O	SITA appointed to		

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Ref	KPI	Unit of Measure- ment	Ward	Actual perfo- rmance 2010/ 11	Performance of 2011-12								
					Targets					Actual		Corrective measures for targets not achieved	
					Q1	Q2	Q3	Q4	An- nual				
	Information and Communication Technology master systems plan by end June	by the end of June		performance indicator for 2011-12. No comparatives available									develop plan. SITA consultant has begun with interviews. Plan expect to be complete toward the end of September 2012
TL53	Revise identified HR policies by the end of June to ensure compliant and up to date HR policies	No of policies reviewed	All	100%	0	0	0	5	5	5	G		Not applicable
TL51	Creation of an effective institution with sustainable capacity	% Budgeted vacancy level as % of approved organogram (National norm between 10-15%)	All	100%	0%	0%	0%	15%	15%	15%	G		Not applicable
TL54	Implementation of skills development plan with targeted skills development	No of personnel actually trained as per the approved budget	All	New performance indicator for 2011-12. No comparatives available	25	25	75	75	200	225	G 2		Not applicable

**Table 75: Top Layer SDBIP – Municipal Transformation and Institutional Development**

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

### c) TOP LAYER SDBIP - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The National Key Performance Area Municipal Financial Viability and Management are linked to the Municipal Key Performance Area namely *Municipal Financial Viability and Management*. The IDP Objective that is linked to Local Economic Development is: *"Assure financial viability and sustainable growth"*

Ref	KPI	Unit of Measure-ment	Ward	Actual performance 2010/ 11	Performance of 2011-12							Actual		Corrective measures for targets not achieved
					Targets									
					Q1	Q2	Q3	Q4	An-nual					
TL25	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	New performance indicator for 2011-12. No comparatives available	0%	0%	0%	2.08%	2.08%	2.00%	O	Ratios changed due to the fact that after the external audit it was agreed that the internal charges of revenue and expenditure should be taken out of the statements, that is approximately R30 million.		
TL23	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year)	All	New performance indicator for 2011-12. No comparatives available	0%	0%	0%	8.70%	8.70%	9.06%	G 2	Ratios changed due to the fact that after the external audit it was agreed that the internal charges of revenue and expenditure should be taken out of the statements, that is approximately R30 million		
TL24	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	New performance indicator for 2011-12. No comparatives available	0%	0%	0%	14.20%	14.20%	14.26%	G 2	Cognizance should be taken that this is an annual target only measured at the end of the 4th quarter (end of the financial year).		
TL59	Approved financial statements submitted by 31 August	Approved financial statements submitted	All	1	1	0	0	0	1	1	G	Not applicable		
TL56	Compliance with GRAP 16, 17 & 102 to ensure effective asset management	0 findings in the audit report on non-compliance	All	0	0	0	0	0	0	0	G	Not applicable		
TL62	Compliance with the SCM Regulations (MFMA) measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0	0	0	0	0	0	0	G	Not applicable		

# BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Ref	KPI	Unit of Measure- ment	Ward	Actual perform- ance 2010/ 11	Performance of 2011-12							Actual		Corrective measures for targets not achieved
					Targets									
					Q1	Q2	Q3	Q4	An- nual					
TL57	Improved revenue collection	% Debt recovery rate	All	97%	95%	95%	95%	95%	95%	97.5 0%	G 2	Not applicable		
TL60	Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	All	94.21%	0%	0%	0%	100%	100%	85%	O	Not applicable		
TL61	Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	All	67.53%	0%	0%	0%	95%	95%	93.2 7%	O	Budget: R100 461 389. Spent: R93 695 704.22		
TL58	No of Root causes of issues raised by AG in AG report of the previous financial year addressed to promote a clean audit	No of Root causes addressed	All	New performan ce indicator for 2011- 12. No comparati ves available	2	8	5	5	20	20	G	Not applicable		
TL63	Review of valuation roll by June 2010	Review by June 2010	All	New performan ce indicator for 2011- 12. No comparati ves available	0%	0%	0%	100%	100%	100 %	G	Not applicable		
TL26	Integrated development planning measured by the alignment of the municipal spending with IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	All	New performan ce indicator for 2011- 12. No compara- tives available	0%	0%	0%	100%	100%	100 %	G	Not applicable		
TL30	The adjustment budget is submitted to Council by the end of February	Adjustments Budget submitted by the end of February	All	100%	0%	0%	100%	0%	100%	100 %	G	Approved by council		
TL29	The main budget is submitted to Council by the end of March	Budget submitted by the end of March	All	100%	0%	0%	100%	0%	100%	100 %	G	Approved by council		

**Table 76: Top Layer SDBIP – Municipal Financial Viability and Management**



## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

### D) TOP LAYER SDBIP - LOCAL ECONOMIC DEVELOPMENT

The National Key Performance Area Local Economic Development is linked to the Municipal Key Performance Area namely *Local Economic Development*. The IDP Objective that is linked to Local Economic Development is: "To create an enabling environment for employment and poverty eradication through proactive economic development and tourism"

Ref	KPI	Unit of Measurement	Ward	Actual performance 2010/11	Performance of 2011-12							Actual		Corrective measures for targets not achieved
					Targets									
					Q1	Q2	Q3	Q4	An-nual					
TL68	Maintenance of halls and facilities	% of maintenance budget of halls and facilities spent	All	100%	0%	0%	0%	100%	100%	64.95 %	R	Budget: R1 073 760. Spent: R697 380.		
TL67	Review the maintenance plan for halls and facilities by end of June 2012 for the 2012/13 financial year	Plan reviewed by the end of June	All	100%	0%	0%	0%	100%	100%	0%	R	Plan has not been developed as this is a highly technical matter that needs to be financed. All funds that were available were used for the renovations to the MPC Town Hall and community halls of De Doorns and Touwsriver. Making funds available for this activity.		
TL64	Recreational areas is maintained measured by the % of the maintenance budget spent	% of budget spent	All	95.40%	25%	50%	75%	98%	98%	96.76 %	O	Budget: R1 887 997. Spent: R1 826 834.		
TL65	Municipal parks and recreational areas is provided to all households measured by the provisioning of recreational areas for all new formal and informal developments	% Of recreational areas for all new developments	All	New performance indicator for 2011-12. No comparatives available	100%	100%	100%	100%	100%	100%	G	KPI to be deleted. Not function of Civil Works.		
TL75	Re-establishment of the sport office to service community sport needs, including a sport strategic framework by	Office established and framework submitted	All	New performance indicator for 2011-12. No comparatives available	0%	50%	100%	0%	100%	100%	G	Not applicable		

## BREDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Ref	KPI	Unit of Measurement	Ward	Actual performance 2010/11	Performance of 2011-12							
					Targets					Actual	Corrective measures for targets not achieved	
					Q1	Q2	Q3	Q4	Annual			
	Mar 2012											

*Table 77: Top Layer SDBIP – Local Economic Development*

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

### E) TOP LAYER SDBIP - BASIC SERVICE DELIVERY

The National Key Performance Area Basic Service Delivery is linked to the Municipal Key Performance Areas namely *Basic Service Delivery*. The IDP Objectives that is linked to Basic Service Delivery is: *"To provide and maintain basic services and ensure social upliftment of the Breede valley community"* and *"To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people"*.

Ref	KPI	Unit of Measurement	Ward	Actual performance 2010/ 11	Performance of 2011-12							
					Targets					Actual	Corrective measures for targets not achieved	
					Q1	Q2	Q3	Q4	An-nual			
TL70	All existing informal settlements are formalised with land use plans for economic and social facilities and with the provision of permanent basic services	No of households that meet standards	All	85%	0	0	0	500	500	500	G	Not applicable
TL69	Implementatio n of Integrated Human Settlement Strategy measured by the number of projects (De Doorns - phase 4, Zwelethemba – phase 2, Avian Park – phase 3) complying with approved strategy by the end of June	Number of projects implemented	All	3	0	0	0	3	3	3	G	Not applicable
TL14	Provision of free basic electricity in terms of the equitable share requirements	No of households receiving free basic electricity	All	6 560	6 800	6 800	6 800	6 800	6 800	6 507	O	Indigent register electronically available
TL15	Provision of free basic electricity in terms of the equitable share requirements	Quantum of free basic electricity per household	All	50	50	50	50	50	50	50	G	Not applicable
TL18	Provision of free basic refuse removal in terms of the equitable share requirements	No of households receiving free basic refuse removal	All	100%	6 800	6 800	6 800	6 800	6 800	6 507	O	Indigent register electronically available
TL19	Provision of free basic refuse removal in terms of the equitable share	Quantum of free basic refuse removal per month per	All	R 114	122.99	122.99	122.99	122.99	122.99	123	G 2	Not applicable

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Ref	KPI	Unit of Measure-ment	Ward	Actual perform-ance 2010/ 11	Performance of 2011-12							
					Targets					Actual	Corrective measures for targets not achieved	
					Q1	Q2	Q3	Q4	An-nual			
	requirements	household										
TL9	Provision of free basic sanitation in terms of the equitable share requirements	No of households receiving free basic sanitation	All	100%	6 800	6 800	6 800	6 800	6 800	6 507	O	Indigent register electronically available
TL10	Provision of free basic sanitation in terms of the equitable share requirements	Quantum of free basic sanitation provided per households	All	R 145	174	174	174	174	174	174	G	Not applicable
TL4	Provision of free basic water in terms of the equitable share requirements	No of households receiving free basic water	All	6 560	6 800	6 800	6 800	6 800	6 800	6 507	O	Indigent register electronically available
TL5	Quantum of free basic water per household in terms of the equitable share requirements	Quantum of free basic water provided per household	All	6	10	10	10	10	10	10	G	Not applicable
TL55	Value of contracts assigned to SMME's to enhance economic development	Value of contracts assigned	All	New perfor-mance indicator for 2011-12. No compara-tives available	R 0	R 0	R 0	R 3 300 000	R 3 300 000	R 0	R	We are in a process of taking into consideration this requirement. We intend to amend this section to cater for EMEs as the new regulation puts more focus on BEE. Target not realistic. Amount cannot be determined.
TL13	Provision of electricity that are connected to the municipal electricity grid to all informal areas	No of informal areas that meet agreed service standards	2; 12; 18	New performanc e indicator for 2011-12. No comparativ es available	0	0	0	500	500	1 510	B	KPI not relevant and should be deleted. The actual was updated with year-end data.
TL12	Provision of electricity that are connected to the municipal electricity grid to all formal areas	No of formal areas that meet agreed service standards	All	New performanc e indicator for 2011-12. No comparativ es available	22 641	22 641	22 641	22 641	22 641	30 000	G 2 –	Reported results were based on actual electrical services connections made and not on areas serviced. Definition of the KPI was not edited during the adjustment budget process. Should read number of new electrical connections made. New year-end

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Ref	KPI	Unit of Measurement	Ward	Actual performance 2010/ 11	Performance of 2011-12							
					Targets					Actual	Corrective measures for targets not achieved	
					Q1	Q2	Q3	Q4	Annual			
												information. Itron generates monthly report that provides total for prepaid meters and SAMRAS holds the information for conventional meters. ESCOM has despite various requests refused to provide the information to connections directly serviced by them. This is the balance that cannot be accounted for by BVM.
TL16	Provision of refuse removal, refuse dumps and solid waste disposal to all formal areas	No of formal households for which refuse is removed at least once a week	All	New performance indicator for 2011-12. No comparatives available	22 641	22 641	22 641	22 641	22 641	22 765	G 2	New information year-end, information as per GIS system. GIS calculation based on extraction from cadastral database.
TL17	Provision of refuse removal, refuse dumps and solid waste disposal to all informal areas	No of informal households for which refuse is removed at least once a week	2; 12; 18	New performance indicator for 2011-12. No comparatives available	0	0	0	500	500	1 510	B	GIS calculation based on extraction from cadastral database.
TL6	Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal households	No of formal households that have at least VIP on site	All	New performance indicator for 2011-12. No comparatives available	22 641	22 641	22 641	22 641	22 641	22 765	G 2	All households within urban edge have access to sanitation system. New information year-end, information as per GIS system. GIS calculation based on extraction from cadastral database.
TL8	Provision of sanitation systems limited to domestic waste water and sewerage disposal to informal households	No of informal households that have at least VIP on site	2; 12; 18	New performance indicator for 2011-12. No comparatives available	0	0	0	500	500	1 510	B	GIS calculation based on extraction from cadastral database.
TL76	Provision of storm water management systems in built up areas to all formal	No of households	All	New performance indicator for 2011-12. No comparativ	22 641	22 641	22 641	22 641	22 641	22 765	G 2	All households within urban edge have access to storm water facilities. GIS calculation

# BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Ref	KPI	Unit of Measurement	Ward	Actual performance 2010/ 11	Performance of 2011-12							
					Targets					Actual	Corrective measures for targets not achieved	
					Q1	Q2	Q3	Q4	An-nual			
	households			es available								based on extraction from cadastral database.
TL2	Provision of cleaned piped water to all formal households within 200m from the household	No of formal households that meet agreed service standards for piped water	All	New performance indicator for 2011-12. No comparatives available	22 641	22 641	22 641	22 641	22 641	22 765	G 2	All households within urban edge have access to piped water within 200m from the household. New information year-end, information as per GIS system. GIS calculation based on extraction from cadastral database.
TL3	Provision of cleaned piped water to all informal households within 200m from the household	No of informal households that meet agreed service standards for piped water	2; 12; 18	New performance indicator for 2011-12. No comparatives available	0	0	0	500	500	1 510	B	All households within urban edge have access to piped water within 200m from the household. Budget limitations prevent us to provide services to households outside urban edge.
TL66	Graveyards is maintained measured by the % of the maintenance budget spent	% of budget spent	All	82%	25%	50%	75%	98%	98%	90.83 %	O	Vehicle costs budgeted incorrectly and outstanding orders. Budget: R 107 000. Spent: R97 185.
TL94	Effective electricity capital spending measured by the % of budget spent	% spent of approved electricity capital projects	All	63.92%	25%	50%	75%	98%	98%	30.22 %	R	Capital project for 66KV substation (R46.96Million) influence % progress of funds spend. Without this project & estimated roll overs the total expenditure would be 99.86%. Total roll overs to 2012/2013 R 37,573,610.00. Delay to the latter due to parts and machinery ordered from Vietnam, sole providers in the world.
TL93	Effective management of electricity provisioning systems	% of total electricity losses	All	6.61%	0%	0%	0%	3%	3%	6%	R	The acceptable ESI norm for losses within the industry is 14% and thus within industry standards and data received from Finance Department seems to be inaccurate – more

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Ref	KPI	Unit of Measurement	Ward	Actual performance 2010/ 11	Performance of 2011-12							
					Targets					Actual	Corrective measures for targets not achieved	
					Q1	Q2	Q3	Q4	An-nual			
												units sold than purchased. Continuous monthly low consumption audits being performed
TL95	Electricity assets is maintained in terms of the prioritised maintenance per the maintenance plan within approved maintenance budget	% of maintenance budget of electricity spent	All	110.15%	25%	50%	75%	96%	96%	101.27 %	G 2	Not applicable
TL92	Electricity connections to provide electricity reticulation to new housing developments	No of new electricity connections	All	149	0	0	0	200	200	215	G 2	Not applicable
TL11	New 11/66kV electricity Substation at Worcester	% Of project completed	9; 10; 11; 12; 13; 14	New performance indicator for 2011-12. No comparatives available	0%	0%	0%	100%	100%	100%	G	See comment raised under TL94. This achievement represents the actual performance against the proportion out of the total multi-year project.
TL33	The request for approval of the Spatial Development Framework in terms of Section 4(7) of LUPO be submitted to DEADP by the end of December	Review and submitted to PGWC annually by the end of December	All	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL34	Spatial Development Framework review progress report submitted to the Department of Environmental Affairs and Development Planning by the end of December	Progress report submitted by the end of December	All	New performance indicator for 2011-12. No comparatives available	0%	100%	0%	0%	100%	100%	G	Not applicable
TL85	Maintenance of municipal	% of maintenance	All	94.4%	25%	50%	75%	98%	98%	135.03 %	G 2	Budget: R 2 029 100. Spent:

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Ref	KPI	Unit of Measure-ment	Ward	Actual performance 2010/ 11	Performance of 2011-12							
					Targets					Actual	Corrective measures for targets not achieved	
					Q1	Q2	Q3	Q4	An-nual			
	roads	budget of municipal roads spent										2 739 839.
TL84	Municipal roads is maintained measured by the kms of roads resealed according to approved maintenance plan	Kms of roads resealed	All	2km	0	0	0	2.5	2.5	2.5	G	Not applicable
TL83	Revision and update of the maintenance plan for municipal roads by January 2012	% completion of the revised plan	All	New performanc e indicator for 2011-12. No comparativ es available	0%	0%	100%	0%	100%	100%	G	Not applicable
TL82	Maintenance of refuse removal assets	% of maintenance budget of refuse removal spent	All	93.8%	25%	50%	75%	98%	98%	117.20 %	G 2	Budget: R 2 243 600. Spent: R 2 629 396
TL81	Initiate a business plan towards the improvement of the landfill site capacity subject to the Regional Integrated Waste Management Plan by the end July 2011	Consultant appointed	All	New perfor-mance indicator for 2011-12. No compara-tives available	100%	0%	0%	0%	100%	100%	G	Not applicable
TL77	Development of a Storm water Master Plan by the end of June	% completion of the Plan	All	New perfor-mance indicator for 2011-12. No compara-tives available	0%	0%	0%	20%	20%	20%	G	Not applicable
TL79	Improvement of sewerage purification systems (Bulk services) in Worcester by the end of June	% completion of the project	All	New perfor-mance indicator for 2011-12. No compara-tives available	0%	0%	0%	100%	100%	100%	G	Not applicable
TL78	Storm water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of storm water spent	All	105.7%	25%	30%	75%	98%	98%	85.96 %	O	Budget: R 998 350. Spent: R 858 187.



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Ref	KPI	Unit of Measure-ment	Ward	Actual performance 2010/ 11	Performance of 2011-12							
					Targets					Actual	Corrective measures for targets not achieved	
					Q1	Q2	Q3	Q4	An-nual			
TL7	Upgrading of the Worcester Wastewater Treatment Works	% Of upgrading completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19	New perfor-mance indicator for 2011-12. No compara-tives available	0%	0%	0%	100%	100%	100%	G	Commencement of works November 2009. Ahead of Programme. Due Completion July 2012. Civil = 100% Mechanical = 99% Electrical = 99% Electrical MV = 99%
TL80	Quality of waste water discharge measured by the % waste water discharge that comply with microbial content	% waste water discharge that comply with microbial content	All	77.38%	95%	95%	95%	95%	95%	100%	G 2	As per Green drop system
TL1	Augmentation of the Stetteynskloof Bulk Water Supply at Worcester and Rawsonville	% Of project completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21	New perfor-mance indicator for 2011-12. No compara-tives available	0%	0%	0%	100%	100%	40%	R	Tenders closed 15Dec. 2011. Contract was finally awarded on 11 May 2012. Commencement of contract is 11 May 2012. The Cape Town High Court ruled in BVM's favour. Subsequent the High Court ruling the Contract for Stettynskloof Pipeline was awarded on 11 May 2012.
TL87	Effective management of water provisioning systems to limit unaccounted water	% of water unaccounted for	All	33.7%	0%	0%	0%	30%	30%	22.80 %	B	Water Balance for the period of July 2011 to May 2012. Non-revenue water = 22.8% Leakage Index = 5.0 Information for June 2012 is not available. The 2010/2011 financial years distribution losses were 32, 65%. Target for 2011/2012 is 25%.
TL89	Effective water capital spending measured by the % of budget spent	% spent of approved water capital projects	All	101.1%	15%	25%	75%	98%	98%	28%	R	Expenditure to date = 28%. Stettynskloof Pipeline tenders closed 15Dec. 2011. Objection received towards the award of contract. Commencement of contract is 11 May 2012. Under performance is as a result of the delay

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Ref	KPI	Unit of Measurement	Ward	Actual performance 2010/ 11	Performance of 2011-12							Actual		Corrective measures for targets not achieved
					Targets									
					Q1	Q2	Q3	Q4	An-nual					
													with the award of the Stettynskloof Pipeline contract.	
TL86	New water connections to provide for potable water supply systems	No of new water connections per quarter	All	100% within the budget	0	0	0	200	200	14	R		KPI to be deleted. Duplication of D410. Number of connections is not within control of BVM.	
TL90	Water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of water spent	All	93% (bulk) 90.4% (Reticulation)	25%	50%	75%	98%	98%	103.5 %	G 2		Not applicable	
TL88	Excellent water quality measured by the quality of water as per SANS 241 criteria	% water quality level	All	77.38%	95%	95%	95%	95%	95%	99%	G 2		Not applicable	
TL91	Execution of water saving awareness initiative in terms of the Water Demand Management plan	Number of initiatives	All	New performance indicator for 2011-12. No comparatives available	0	0	0	2	2	2	G		Not applicable	
TL71	Disaster Management plan reviewed by the end of June	Plan reviewed by the end of June	All	100%	0%	0%	0%	100%	100%	100%	G		Not applicable	
TL74	High profile community complaints effectively negotiated and resolved within one month after complaint has been lodged	Number of results achieved / number of high profile complaints lodged (%)	All	New performance indicator for 2011-12. No comparatives available	95%	95%	95%	95%	95%	100%	G 2		Not applicable	
TL72	Implement a comprehensive law enforcement strategy to decrease high risk violations	2% decrease in high risk violations	All	28.5%	0%	1%	0%	1%	2%	1%	R		Requested not to form part of KPI'S, no direct control	
TL73	Review the Fire Management Plan by end March	Review by the end of March	All	100%	0%	0%	100%	0%	100%	100%	G		Not applicable	

Table 78: Top Layer SDBIP – Basic Service Delivery

## 3.6 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement and is defined as:

- a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- a Comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than R200 000 are listed.

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The tables below indicate service providers utilised according to functional areas:

### 3.6.1 OFFICE OF THE MUNICIPAL MANAGER

The office of the Municipal Manager did not utilise any service providers

### 3.6.2 FINANCIAL SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Printing and folding of municipal accounts (CAB Holdings)	3 years	Printing and folding of municipal accounts	Satisfactory	Good	Not applicable
Provision and maintenance of the SAMRAS financial system (BYTES)	From January 2000, on-going	Maintenance of the SAMRAS system Provision of technical support	Satisfactory	Good	Not applicable
Maintenance of the credit control system	From 2002, on-going	Maintenance of the credit control system Upgrading of software Provide technical support	Satisfactory	Good	Not applicable
Valuation of properties in terms of the Municipal Property Rates Act (De Kock Lloyd property Valuers)	5 years	Valuation of properties for billing purpose Attend valuation appeal boards	Satisfactory	Good	Not applicable

**Table 79: Service Provider Performance – Financial Services**

### 3.6.3 CORPORATE SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Conveyance services for the 249 erven in Zwelethemba, Worcester	July 2011 on-going	Legal services for the transfer of Ownership to recipients of houses	124 properties are in a Process of being transferred. 77 beneficiaries are in the process of Signing sales agreements. 8 beneficiaries must still be found 40 beneficiaries are being invited to visit the offices	Good	To get beneficiaries To come in speedily

**Table 80: Service Provider Performance – Corporate Services**

### 3.6.4 PUBLIC SAFETY AND COMMUNITY DEVELOPMENT

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Supply and delivery of Fire Fighting Assemble	July 2011-30 June 2012	Supply of fire uniform	Satisfactory	Good	Not applicable
Alterations of the traffic testing centre	Once off	Alterations of the traffic testing centre	Note yet started	Not yet started	Not applicable
Supply and delivery of 2 patrol vehicles	Once off	Supply and delivery of vehicles	Satisfactory	Good	Not applicable

**Table 81: Service Provider Performance – Public Safety and Community Development**

### 3.6.5 OPERATIONAL SERVICES

Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Supply and delivery of white slaked purifying lime	July 2011- 30 June 2014	Supply of lime	Satisfactory	Good	Not applicable
Supply, delivery and fitting of tyres and related services	August 2011 – 30 June 2012	Fitting of tyres and off road help	Satisfactory	Good	Not applicable
Supply and delivery of chlorine	July 2011 – 30 June 2014	Supply of chlorine	Satisfactory	Good	Not applicable
Supply and delivery of 500 and 630 KVA mini substations	Once off	Supply and delivery of electrical substations	Satisfactory	Good	Not applicable
Supply and delivery of refuse bags	Once off	Supply of refuse bags	Satisfactory	Good	Not applicable
Supply and delivery of pick-ups	Once off	Supply of pick-ups	Satisfactory	Good	Not applicable
Supply and delivery of wheelie bins	Once off	Supply of wheelie bins	Satisfactory	Good	Not applicable
Sealing of Roads	Once-off	Sealing of roads	Satisfactory	Good	Not applicable
Supply, deliver and commission of 11kv substation	Once-off	Commissioning of a substation	Satisfactory	Good	Not applicable
Augmentation of the Stetteynskloof Water Pipeline	April 2012 – March 2013	Construction of water pipeline	Satisfactory	Good	Not applicable
Rental and Servicing of chemical toilets	April 2012 – 30 June 2013	Rental and servicing of toilets	Satisfactory	Good	Not applicable
Supply and delivery of LT Boards	Once-off	Supply of LT Boards	Satisfactory	Good	Not applicable

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Description of services rendered	Term of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Supply, delivery and commissioning of sport field lighting	Once-off	Supply and installation of sport lighting	Satisfactory	Good	Not applicable
Supply and delivery of wheelie bins	Once off	Supply of wheelie bins	Satisfactory	Good	Not applicable
Supply and operation of waste compactor	May 2012 – 30 June 2014	Supply and operation of waste compactor	Satisfactory	Good	Not applicable
Construction of speed humps	Once-off	Construction of speed humps	Satisfactory	Good	Not applicable
Supply and delivery of track and field equipment	Once-off	Supply of athletics equipment	Satisfactory	Good	Not applicable
Maintenance of high-mast flood lighting	July 2012-30 June 2013	Maintenance of high-mast flood lights	Satisfactory	Good	Not applicable
Maintenance of traffic signals and associated equipment	July 2012 – 30 June 2013	Maintenance of traffic lights and Associated equipment	Satisfactory	Good	Not applicable
Supply and fitting of tyres and related services	July 2012 – 30 June 2013	Supply and fitting of tyres	Satisfactory	Good	Not applicable
Supply and delivery of road building material	July 2012 – 30 June 2013	Supply of sand, gravel and related material	Satisfactory	Good	Not applicable
Rental of plant and machinery	July 2012 – 30 June 2012	Rental of machinery	Satisfactory	Good	Not applicable
Supply and delivery of bitumen products	July 2012-30 June 2013	Supply of bitumen products	Satisfactory	Good	Not applicable

**Table 82: Service Provider Performance – Operational Services**

## **3.7 MUNICIPAL FUNCTIONS**

### **3.7.1 ANALYSIS OF FUNCTIONS**

The municipal functional areas are as indicated below:

<b>Municipal Function</b>	<b>Municipal Function: Yes / No</b>
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	None
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes

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Municipal Function	Municipal Function: Yes / No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

**Table 83: Functional Areas**

### 3.8 PERFORMANCE HIGHLIGHTS PER DIRECTORATE/FUNCTIONAL AREA

Directorate/ Functional area	Sub Directorate	Highlights
<b>Office of the Municipal Manager</b>	Area Manager: De Doorns	The creation of the position of Area Manager enhances the timely addressing of customer complaints and service delivery request
	Area Manager: Touwsriver	The creation of the position of Area Manager enhances the timely addressing of customer complaints and service delivery request.
		Building a play park from donated apparatus
		Successfully functioning of the ward committee as a public participation mechanism. Conduct meetings on a monthly basis to get service delivery inputs from the ward committee. Ward committee is also involved in community projects.
	Corporate Communication and marketing	<ul style="list-style-type: none"> <li>■ During the period June 2011 – July 2012 eleven external newsletters were distributed in the Breede Valley focusing on changing attitudes and informing the general public on service delivery issues.</li> <li>■ Communication support contributed towards the peaceful solution of two service delivery protests during May/June 2012 as well as an illegal occupation of land adjacent to the R60 (Route 62) road.</li> <li>■ Communication support was also rendered during the IDP public participation/consultation meetings during November 2011 and April/May 2012.</li> <li>■ A new, improved external newsletter was published at the end of June 2012 as an insert in the local community newspaper (11 000 copies). Nine thousand copies were distributed by the ward committees. An editorial committee was established to assist the communication section with the newsletter.</li> <li>■ The June/July 2012 edition of the newsletter showcased the highlights of Council's first year in office.</li> <li>■ The Executive Mayor attended and addressed 80 public engagements during this period, focusing on service delivery issues and reconciliation as foundation for an ethos of respect and co-operation.</li> </ul>
	IDP	Successful IDP need establishment through contacts sessions with citizens in different wards
		Successful summits with different ward committees to enhance the successful functioning of the different ward committees



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Directorate/ Functional area	Sub Directorate	Highlights
		Successful approval of the 3 <sup>rd</sup> generation IDP
	Internal Audit	The 3 Year Strategic Internal Audit Plan 2012-2015 and the Annual Audit Plan for 2012/2013 was approved by the Audit Committee on 13 June 2012.
		The approved Internal Audit Charter was amended by the above Audit Committee on 13 June 2012.
		Successful facilitation and support to an improved & functional Audit Committee.
		The Annual Risk Assessment for 2012/2013 was completed during March 2012.
		The Chief Audit Executive was appointed during April 2012 bringing stability to the section.
	PMS	The improvement of the rollout of the data completeness on the IGNITE PMS system and the improvement in the control and insurance of deliverables
		The institutionalization of a proper POE system.
<b>Operational Services</b>	Planning: GIS	Redesigned intranet map and added additional functionality.
		Interactive IDP map.
		Spatial digitization of erf files.
	Planning: Building Control	918 building plans approved
		±5800 inspections performed
		Revision of nat. Building regulations
	Planning: Town Planning	Digital Zoning Maps and Base maps.
		Some success has been achieved with court cases.
		Our SDF is being reviewed.
	Planning: LED	Positive publicity in SALGA publication as well as in the LED network electronic newsletter which present our strategy development as a best practice
		Nelson Mandela statute
		Establishment of leadership for LED
	Planning: Tourism	Development of new tourism brand and logo
		Successful twinning with Belgian delegation
	Civil works: Building Maintenance	The upgrading of the foyer and toilets of the Town hall complex is a long awaited project
	Civil works: Cemeteries	The development of the new cemetery is living up to expectations and many compliments are received.
	Civil works: Environmental Management	The Work for Water projects, off which BVM is a partner, is most successful in enhancing the environment.
	Civil works: Mechanical Workshop	The workshop is battling on a daily basis to keep the vehicle fleet operational and highlights are limited to keeping the system going.
	Civil works: Municipal Roads	The maintenance of roads cannot claim any highlights for the past year, as the total roads network is deteriorating at an alarming rate.
	Civil works: Recreational Facilities	BVM managed to successfully host a couple of provincial sport events. All facilities are maintained to a good standard.
	Civil works: Refuse removal: Disposal	Despite the challenges it's facing, the Cleansing Department were able to provide a 365 days a year service in terms of refuse removal.
	Civil works: Refuse	Recycling in Touwsriver is operational and a privately operated refuse buy-back centre

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Directorate/ Functional area	Sub Directorate	Highlights
	removal: Recycling	in Worcester is in its initial stage.
	Civil works: Refuse removal: Public Toilets	All facilities are serviced and cleaned on a daily basis.
	Civil works: Sewerage: Network	Despite the number of complaints that are received daily, BVM managed to provide a service with the minimum of inconvenience to the inhabitants.
	Civil works: Storm water	No major flooding of properties was reported in the last year.
	Civil works: Water Services: Network	BVM provided potable water to all inhabitants for 365 day a year despite the challenges. No areas were without water for a reasonable length of time.
	Bulk Services: Commonage	Open spaces are fairly clean and greening in common.
	Bulk services: Resorts and swimming pools	The following events were staged successful: Swallows Rally, Earth Dance and Boland Jazz Festival.
	Bulk services: Refuse removal: Landfill sites	Appointment of security guards at Landfill has drastically reduced salvagers on Landfill Site.
	Bulk services: Sewerage purification	Upgrade of Worcester Waste Water Treatment Works
	Bulk Services: Water supply	Increase the Blue Drop score to 89.04 in the last Department of Water Affairs assessment.
	Project Management	436 Avian Park Affordable Housing - Completion of Project (275 units) & 200 De Doorns Affordable Housing - Construction of 200 Units & Worcester Waste Water Treatment Works - Extension of Worcester Waste Water Treatment Works 20MI/day
		242 Zweletemba Affordable Housing - Construction of houses (53 units) & N1 Interchange - New Interchange and access roads & De Doorns South of N1 Development - Servicing of erven
	Electricity	De Doorns – Removal of existing electrical services at Haasie Square and Ekuphumleni to facilitate the re allocating of residents to Stofland.
		Installation and commissioning of 215 Electrical Service connections at Avian Park 438 Lots
		Completion of Planned Preventative Maintenance program for the year within Operational Budget limitations
<b>Financial Services</b>	Financial Planning	Successful approval of Adjustment & original Budgets
		Approval of Budget Related policies
		Approval and timely submission of the Annual Financial Statements
		Successful implementation of sec 71 & 72 of MFMA financial Reports
		Daily and Monthly Bank reconciliations
		Improvement in the spending of grants for the Directorate finance
	Valuations	Compilation of new valuation roll, with 1.02% objections and 0.09% appeals
	Revenue	Improve the revenue collection Payment rate to 97.05% under difficult economic circumstances.
		Successful approval of new tariff structure for the 2012/ 13 financial year
	SCM	Implementation of a turnaround strategy in SCM to improve the response time of processes in order to enhance service delivery
		No successful appeals against the allocation of tenders
<b>Public Safety</b>	Fire, Rescue and	100% Compliance with Attendance Times to Category "A" Fire Risks

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Directorate/ Functional area	Sub Directorate	Highlights
<b>and Community Development Services</b>	disaster management services	Disaster Management Plan and Integrated Disaster Risk Management Framework approved for 2012-2017
		First Fire Service to introduce new Fire Web Incident Reporting System in SA
	Library & information services	All libraries, except for the Wheelie Wagon projects, were converted to the provincial SLIMS computer system during February 2012. A lot of preparation went into the conversion from the KOHA system to the SLIMS system. Although technical problems are still experienced, the SLIMS system is advantageous with regards access to the complete catalogue of the Provincial Library Service. All library staff underwent training and 3 senior staff members attended a training session with regards cataloguing on SLIMS. Zweletemba Library received computers to be connected to the Rural Connectivity Project, giving free of charge internet and computer access to members of the community.
		Fences, to safeguard the buildings, were installed at De Doorns and Goudini Libraries
		All library staff members attended training workshops in customer care and diversity management.
	Traffic & Law Enforcement Services	A Speed Law Enforcement Management System was introduced successfully which will have a positive impact in reducing crashes.
		A traffic offence facility was established at Rawsonville to serve as a back office and which will enhance the availability of services to the public.
		A Traffic fine pay point was established at the Breede Valley East Traffic Centre in De Doorns. The availability of this service will contribute to making services more accessible to members of the public in this area
	Arts and Culture	Water supply to sites of cultural initiation upgraded. Re-activation of traditional leader's forum.
<b>Corporate Services</b>	Corporate Support	Approval of the Structuring of Council (Section 79 Committee, MayCo & Council) on 11 August 2011; approval and acceptance of new Rules of Order By-law (Rules of Order for Internal Arrangement By-law 2012) for publication in the Provincial Gazette and implementation thereafter.
		The development of a good and positive service delivery culture
		The focus to rehabilitate and renovate dilapidated municipal buildings
		The upgrading of the Hugo Naude Art Museum as one of our arts and culture heritage
		The compilation of a new rules of order for council
	Housing	Bigger focus on the implementation and compliance with Bylaws to address lawlessness.
	Human Resources	Appointment of the new Municipal Manager, Mr G Matthyse at the Breede Valley Municipality on 1 March 2012.
		Compilation of a new Organisation Structure to ensure efficient, effective and economic service delivery in terms of the new Integrated Development Plan.
		Submitted the Employment Equity reports to Department of Labour and a draft Employment Equity Plan for the period 2012 until 2017 was compiled.
		Various policies were compiled to ensure adherence with legislative requirements as well as collective agreements. There was a decrease in the overtime payments, compared to the 2010/2011 financial year. This was achieved through improved control mechanisms. There was an improvement in absences from work without permission as the employees did not receive any pay and the required disciplinary action was taken.
		The Skills Development Training Report was approved and submitted to LGSETA on 28 June 2012, reflecting all the training that took place for the 2011/2012 financial year. Emphasis was placed on the municipal competency modules, internships and

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Directorate/ Functional area	Sub Directorate	Highlights
		<p>learnerships e.g. Water and process control, auditing, financial procedures, etc.</p> <p>The new Skills Development Plan for the 2012/2013 period was compiled and approved at the Training Committee Meeting which was held on 26 June 2012. This plan is based on prioritised training needs in the different departments to address skills shortages and lack of competencies.</p>

**Table 84: Performance highlights per directorate/functional area**

### 3.9 CHALLENGES PER DIRECTORATE/FUNCTIONAL AREA

Directorate/ Functional area	Sub Directorate	Challenges
<b>Office of the Municipal Manager</b>	Corporate Communication and marketing	<ul style="list-style-type: none"> <li>■ A revised communication strategy aligned to the IDP that is adhered to by all officials and councillors to ensure the integration of two-way community feedback mechanisms. To ensure <i>one voice</i> speaking to the community to increase Council's credibility, build trust in local government and enhance public participation.</li> <li>■ To guarantee and maintain effective ward committee participation by adopting a communication and accountability model to ensure the correct and fluid flow of information between communities and local government via councillors and ward committees.</li> <li>■ To promote the formation of partnerships with government and civil society to enhance effective service delivery.</li> </ul>
	Internal Audit	<p>The Internal Audit Unit is ineffective due to a lack of resources (staff, budget, system descriptions, etc.)</p> <p>The lack of resources has been reported to the Municipal Manager and the Audit Committee as prescribed by the relevant norms and standards governing our operations. The committee has recommended that it be addressed with the urgency it deserves. Prioritising of focus areas in terms of our Audit Plan taking into consideration available resources. The ineffective Internal Audit structure has also been changed to reflect current Internal Audit best practice and legislated approach. Appointment of Intern to assist with the ineffectiveness in operations. Internal Audit launched a project to ensure all departments create system descriptions for the relevant business processes.</p>
		<p>The role and function of Internal Audit is misunderstood.</p> <p>Through the Audit Committee's support and assistance the role &amp; function of Internal Audit is emphasized. Continuous education of the auditees on the role and function of Internal Audit through the formal internal audit process.</p> <p>Support from Provincial Treasury (as an oversight body) in monitoring and evaluating the effectiveness of Internal Audit, as an assurance provider regards the implementation of good governance principles in municipalities, through its annual assessment processes.</p>
		<p>The importance of Internal Audit and the value it could add, once fully effective, is underestimated.</p> <p>The Audit Committee supports and assists in emphasizing our importance, as well as the value which Internal Audit could add to the municipality once fully effective. Continuous education of the auditee on the importance and value add which could be derived from Internal Audit, as a management tool. Support from Provincial Treasury in monitoring and evaluating the effectiveness of Internal Audit, as an assurance provider regards the implementation of good governance principles in municipalities, through its annual assessment processes.</p>
		Internal Audit is held responsible for functions outside its scope of operation, such as

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Directorate/ Functional area	Sub Directorate	Challenges
		<p>Risk Management &amp; Fraud Prevention.</p> <p>Provincial Treasury is responsible to monitor, evaluate and support municipalities regards the implementation of good governance principles (i.e. risk management &amp; fraud prevention). The Bi-Annual Corporate Governance Assessment Report of Provincial Treasury communicates to the relevant stakeholders key concerns identified, and the required actions which need to be taken by the municipality linked to timeframes and responsible officials to improve the status of governance within the municipality.</p>
<b>Operational Services</b>	Planning: GIS	Staff (Capacity)
		Software limitations
		Illegal building work, deviations
		Encroachment Of Erf Boundaries In Zweletemba
	Planning: Town Planning	Extreme staff shortage
		Organogram insufficient
		No follow-up on legal actions
	Planning: LED	Link catalytic project to a performance management tool for senior management
		Office space
		Project funding
	Planning: Tourism	Project funding
		Lack of CWDM support
		Staff shortage because of long disciplinary process
	Civil works: Building Maintenance	The maintenance of municipal buildings and rented housing schemes within the limitations of a very restricted budget is a daily challenge.
	Civil works: Cemeteries	The capturing of data of burials in respect of the older cemeteries is a major challenge and progress is limited.
	Civil works: Environmental Management	The scope of work is limited by the budget.
	Civil works: Mechanical Workshop	The maintenance of an old and dilapidated vehicle fleet is a major challenge for the municipality. An alternative replacement method for the vehicle fleet must be investigated as a matter of the highest priority.
	Civil works: Municipal Roads	The maintenance of a roads network in desperate need of proper planned maintenance is a challenge that seems beyond achievement.
	Civil works: Recreational Facilities	The demands from a great many sport clubs for sport facilities stretch the ability to supply sufficient facilities.
	Civil works: Refuse removal: Disposal	The state of the refuse compactors that are used poses a major challenge in delivering a satisfactory refuse removal service.
	Civil works: Refuse removal: Recycling	Recycling must be expanded from experimental plant status to fully fledged facilities, but a lack of capital restricts this project.
	Civil works: Refuse removal: Public Toilets	Guarding against vandalism of public facilities is an on-going challenge.
	Civil works: Sewerage: Network	More than 400 sewer blockages are reported every month and staying ahead in proving a satisfactory service is a major challenge. An around the clock service results in excessive costs in overtime. Theft and vandalism is contributing to an even bigger challenge in maintaining the network.
	Civil works: Storm	Proving an efficient storm water system in De Doorns is still a major challenge due to

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Directorate/ Functional area	Sub Directorate	Challenges
	water	the rapid development of the Stofland area.
	Civil works: Water Services: Network	An aging water pipe network results in more than 20 burst pipes per month. The systematic replacement of the network needs urgent attention.
	Bulk Services: Commonage	Curbing the vandalism and stealing of boundary fences.
	Bulk services: Resorts and swimming pools	Increase occupation rate of resorts.
	Bulk services: Refuse removal: Landfill sites	Formalise recycling which will reduce salvagers from the working face at Landfill Site.
	Bulk services: Sewerage purification	Asset management programme implementation due to budget constraints,
		Implementing a water demand strategy within the De Doorns area in order to reduce demand for, and wastage of water within the Stofland Area.
	Project Management	Hasie Square – Removal of existing services to facilitate reallocating of residents to Stofland.
		Removal of existing services to facilitate reallocating of residents to Stofland.
<b>Financial Services</b>	Financial Planning	Building & keeping staff capacity within the Budget & Treasury Office
		Maintaining the asset register of the municipality
		Maintaining a positive liquidity rate under difficult economic circumstances
		Ensure proper prioritization of a limited budget
	Valuations	Supplementary valuation roll, to ensure all properties are included.
	Revenue	Broadening of the tax base
		Ensure that the indigent register includes and reflect all that qualify for the subsidy.
		To ensure that accounts are produced for everyone who receives services.
	SCM	Enhancing the response time in the SCM processes
		Ensure the continuous address of declaration of government employee related parties without the necessary IT system support
		Enhance LED in the context of the SCM principle of being , fair, equitable, transparent, competitive and economy
<b>Public Safety and Community Development Services</b>	Fire, Rescue and disaster management services	Inadequate Capital Funding to extend services to outer towns
		Inadequate staffing to provide staffing as per National Standard for Community against Fire
		Aged Fleet and no fleet replacement policy due to lack of capital reserve
	Library & information services	Libraries experienced problems with old/out-dated computer equipment. The situation will however be changed due to funding that was made available on the 2012/2013 capital budget.
		The Library service finds it difficult to maintain buildings, grounds and equipment/furniture due to the workload of the maintenance team and other operational departments within the municipality.
		Very serious safety problems, due to the area where the library is situated and gangster activities, are experienced at the Esselen Library. Safety measures, like the instalment of safety cameras and monitoring screens and safety buttons for each staff member were made available. During the 2012/2013 a striker at the security gate will also be installed. A better equipped security company, with properly trained guards, will also become part of the solution. Funding will be found to install electrified

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Directorate/ Functional area	Sub Directorate	Challenges
		fencing.
	Traffic & Law Enforcement Services	The lack of office space is one of the biggest challenges facing the department.
		Because of the huge area for which the department is responsible, a shortage of vehicles remains a challenge (law enforcement and technical services need to be provided from Rawsonville to Touwsriver)
		The frequent unavailability of parking within the CBD remains a challenge which can only be addressed through the successful implementation
		A shortage of human resources is experienced especially in the law enforcement section.
	Arts and Culture	Inadequate staffing and office space.
		Financial Resource constraints.
<b>Corporate Services</b>	Corporate Support	Re-structuring of the Corporate Support Department into two cohesive Sections – Registry & Archives (Records and Communication Management, Records Storage & Archiving, Postal and Messenger Services) and Administrative Services (Typing Pool, Switchboard & Secretarial Relief and Reprographics) within the Corporate Services Directorate; full implementation of all the modules (Committee Management, Leave Application Management & Supply Chain Management) in the electronic records management system (Collaborator).

**Table 85: Challenges per directorate/functional area**

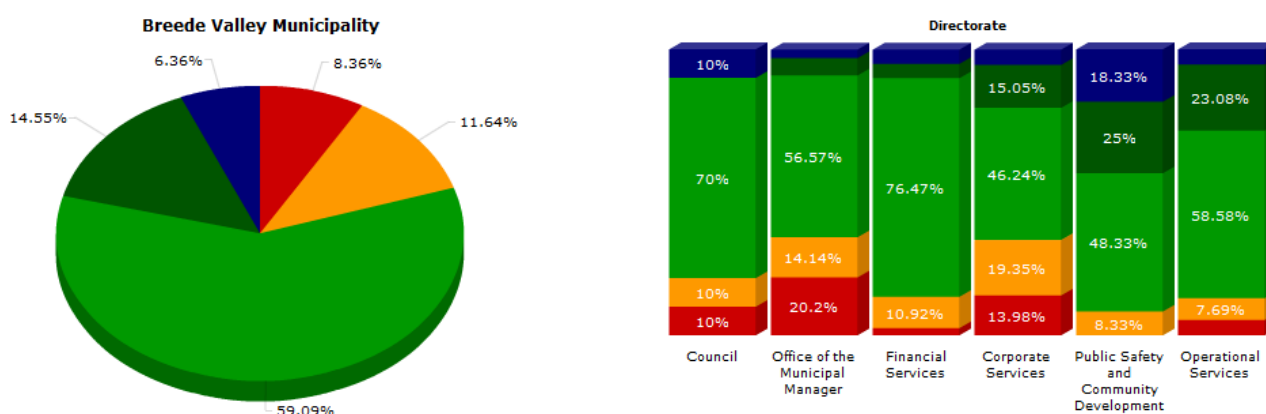
## 3.10 OVERVIEW OF PERFORMANCE PER DIRECTORATE

The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the SDBIP for the 2011-12 financial year and where applicable, in comparison to the 2010/11 financial year. The graphs provide an illustrative overview of the overall performance results of all the KPI's measured as at 30 June.

	Breede Valley Municipality	Directorate					
		Council	Office of the Municipal Manager	Financial Services	Corporate Services	Public Safety and Community Development	Operational Services
KPI Not Met	46 (8.4%)	1 (10%)	20 (20.2%)	3 (2.5%)	13 (14%)	-	9 (5.3%)
KPI Almost Met	64 (11.6%)	1 (10%)	14 (14.1%)	13 (10.9%)	18 (19.4%)	5 (8.3%)	13 (7.7%)
KPI Met	325 (59.1%)	7 (70%)	56 (56.6%)	91 (76.5%)	43 (46.2%)	29 (48.3%)	99 (58.6%)
KPI Well Met	80 (14.5%)	-	6 (6.1%)	6 (5%)	14 (15.1%)	15 (25%)	39 (23.1%)
KPI Extremely Well Met	35 (6.4%)	1 (10%)	3 (3%)	6 (5%)	5 (5.4%)	11 (18.3%)	9 (5.3%)
<b>Total:</b>	<b>550</b>	<b>10</b>	<b>99</b>	<b>119</b>	<b>93</b>	<b>60</b>	<b>169</b>

Table 86: Summary of total performance per Directorate

The following graph indicates the overall results of all the KPIs measured of the various directorates in terms of the municipal SDBIP performance management system:



Graph 5: Overall performance of directorates for 2010/11 and 2011-12 respectively



### 3.11 PERFORMANCE PER FUNCTIONAL AREA (DEPARTMENTAL/OPERATIONAL SDBIP)

#### 3.11.1 COUNCIL

The Council SDBIP consists of the following divisions:

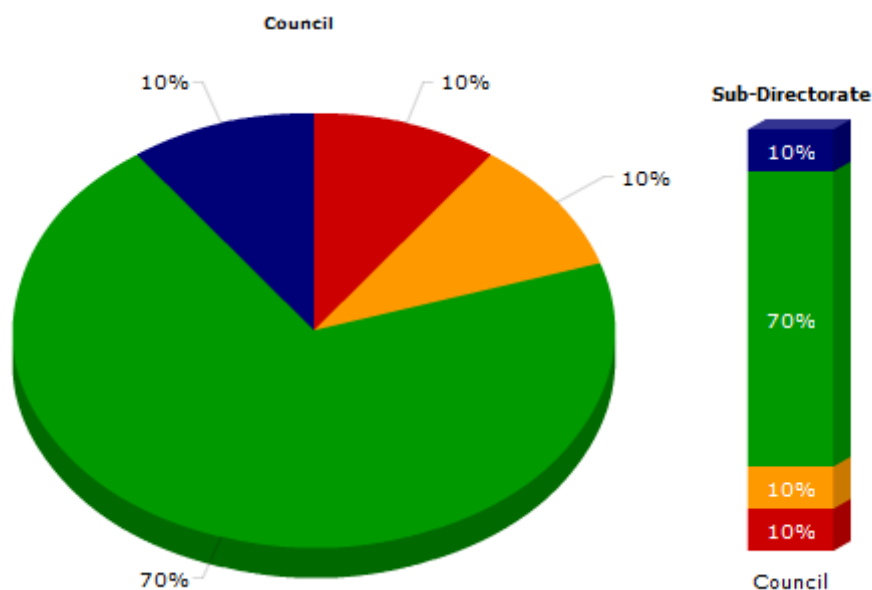
■ Council

The Operational Key Performance Indicators for the Council are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide an maintain basic services and ensure social upliftment of the Breede Valley community
Local Economic Development	Local Economic Development	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

**Table 87: Functional alignment – Council**

The following graph indicates the performance of the Council in terms of the municipal SDBIP performance management system:



Graph 6: Council performance

### 3.11.2 OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager SDBIP consists of the following divisions:

- Municipal Manager
- Area Manager: De Doorns
- Area Manager: Touwsriver
- Corporate Communication and Marketing
- IDP
- Internal Audit
- Ombudsman
- PMS
- Strategic Services
- Admin & Mayoral Office

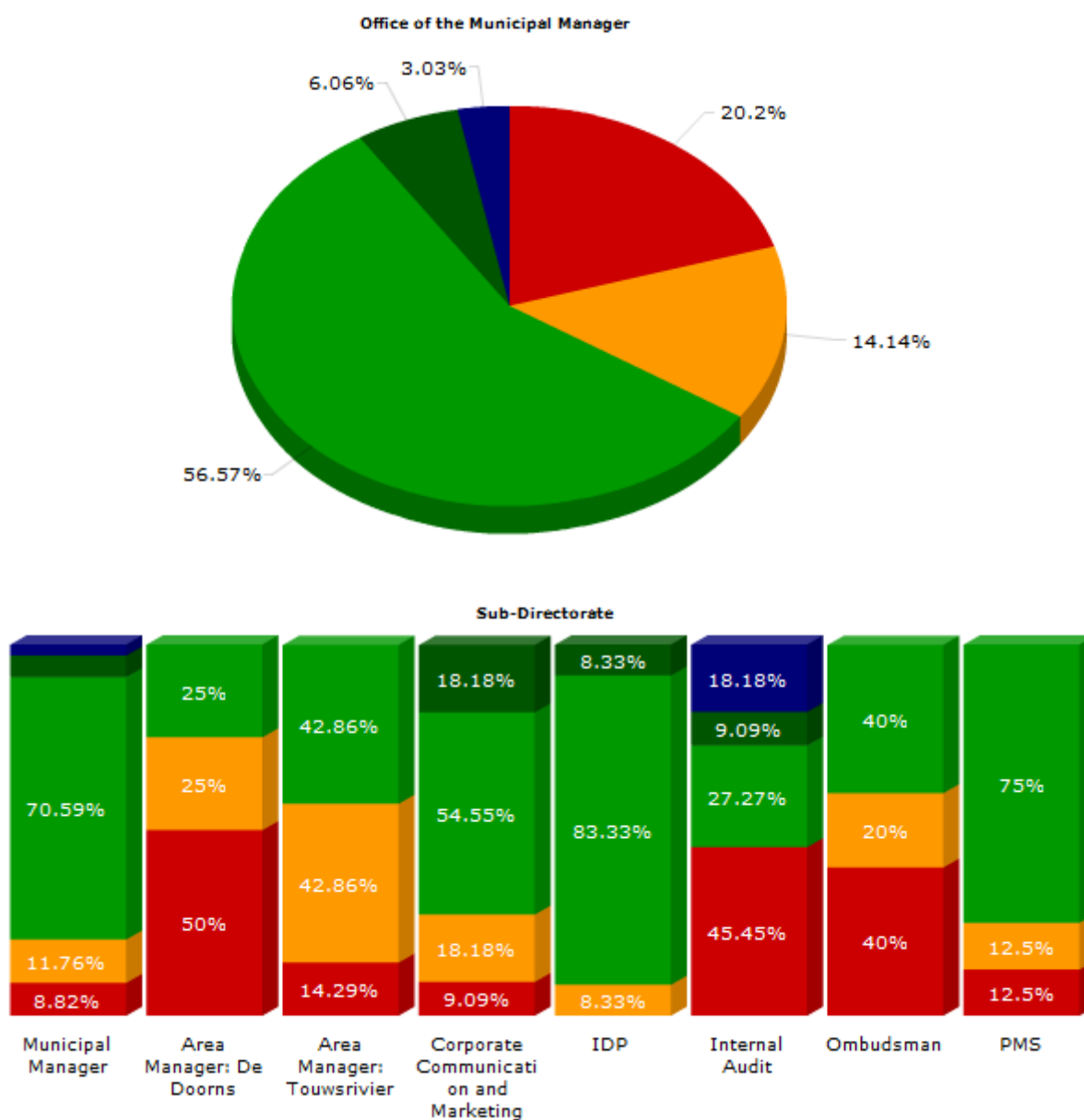
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The Operational Key Performance Indicators for Office of the Municipal Manager are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide an maintain basic services and ensure social upliftment of the Breede Valley community
Local Economic Development	Local Economic Development	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

**Table 88: Functional alignment – Office of the Municipal Manager**

The following graph indicates the performance of the various sub-directorates within Office of the Municipal Manager directorate in terms of the municipal SDBIP performance management system:



*Graph 7: Office of the Municipal Manager, sub-directorate performance*

### **3.11.3 OPERATIONAL SERVICES**

The Operational Services SDBIP consists of the following divisions:

- Director: Operational Services
- Planning: Building Control
- Bulk Services: Commonage
- Planning: GIS
- Civil works: Building Maintenance
- Civil works: Cemeteries
- Civil works: Environmental Management
- Planning: LED
- Electricity
- Civil works: Mechanical Workshop
- Civil works: Municipal Roads
- Project Management: Capital
- Civil works: Recreational Facilities
- Civil works: Refuse removal: Disposal
- Bulk services: Refuse removal: Landfill sites
- Civil works: Refuse removal: Public Toilets
- Civil works: Refuse removal: Recycling
- Bulk services: Resorts and swimming pools
- Bulk services: Sewerage purification
- Civil works: Sewerage: Network
- Civil works: Storm water
- Planning: Town Planning
- Bulk Services: Water supply
- Civil works: Water services: Networks

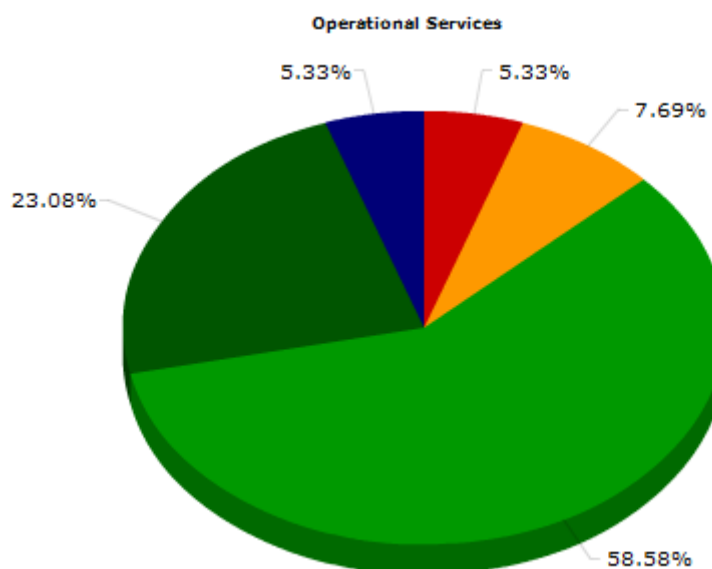
## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The Operational Key Performance Indicators for Operational Services are aligned to the follow National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

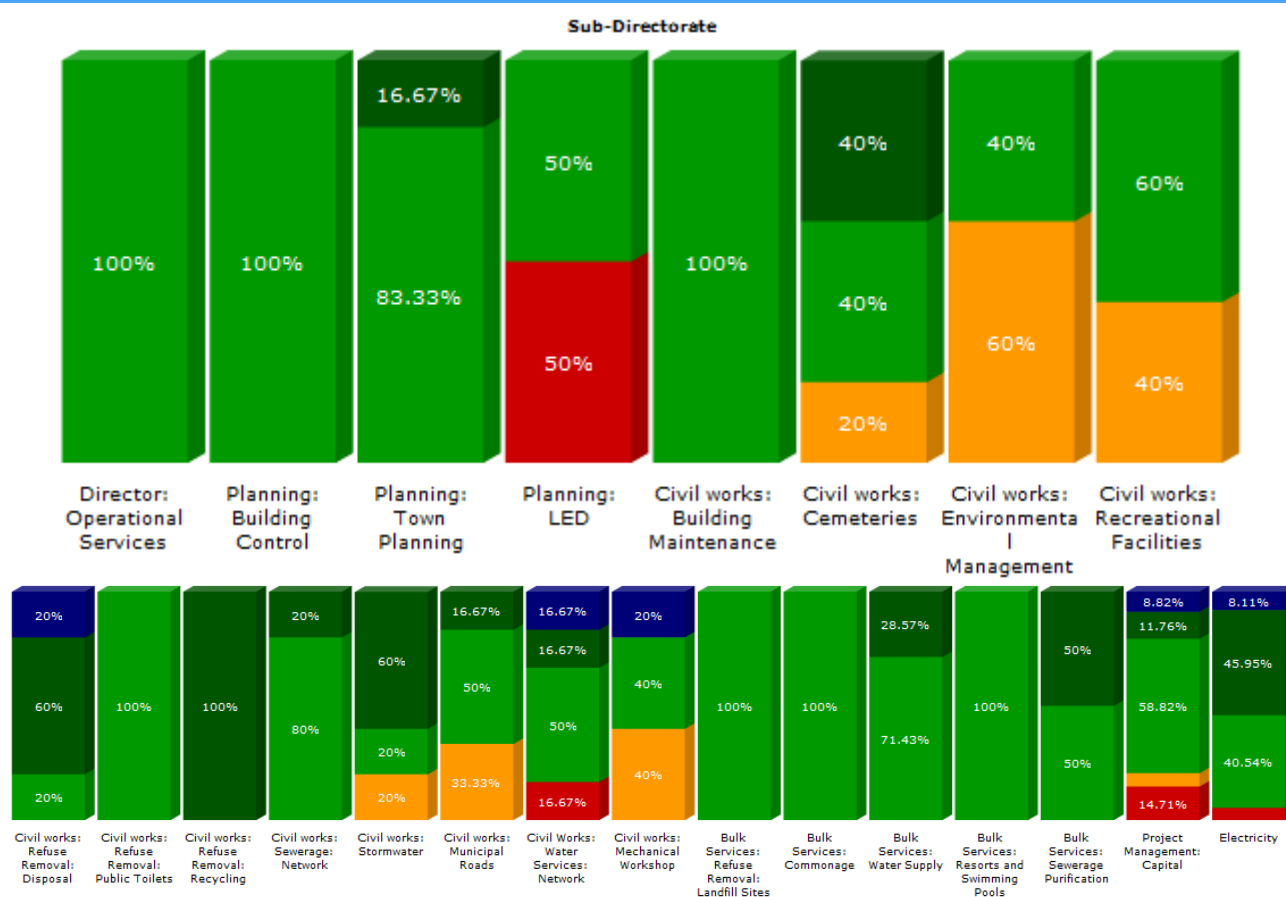
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide and maintain basic services and ensure social upliftment of the Breede Valley community
Local Economic Development	Local Economic Development	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

**Table 89: Functional alignment – Operational Services**

The following graph indicates the performance of the various sub-directorates within Operational Services directorate in terms of the municipal SDBIP performance management system:



**Graph 8: Functional alignment – Operational services**



Graph 9: Operational Services sub-directorate performance

### 3.11.4 FINANCIAL SERVICES

The Financial Services SDBIP consists of the following divisions:

- Director: Financial Services
- Financial Planning
- Revenue
- SCM: Logistics
- SCM: Expenditure
- SCM: Procurement
- Valuations

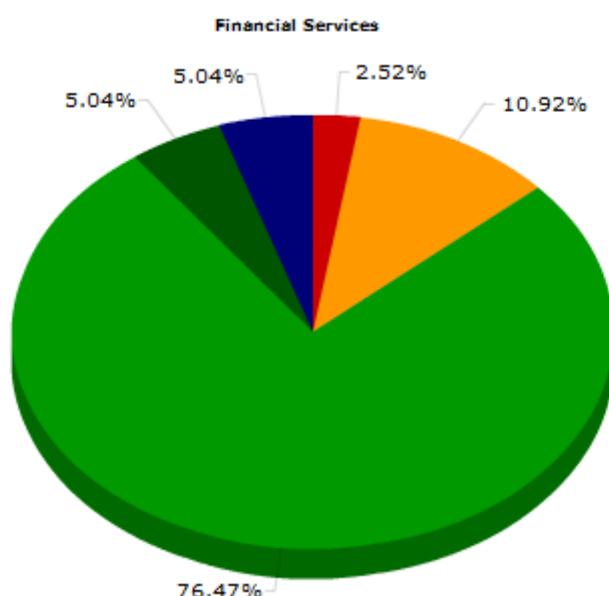
## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The Operational Key Performance Indicators for Financial Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

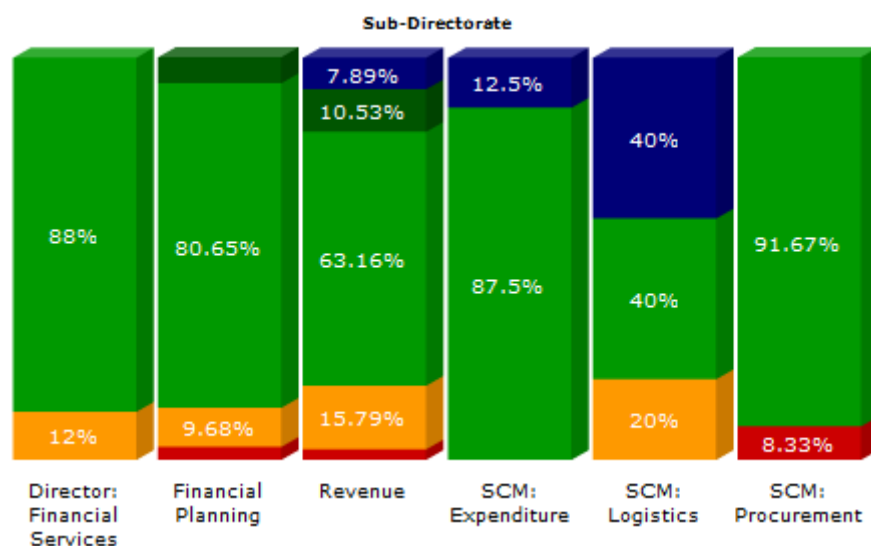
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide an maintain basic services and ensure social upliftment of the Breede Valley community

**Table 90: Functional alignment – Financial Services**

The following graph indicates the performance of the various sub-directorates within Financial Services directorate in terms of the municipal SDBIP performance management system:







**Graph 10:** *Financial Services sub-directorate performance*

### **3.11.5 PUBLIC SAFETY AND COMMUNITY DEVELOPMENT SERVICES**

The Public Safety and Community Development Services SDBIP consist of the following divisions:

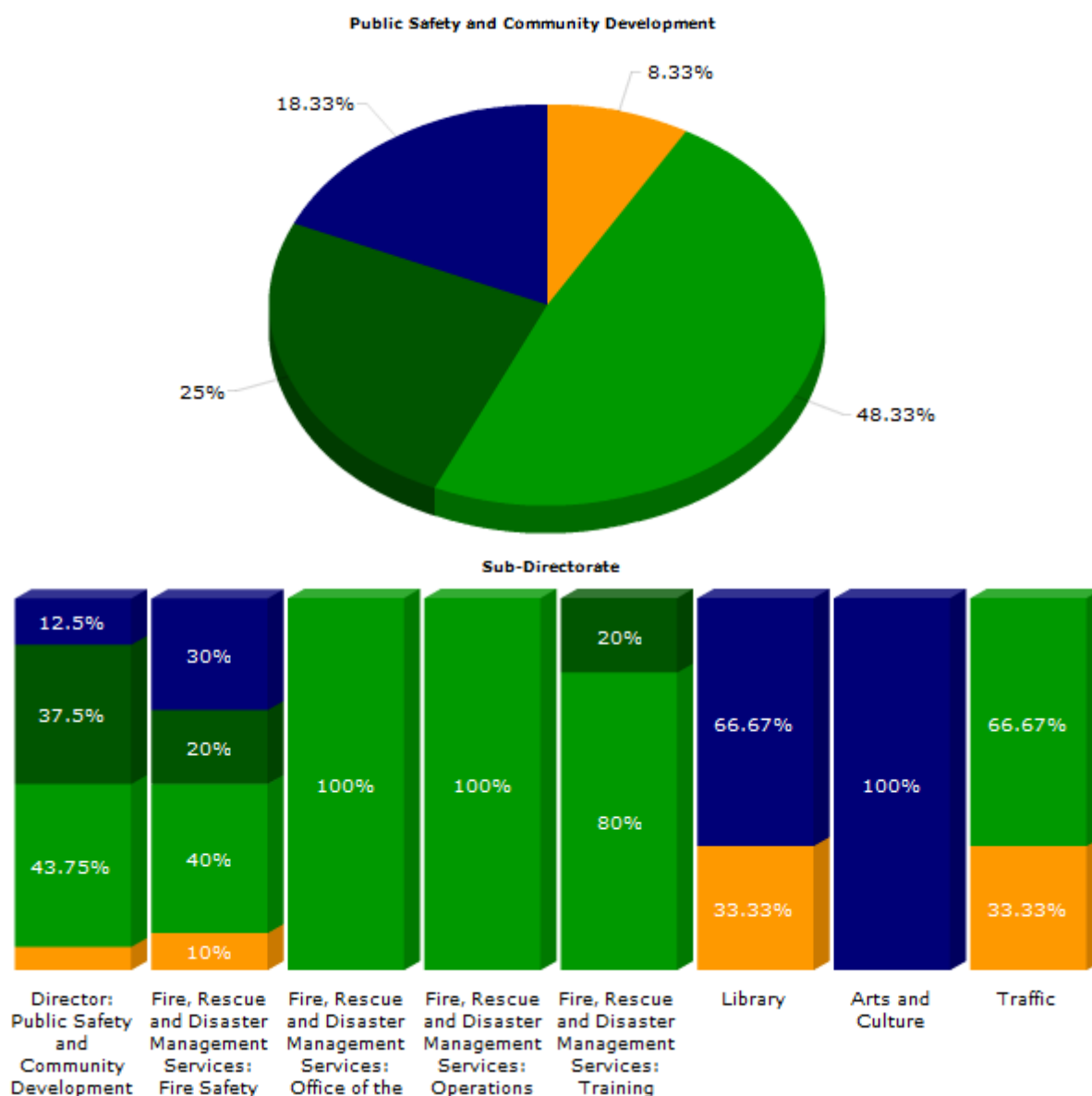
- Director: Public Safety and Community Development Services
- Fire, rescue and disaster management services: Fire safety & Risk management
- Fire, rescue and disaster management services: Office of the Chief Fire Officer
- Fire, rescue and disaster management services: Operations
- Fire, rescue and disaster management services: Training & Support Services
- Library & information services
- Arts and Culture
- Traffic & Law enforcement services: Administration
- Traffic & Law enforcement services: Law enforcement
- Traffic & Law enforcement services: Licensing

The Operational Key Performance Indicators for Public Safety and Community Development Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide an maintain basic services and ensure social upliftment of the Breede Valley community
Local Economic Development	Local Economic Development	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

**Table 91: Functional alignment – Public Safety and Community Development Services**

**The following graph indicates the performance of the various sub-directorates within Public Safety and Community Development Services directorate in terms of the municipal SDBIP performance management system:**



**Graph 11:** *Public Safety and Community Development Services sub-directorate performance*

### 3.11.6 CORPORATE SERVICES

The Corporate Services SDBIP consists of the following divisions:

- Director: Corporate Services
- Corporate Support
- Human Resources
- ICT
- Legal Services
- Logistic Services
- Housing

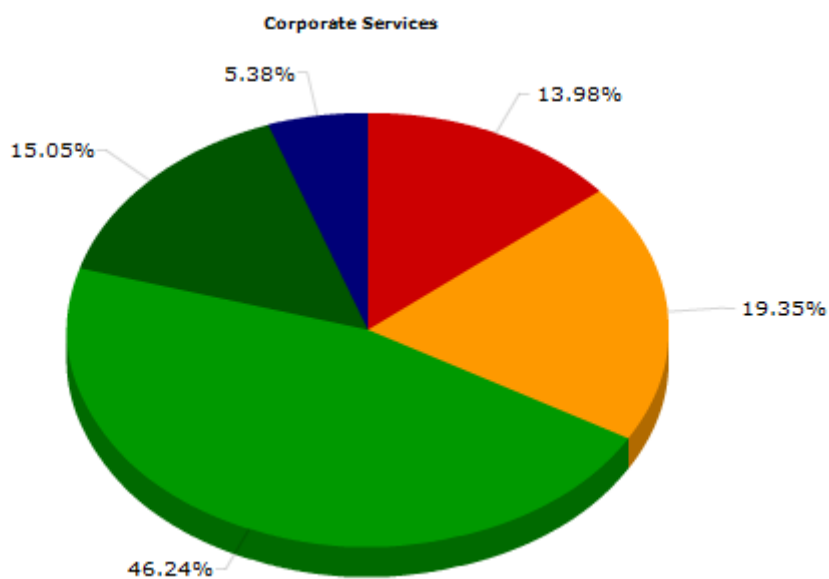
## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

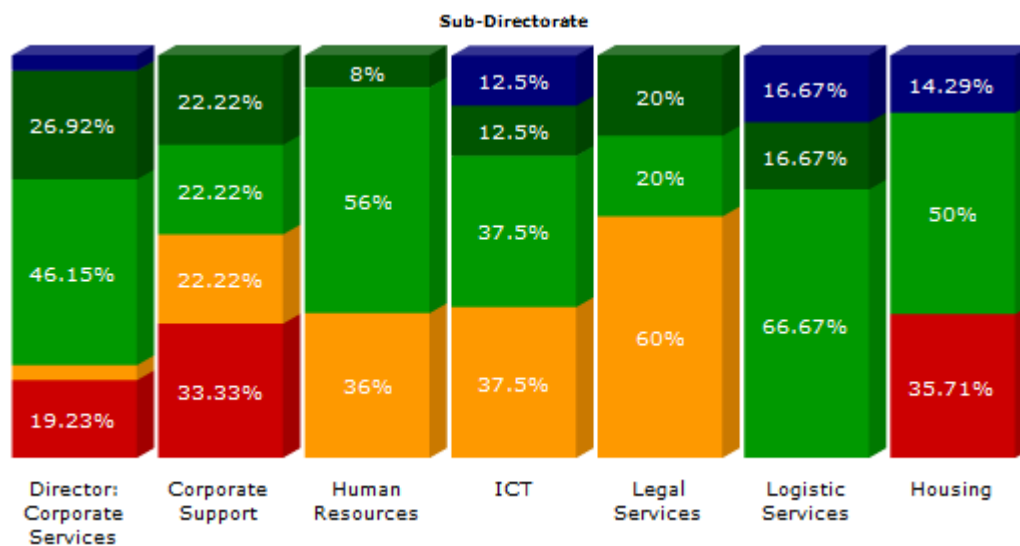
The Operational Key Performance Indicators for Corporate Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide an maintain basic services and ensure social upliftment of the Breede Valley community

**Table 92: Functional alignment – Corporate Services**

The following graph indicates the performance of the various sub-directorates within Corporate Services directorate in terms of the municipal SDBIP performance management system:





**Graph 12:** Corporate Services sub-directorate performance

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### 3.12 OVERVIEW OF PERFORMANCE PER TOWN

The table below shows all the capital projects for the 2011-12 financial year per town:

Project Name	Town Name	Budget	Adjustment	Actual Expenditure	Variance from original budget	Total Project Value
		(R)				
Traffic : Shadow centre	All towns in BVM	800 000	800 000	0	800 000.00	800 000.00
Vehicles	All towns in BVM	300 000	600 000	541 263.30	58 736.70	541 263.30
Donated Assets : Disaster Management	All towns in BVM	0	0	5 819 815.93	(5 819 815.93)	5 819 815.93
De Doorns South of N1 : Services	De Doorns	0	20 528 793	10 883 933.03	9 644 859.97	20 528 793.00
- Replace Overhead poles " Barlinka & Jacaranda Streets : De Doorns	De Doorns	0	140 843	140 842.13	0.87	140 842.13
Library Fences	De Doorns & Rawsonville	0	93 910	93 910.00	0.00	93 910.00
Ward 1 - Network extension developer	Touwsrivier	500 000	500 000	0	500 000.00	500 000.00
Worcester WwTW	Worcester	46 853 614	46 853 614	32 094 501.41	14 759 112.59	175 000 000.00
New 66kV Substation	Worcester	41 200 000	46 960 428	11 785 589.41	35 174 838.59	38 026 554.00
Avian Park Housing	Worcester	1 500 000	1 500 000	1 500 000.00	0.00	1 500 000.00
Avian Park Street lighting	Worcester	0	44 694	44 447.54	246.46	85 000.00
Sewer Networks - Upgrading of pump stations	Worcester	0	497 304	497 203.55	100.45	497 203.55
- New offices	Worcester	0	358 162	357 913.78	248.22	357 913.78
- Upgrade MV cable : Mcalister - GRW Substations	Worcester	0	10 036	10 035.92	0.08	10 035.92
- Replace LV distribution Panels	Worcester	500 000	478 400	62 078.89	416 321.11	62 078.89
- Replace traffic Controllers	Worcester	150 000	150 000	154 456.83	(4 456.83)	154 456.83
- Replace Substation Equipment	Worcester	700 000	700 000	696 936.01	3 063.99	696 936.01
- Metering	Worcester	200 000	269 533	269 532.30	0.70	269 532.30

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Project Name	Town Name	Budget	Adjustment	Actual Expenditure	Variance from original budget	Total Project Value
-Street Lighting	Worcester	260 618	255 825	255 271.10	553.90	255 271.10
Sport: Boland Park (5130) - timing equipment	Worcester	650 000	650 000	392 939.39	257 060.61	392 939.39
Parks : Other - 5151 - Irrigation systems	Worcester	0	50 000	47 312.28	2 687.72	47 312.28
Refuse Removal / Cleansing - 6603 - Bins	Worcester	500 000	639 084	628 058.00	11 026.00	628 058.00
Zweletemba Sport Grounds (5136) - Upgrading	Worcester	0	335 739	0	335 739.00	335 739.00
Sport: Esselen Park (5133) - Flood lights	Worcester	400 000	400 000	299 949.44	100 050.56	299 949.44
Electricity Network Extensions	Worcester	1 685 400	1 565 400	51 175.93	1 514 224.07	51 175.93
Waterloo Library : Books	Worcester	5 000	5 000	4 940.39	59.61	4 940.39
Waterloo Library : Flooring	Worcester	0	9 818	8 700.00	1 118.00	8 700.00
Stettynskloof Water Supply (Worcester/Rawsonville)	Worcester & Rawsonville	12 542 506	7 542 506	2 002 587.28	5 539 918.72	43 000 000.00
Vehicles	Worcester, Rawsonville, De Doorns & Touwsrivier	630 000	620 112	585 764.60	34 347.40	585 764.60
Resealing of Proclaimed Roads	Worcester, Rawsonville, De Doorns & Touwsrivier	1 544 000	1 544 000	1 501 913.63	42 086.37	1 501 913.63
Furniture and Equipment	Worcester, Rawsonville, De Doorns & Touwsrivier	209 810	892 422	856 667.83	35 754.17	856 667.83
Service Connections	Worcester, Rawsonville, De Doorns & Touwsrivier	1 460 680	1 580 680	1 334 286.63	246 393.37	1 334 286.63
Traffic : Non-motorised transport	Worcester, Touwsriver, De Doorns.	0	211 993	0	211 993.00	211 993.00

**Table 93: Overview of Performance per Town**

## **COMPONENT A: BASIC SERVICES**

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

### **A) BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS**

The following highlights were achieved by the municipality regards to basic service delivery:

<b>Highlight</b>	<b>Description</b>
Housing	275 houses of affordable housing project – 431 Avian Park - completed.
Housing	200 New units completed at De Doorns.
Upgrade of Sewerage Works	Extension of Worcester Waste Water Treatment Works – 20ML per day.
Roads	N1 Interchange – New interchange and access roads completed.
Electrification – Avian Park	Provided electricity services to 215 homes.
436 Avian Park Affordable Housing	Completion of Project (275 units)
242 Zweletemba Affordable Housing	Construction of houses (53 units)
200 De Doorns Affordable Housing	Construction of 200 Units
Worcester Waste Water Treatment Works	Extension of Worcester Waste Water Treatment Works 20ML/day
N1 Interchange	New Interchange and access roads
De Doorns South of N1 Development	Servicing of erven

**Table 94: Basic Services Delivery Highlights**

### **B) BASIC SERVICES DELIVERY CHALLENGES**

The following general challenges are experienced by the municipality regards to basic service delivery:

<b>Service Area</b>	<b>Challenge</b>	<b>Actions to address</b>
Hasie Square – De Doorns	Removal of existing services to facilitate re allocating of residents to Stofland	Not applicable
Ekuphumleni – De Doorns	Removal of existing services to facilitate re allocating of residents to Stofland	Not applicable
MV / HV Switchgear maintenance program	To complete as much of the programmed maintenance work within the available financial resources for the financial year.	To complete as much of the programmed maintenance work within the available financial resources for the financial year.
LV Network maintenance program	To complete as much of the programmed maintenance work within the available financial resources for the financial year.	To complete as much of the programmed maintenance work within the available financial resources for the financial year.
Vehicle fleet	To maximize on the availability of vehicles available in the fleet	The replacement of aging vehicles within the fleet
Vehicle fleet	In the absence of a vehicle replacement	The replacement of aging vehicles within



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Service Area	Challenge	Actions to address
	policy, scientifically motivated presentations cannot be made to decision-makers. In the meantime the dilapidated vehicle fleet is causing massive back-logs in service delivery.	the fleet
Basic Service delivery challenges	Uncontrolled human influx is drawing resources away from the normal day-to-day activities.	Improved planning
Basic Service delivery challenges	Acute funding restrictions to all spheres of maintenance are having a drastic negative impact on general maintenance of infrastructure.	Revenue enhancement and budget provision
All areas	Organogram insufficient	New, proposed organogram should be implemented in order to allow capacity building.
All areas	No follow-up on legal actions	Corporate Services should heed requests for legal actions.
All areas	Illegal structures (Shacks)	Council to lay down policy.
All areas	Influx control	To put measures in place to prevent influx.
All areas	Road Maintenance	To make finance available for reseal of roads / Re-constructive.
All informal areas	Provision of basic services	To implement access to basic services.

**Table 95: Basic Services Delivery Challenges**

### c) NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2010/11	2011-12
<b>Basic Service Delivery</b>		
The number of households earning less than R 1 100 per month with access to free basic services	6 560	6 507
The percentage of households with access to basic level of water	100	96
The percentage of households with access to basic level of sanitation	94.30	94
The percentage of households with access to basic level of electricity	100	100
The percentage of households with access to basic level of solid waste removal	100	100
<b>Local economic development</b>		
The number of <b>jobs created</b> through municipality's local economic development initiatives including capital projects	613	<b>247</b> - EPWP projects <b>67</b> - through MIG and Housing projects

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KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2010/11	2011-12
		<b>132 Temporary</b> <b>Total = 446</b>

**Table 96: National KPIs – Basic Service Delivery and Local Economic Development**

*Note: The percentages in the table above shows percentages of erven within the urban edge areas.*

### 3.13 WATER PROVISION

The Breede Valley Municipality is an authorised Water Service Authority and as such must adhere to the relevant sections of the Water Services Act (No. 108 of 1997) and the Municipal Systems Act (no 32 of 2000). The Breede Valley Municipality has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.

Water projects (forms part of housing development projects) that are implemented in economically poor areas have a positive short term and long term result. In the short term there are job opportunities and in the long term there might be a maintenance need for these services. The improvement in the well-being of the community along with education towards water health awareness will improve the whole of the community profile.

During the 2011/2012 financial year the Breede Valley Municipality has provide water services to approximately 311 new stands at the De Doorns South Development. Environmental Authorisations for the augmentation of the Stettynskloof Water Supply Pipeline, Rawsonville Water Supply Pipeline and 2 MI Reservoir were obtained from the Department Environmental Affairs & Development Planning. The latter will contribute towards the economic development of the Worcester and Rawsonville communities. All new infrastructures are implemented in accordance with the water and sewer master plans.

Non-revenue water of 33, 29 % was reported at 30 June 2011. The Municipality has set themselves a target of 25% for the reduction of non-revenue water during the 2012/2013 financial year. The implementation of initiatives for the eradication of non-revenue water in the municipality has resulted in a non-revenue water of 21, 6 % for the 2012/2013 financial year.

Quality of water: Breede Valley Municipality has instituted a programme of drinking water quality sampling in accordance with SANS 241:2005, Breede Valley Municipality achieved an overall municipal blue drop score of 89.02% in the Department of Water Affairs, Blue Drop Programme. Breede Valley Municipality continues to improve its capacity to conduct a variety of biological and chemical test of potable water by investing in new testing equipment.

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### 3.13.1 SERVICE STATISTICS – WATER SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL3	Provision of cleaned piped water to all informal households within 200m from the household	No of informal households that meet agreed service standards for piped water	2; 12; 18	New performance indicator for 2011-12. No comparatives available	500	1 510	B
TL2	Provision of cleaned piped water to all formal households within 200m from the household	No of formal households that meet agreed service standards for piped water	All	New performance indicator for 2011-12. No comparatives available	22 641	22 765	G 2
TL1	Augmentation of the Stetteynskloof Bulk Water Supply at Worcester and Rawsonville	% Of project completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21	New performance indicator for 2011-12. No comparatives available	100%	40%	R
TL87	Effective management of water provisioning systems to limit unaccounted water	% of water unaccounted for	All	33.70%	30%	22.80%	B
TL89	Effective water capital spending measured by the % of budget spent	% spent of approved water capital projects	All	101.10%	98%	28%	R
TL86	New water connections to provide for potable water supply systems	No of new water connections per quarter	All	100% within the budget	200	14	R
TL90	Water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of water spent	All	93% (bulk), 90.4% (Reticulation)	98%	103.50%	G 2
TL88	Excellent water quality measured by the quality of water as per SANS 241 criteria	% water quality level	All	77.38%	95%	99%	G 2
TL91	Execution of water saving awareness initiative in terms of the Water Demand Management plan	Number of initiatives	All	New performance indicator for 2011-12. No comparatives available	2	2	G

**Table 97: SDBIP water services**

### 3.13.2 WATER SERVICE DELIVERY LEVELS

Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to potable water

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supply systems and domestic wastewater and sewerage disposal systems as a local government function. Basic water is defined as 25 litres of potable water per day supplied within 200 meters of a household.

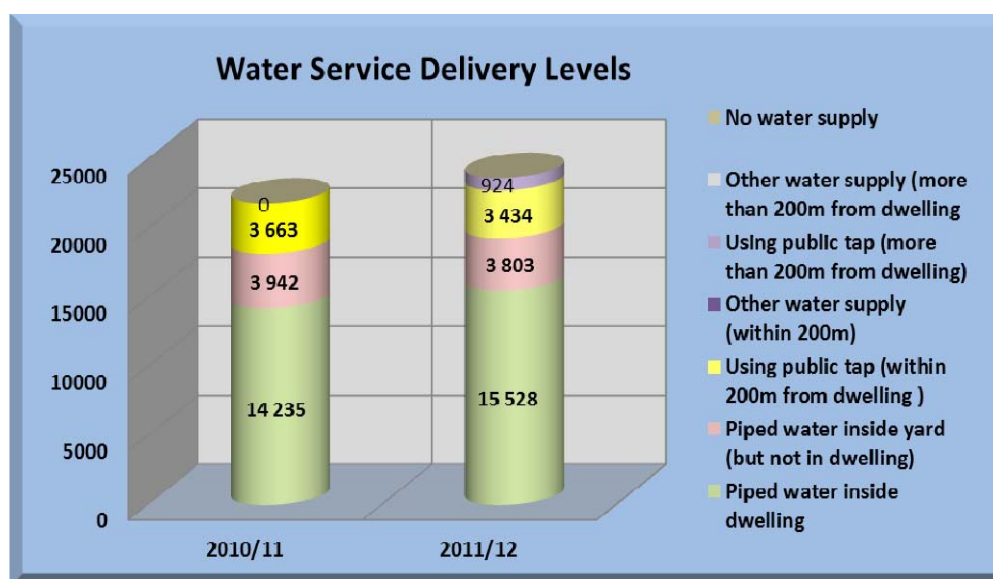
Non-revenue water of 33.29 % was reported at 30 June 2011. The Municipality has set themselves a target of 25% for the reduction of non-revenue water during the 2012/2013 financial year. The implementation of initiatives for the eradication of non-revenue water in the municipality has resulted in a non-revenue water of 21.6 % for the 2012/2013 financial year.

Below is a table that specifies the different water service delivery levels per households **within the urban edge area** for the financial years 2010/11 and 2011-12:

Description	2010/11	2011-12
	Actual	Actual
<b>Household</b>		
<b><u>Water:</u> (above minimum level)</b>		
Piped water inside dwelling	14 235	15 528
Piped water inside yard (but not in dwelling)	3 942	3 803
Using public tap (within 200m from dwelling )	3 663	3 434
Other water supply (within 200m)	0	0
<b><i>Minimum Service Level and Above Sub-total</i></b>	<b>21 940</b>	<b>22 765</b>
<b><i>Minimum Service Level and Above Percentage</i></b>	<b>100</b>	<b>96</b>
<b><u>Water:</u> (below minimum level)</b>		
Using public tap (more than 200m from dwelling)	0	924
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<b><i>Below Minimum Service Level Sub-total</i></b>	<b>0</b>	<b>924</b>
<b><i>Below Minimum Service Level Percentage</i></b>	<b>0</b>	<b>0</b>
<b>Total number of households (formal and informal)</b>	<b>21 940</b>	<b>22 937</b>

*Table 98: Water service delivery levels*

The graph below shows the different water service delivery levels per total households and the progress per year:



Graph 13: Water service delivery levels

### 3.13.3 HOUSEHOLDS - WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Below is a table that specifies the number of formal and informal households with water service delivery levels below the minimum standards for the financial years 2010/11 and 2011-12:

Description	2010/11	2011-12
	Actual	Actual
<b>Formal Settlements</b>		
Total households	21 940	22 765
Households below minimum service level	0	0
Proportion of households below minimum service level	0	0
<b>Informal Settlements</b>		
Total households	3 434	3 434
Households below minimum service level	1 233	924
Proportion of households below minimum service level	35.9%	27%

Table 99: Water service delivery levels below the minimum: Households

### **3.13.4 CAPITAL EXPENDITURE – WATER SERVICES**

The table below indicates the amount that was actually spent on water services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R' 000					
Stettynskloof Pipeline	12 542	7 543	2 003	0	38 700
De Doorns : water services	0	4 130	1 070	0	4 130
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

**Table 100: Capital Expenditure 2011-12: Water Services**

In accordance with Part 4.2.3 of the IDP 2007/2011 the five year budget requirements for water and sanitation projects amount to R 549 million of which most of the projects are currently unfunded. The anticipated sources of funding are as follows:

Own funding – R 476 million

MIG funding – R 18 million

Housing Board Funding – R 55 million

Annual budgets which do not meet the budget requirements of the IDP, disables the Breede Valley Municipality to address the infrastructure backlogs in the poor communities. If the municipality is serious about meeting the target dates set by national departments for removing service delivery backlogs, the capital allocations need to be substantially increased in order to address these backlogs. Water and Sanitation 5 year projects and capital budget projection by ward is included in the IDP, Part 4.2.3.

Due to the High Court Case in the matter between JVZ Construction (Applicant) and Breede Valley Municipality (Respondent) in respect of the award of contract BV 187: Augmentation of Stettynskloof Water Supply Pipeline: Phase 1, the municipality has failed to implement the project, which results in a failure to meet performance targets. Subsequent the High Court Ruling in favour of Breede Valley Municipality, construction in respect of the augmentation of Stettynskloof Water Supply Pipeline: Phase 1, commenced.

### **3.14 WASTE WATER (SANITATION) PROVISION**

The Breede Valley Municipality has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to sanitation services that promote sustainable livelihoods and economic development.

Sanitation projects (forms part of housing development projects) that are implemented in economically poor areas have a positive short term and long term result. In the short term there are job opportunities and in the long term there might be a maintenance need for these services. The improvement in the well-being of the community along

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with education towards sanitation health awareness will improve the whole of the community profile.

During the 2011/2012 financial year the Directorate Operational Services has provide sanitation services to approximately 311 new stands at the De Doorns South of the N1 Development. The Worcester Waste Water Treatment Works 20Ml/day extension was also completed during the 2011/2012 financial year. The quality of the effluent from the extended Worcester Waste Water Treatment Works meets the Standards as stipulated by the Department of Water Affairs. The latter result in the improvement of the Breede River's water quality which is used for irrigation and drinking water by the communities in the vicinity of the Breede River, Worcester to Witsand.

Green Drop Programme: Breede Valley Municipality participated in the Green Drop Progress Report Programme of the Department of Water Affairs and was able to achieve 9th position Provincially. Breede Valley Municipality was congratulated for overall improvement of risk positions of all four Waste Water Treatment Plants and progress in risk abatement.

### 3.14.1 SERVICE STATISTICS – SANITATION SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL6	Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal households	No of formal households that have at least VIP on site	All	New performance indicator for 2011-12. No comparatives available	22 641	22 765	G 2
TL8	Provision of sanitation systems limited to domestic waste water and sewerage disposal to informal households	No of informal households that have at least VIP on site	2; 12; 18	New performance indicator for 2011-12. No comparatives available	500	1 510	B
TL79	Improvement of sewerage purification systems (Bulk services) in Worcester by the end of June	% completion of the project	All	New performance indicator for 2011-12. No comparatives available	100%	100%	G

**Table 101: SDBIP Sanitation Services**

### 3.14.2 SANITATION SERVICE DELIVERY LEVELS

Below are a table that specifies the different sanitation service delivery levels per households within the urban edge area for the financial years 2010/11 and 2011-12:

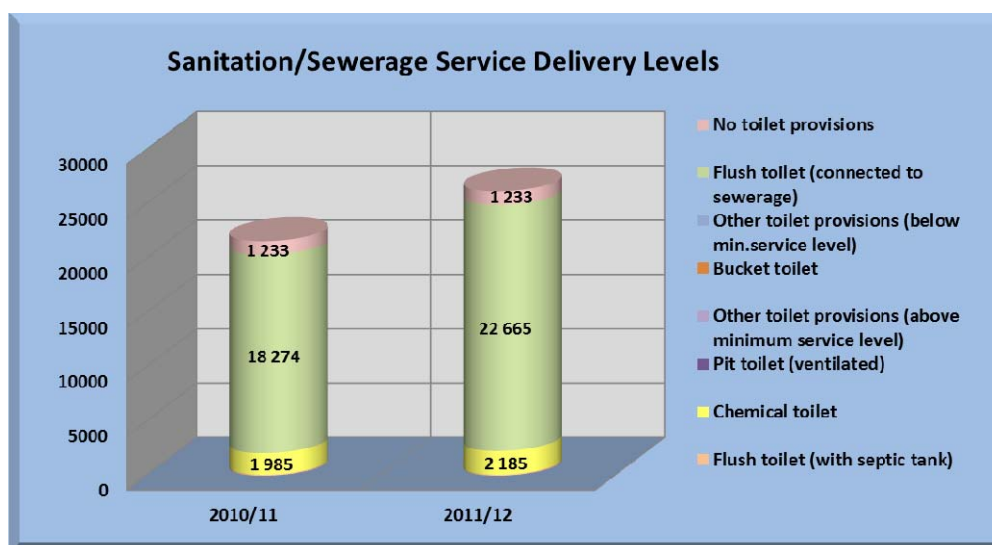
Description	2010/11	2011-12
	Actual	Actual
<b>Household</b>		
<b><u>Sanitation/sewerage:</u> (above minimum level)</b>		
Flush toilet (connected to sewerage)	18 274	22 665
Flush toilet (with septic tank)	100	100
Chemical toilet	1 985	2 185
Pit toilet (ventilated)	0	0
Other toilet provisions (above minimum service level)	0	0
<b><i>Minimum Service Level and Above Sub-total</i></b>	<b>20 359</b>	<b>24 950</b>
<b><i>Minimum Service Level and Above Percentage</i></b>	<b>94.3</b>	<b>94.6</b>
<b><u>Sanitation/sewerage:</u> (below minimum level)</b>		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	1 233	1 233
<b><i>Below Minimum Service Level Sub-total</i></b>	<b>1 233</b>	<b>1 233</b>
<b><i>Below Minimum Service Level Percentage</i></b>	<b>5.71</b>	<b>5.4</b>
<b>Total number of households</b>	<b>21 592</b>	<b>26 183</b>

**Table 102: Sanitation service delivery levels**

*Note: Refer to page 36, table 7*



The graph below shows the different sanitation service delivery levels per total households and the progress per year:



Graph 14: Sanitation Service Delivery Levels

### 3.14.3 HOUSEHOLDS - SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Description	2010/11	2011-12		
	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.
<b>Formal Settlements</b>				
Total households	21 940	21 940	21 940	22 765
Households below minimum service level	0	0	0	0
Proportion of households below minimum service level	0	0	0	0
<b>Informal Settlements</b>				
Total households	3 434	3 434	3 434	3 434
Households below minimum service level	526	526	526	526
Proportion of households below minimum service level	15.3%	15.3%	15.3%	15.3%

Table 103: Sanitation service delivery levels below the minimum level

### 3.14.4 CAPITAL EXPENDITURE – SANITATION SERVICES

The table below indicates the amount that was actually spent on sanitation services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
(R' 000)					
<b>Total All</b>	<b>46 854</b>	<b>52 809</b>	<b>36 568</b>	<b>(16 241)</b>	<b>182 814</b>
Worcester Waste Water Treatment Works	46 854	46 854	32 094	14 760	176 859
De Doorns South of N1 Development	0	5 458	3 977	1 481	5 458
Upgrading Santa Weida Pump station	0	305	305	0	305
Upgrading Avian Park Pump Station	0	192	192	0	192

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

**Table 104: Capital Expenditure 2011-12: Sanitation Services**

In accordance with Part 4.2.3 of the IDP 2007/2011 the five year budget requirements for water and sanitation projects amount to R 549 million of which most of the projects are currently unfunded. The anticipated sources of funding are as follows:

- Own funding – R 476 million
- MIG funding – R 18 million
- Housing Board Funding – R 55 million

Annual budgets which do not meet the budget requirements of the IDP, disables the Breede Valley Municipality to address the infrastructure backlogs in the poor communities. If the municipality is serious about meeting the target dates set by national departments for removing service delivery backlogs, the capital allocations need to be substantially increased in order to address these backlogs. Water and Sanitation 5 year projects and capital budget projection by ward is included in the IDP, Part 4.2.3.

The variance of 68% from the original budget at the Worcester Waste Water Treatment Works is the result of the upgrading of the inlet works at the Waste Water Treatment Works which will commence during the 2012/2013 financial year and a saving of approximately R 7,1 million.

### 3.15 ELECTRICITY

With reference and in compliance with recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

As housing development area are identified and top structure programs are developed, the necessary INEP grant funding applications are submitted to either the Department Of Energy or in the case where the area falls within the Eskom are of distribution jurisdiction to the Eskom Electrification Section.

During the 2011 / 2012 financial years the area of Avian Park 437 Lots was identified as a housing development area and funding was applied for from the D.O.E. Unfortunately at the time of application only 200 top structures could be identified for application purposes and as such only R 15 000 000-00 was allocated for 150 Service connections. Fortunately the municipality had access materials from another re-allocation project which could be channelled to the project to assist with the electrification of a total of 215 Services.

The remainder of the project being 222 Lots will be serviced via a grant of R 1 800 000-00 as received from the D.O.E. during the 2012 / 2013 financial year.

In addition to the INEP funding, MIG funding for street light and high mast infrastructure had been received for the 2102 / 2013 financial years and the funding will be utilized to complete the relevant projects as planned.

To achieve a total wipe out of all back logs, applications for electrification funding will be lodged as the housing projects are registered and initiated to ensure that the relevant services are in place as a when required.

#### 3.15.1 SERVICE STATISTICS – ELECTRICITY SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL13	Provision of electricity that are connected to the municipal electricity grid to all informal areas	No of informal areas that meet agreed service standards	2; 12; 18	New performance indicator for 2011-12. No comparatives available	500	1 510	B
TL12	Provision of electricity that are connected to the municipal electricity grid to all formal areas	No of formal areas that meet agreed service standards	All	New performance indicator for 2011-12. No comparatives available	22 641	30 000	G 2
TL94	Effective electricity capital spending measured by the % of budget spent	% spent of approved electricity capital projects	All	63.92%	98%	30.22%	R
TL93	Effective management of electricity provisioning systems	% of total electricity losses	All	6.61%	3%	6%	R
TL95	Electricity assets is maintained in terms of the prioritised maintenance per the maintenance plan within	% of maintenance budget of electricity spent	All	110.15%	96%	101.27%	G 2

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Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12	
					Target	Actual
	approved maintenance budget					
TL92	Electricity connections to provide electricity reticulation to new housing developments	No of new electricity connections	All	149	200	215
TL11	New 11/66kV electricity Substation at Worchester	% Of project completed	9; 10; 11; 12; 13; 14	New performance indicator for 2011-12. No comparatives available	100%	100%

**Table 105: SDBIP Electricity Services**

The Energy Losses for the 1financial year was **6%** whilst the losses in the 2011/2012 financial year were only **6.61%**. This outcome gives an end result of **0.61 %** increase in energy losses.

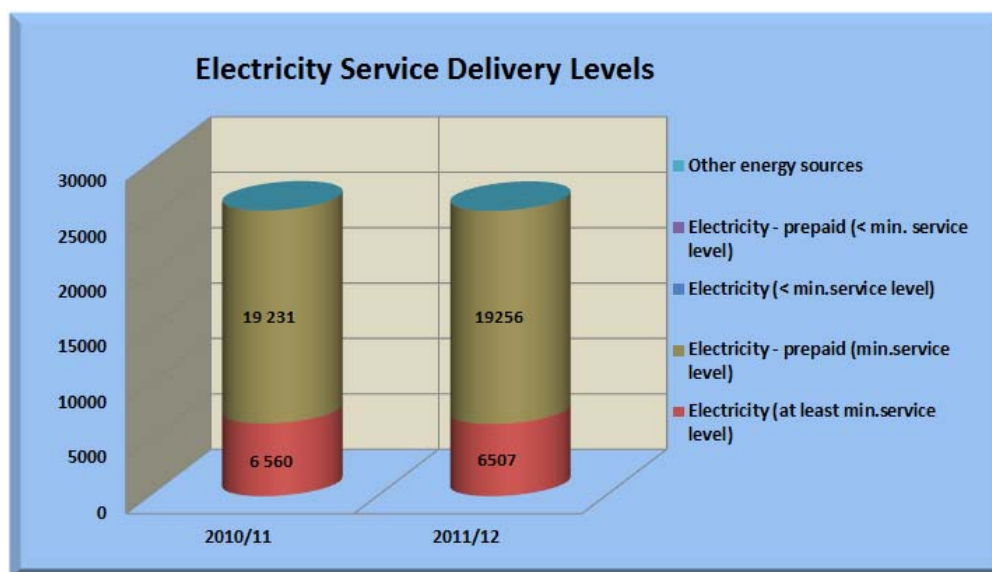
The table below indicates the different service delivery level standards for electricity within the urban edge area of the Municipality:

### 3.15.2 ELECTRICITY SERVICE DELIVERY LEVELS

Description	2010/11	2011-12
	Actual	Actual
<b>Household</b>		
<b><u>Energy:</u> (above minimum level)</b>		
Electricity (at least minimum service level)	6 560	6 507
Electricity - prepaid (minimum service level)	19 231	19 256
<b><i>Minimum Service Level and Above Sub-total</i></b>	<b>25 791</b>	<b>25 763</b>
<b><i>Minimum Service Level and Above Percentage</i></b>	<b>100</b>	<b>100</b>
<b><u>Energy:</u> (below minimum level)</b>		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
<b><i>Below Minimum Service Level Sub-total</i></b>	<b>0</b>	<b>0</b>
<b><i>Below Minimum Service Level Percentage</i></b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>25 791</b>	<b>25 763</b>

**Table 106: Electricity Service Delivery Levels**

The graph below shows the different electricity service delivery levels per total households and the progress per year:



Graph 15: Electricity service delivery levels

### 3.15.3 CAPITAL EXPENDITURE – ELECTRICITY SERVICES

The table below indicates the amount that was actually spent on electricity services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
(R)					
<b>Total All</b>	<b>45 085 400</b>	<b>50 845 828</b>	<b>13 851 547</b>	<b>(31 233 853)</b>	<b>50 660 611</b>
66/11kV WWWTW Substation	41 200 000	46 960 428	11 785 589	(29 414 411)	46 960 428
Electrification Avian Park 437 LOTS	1 500 000	1 500 000	1 317 847	(182 153)	1 317 847
Networks – Extensions & Upgrades	1 685 400	1 685 400	51 175	(1 634 225)	1 685 400
Substations – Replace MV equipment	700 000	700 000	696 936	(3 064)	696 936
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 107: Capital Expenditure 2011-12: Electricity Services

During the 2011 / 2012 the four largest capital funded projects that received priority were:-

The WWWTW 66/11kV Substation – R delays in expenditure were experienced due to the importation of switch gear and transformers from Vietnam and Italy.

The Electrification of completed top structures at the Avian Park 437 Lots housing development received further

priority to achieve as many as possible new service connections with the limited grant funding received from D.O.E.

The upgrading and extensions to existing buildings to create additional administrative work space was also of a high priority. Existing flat units adjacent to the electrical services department buildings were obtained via the Municipal Manager and renovations commenced to change and alter the structures to suite the required needs. The project will be completed during the 2012 / 2013 financial years as only remaining building maintenance work is now required up to the completion stage.

Network upgrading – Replacement of overhead lines and poles in Barlinka Street in de Doorns required urgent attention due to network voltage regulation problems which resulted in irregular and low voltage patterns to consumers.

Substations – replacement of low Voltage distribution panels. This project was of great importance and contained a high risk of exposed wiring and equipment to staff entering substations. The equipment had been ordered on tender during the 2011 / 2012 financial year but equipment and materials will only be delivered during the 2012 / 2013 financial years due to equipment and material importation problems.

Metering - New and upgrades. This project was initiated to change over existing bulk metering installations which had redundant and old metering technology which resulted in revenue losses due to inaccurate and faulty readings. The project was completed during the financial year.

### 3.16 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Although dilapidated refuse removal vehicles occasionally cause delays, waste collection from formal residential areas is satisfactory.

Regular refuse collection from informal, densely populated shack-areas is a major challenge. Funding to provide skip bins on the perimeters of such areas is urgently needed to step up this service.

Municipal involvement in refuse buy-back centres has commenced. The activity / involvement will increase in the near future.

New agreements / contract with street bin suppliers are in process whereby revenue is generated in exchange for advertising space. Local small contractors (SMME's) are appointed for street and street bin cleaning.

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### 3.16.1 SERVICE STATISTICS – REFUSE REMOVAL SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL16	Provision of refuse removal, refuse dumps and solid waste disposal to all formal areas	No of formal households for which refuse is removed at least once a week	All	New performance indicator for 2011-12. No comparatives available	22 641	22 765	G 2
TL17	Provision of refuse removal, refuse dumps and solid waste disposal to all informal areas	No of informal households for which refuse is removed at least once a week	2;12;18	New performance indicator for 2011-12. No comparatives available	500	1 510	B
TL82	Maintenance of refuse removal assets	% of maintenance budget of refuse removal spent	All	93.80%	98%	117.20%	G 2
TL81	Initiate a business plan towards the improvement of the landfill site capacity subject to the Regional Integrated Waste Management Plan by the end July 2011	Consultant appointed	All	New performance indicator for 2011-12. No comparatives available	100%	100%	G

**Table 108: SDBIP Refuse Removal**

### 3.16.2 REFUSE REMOVAL (SOLID WASTE) SERVICE DELIVERY LEVELS

The table below indicates the different refuse removal service delivery level standards **within the urban edge area** of the Municipality:

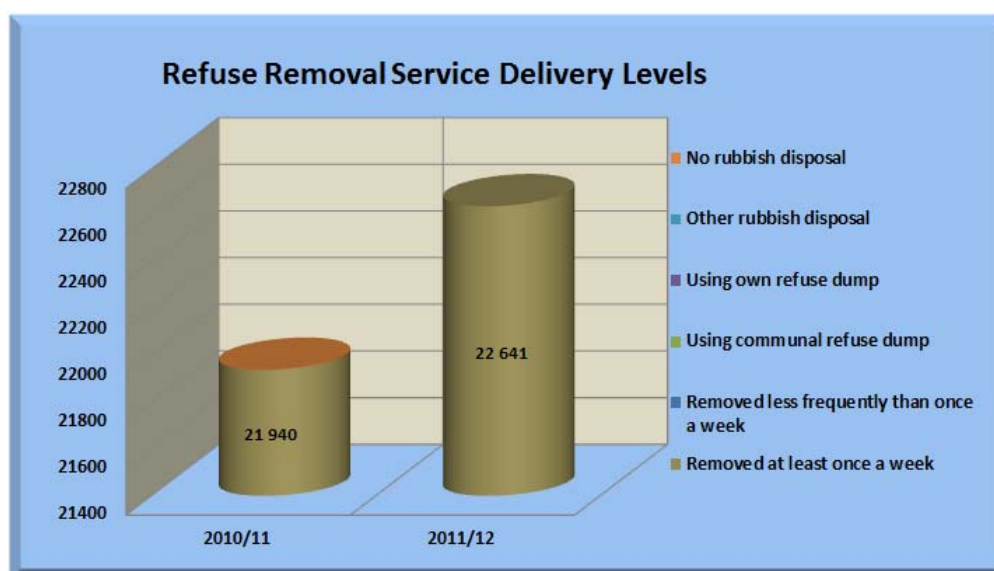
Description	2010/11	2011-12
	Outcome	Actual
<b>Household</b>		
<b><u>Refuse Removal:</u> (Minimum level)</b>		
Removed at least once a week	21 940	22 641
<b><i>Minimum Service Level and Above Sub-total</i></b>	<b>21 940</b>	<b>22 641</b>
<b><i>Minimum Service Level and Above Percentage</i></b>	<b>100</b>	<b>100%</b>
<b><u>Refuse Removal:</u> (Below minimum level)</b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<b><i>Below Minimum Service Level Sub-total</i></b>	<b>0</b>	<b>0</b>
<b><i>Below Minimum Service Level percentage</i></b>	<b>0</b>	<b>0</b>

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Description	2010/11	2011-12
	Outcome	Actual
<b>Household</b>		
Total number of households	21 940	22 641

*Table 109: Refuse removal service delivery levels*

The graph below shows the different Refuse Removal service delivery levels per total households and the progress per year:



*Graph 16: Refuse Removal service delivery levels*

### 3.16.3 CAPITAL EXPENDITURE – WASTE MANAGEMENT SERVICES

No capital budget was allocated to waste management services for the 2011-12 financial year.

## 3.17 HOUSING

The housing policy has been approved making provisions for people with disabilities. We have been engaged in the Housing Consumer Education, in which we trained about 400 first time homeowners.

The Housing projects that were implemented in the 2011/2012 financial year were a success, in the sense that the community have given co-operations. We have also provided the beneficiaries with 80% of the title deeds.

Our waiting list is linked to the Provincial Housing demand list, the benefit is that we can trace applicants who are registered on other municipalities, it has also allowed us to eliminate duplicate names from the system





### 3.17.1 SERVICE STATISTICS – HOUSING

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL69	Implementation of Integrated Human Settlement Strategy measured by the number of projects (De Doorns - phase 4, Zwelethemba – phase 2, Avian Park – phase 3) complying with approved strategy by the end of June	Number of projects implemented	All	3	3	3	G

Table 110: SDBIP Housing

### 3.17.2 HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2010/11	198 700	35 095	68
2011-12	198 700	36 328	72

**Table 111: Households with Access to Basic Housing**

The housing demand waiting list has been linked with the Provincial Demand waiting list. This linkage have manage to assist us with removing duplications and have also ensured that each person have a single application date, unlike in the past were people had two dates that is for low cost housing as well as for rental units.

The following table shows the number of people on the housing waiting list in the previous year with double application date. The 2011/2012 shows the single application date. There are currently approximately **20 971** applicants on the waiting list for the Breede Valley

Housing waiting list	Nr of people on Housing waiting list	% Housing waiting list increase
2010/11	25 300	10
2011-12	20 971	15

**Table 112: Housing waiting list**

### 3.17.3 CAPITAL EXPENDITURE – HOUSING

The table below shows the capital projects within the Housing department for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
(R'000)					
<b>Total All</b>	<b>36 379</b>	<b>44 316</b>	<b>38 481</b>	<b>2 102</b>	<b>44 316</b>
*De Doorns	0	28 382	22 659	22 659	28 382
Avian Park 439	22 899	11 547	11 496	(11 403)	11 547
Zwelethemba 242	13 480	4 387	4 326	(9 154)	4 387
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *Includes services</i>					

**Table 113: Capital Expenditure 2011-12: Housing**

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A total amount of **R 37 540 000** was allocated to build houses and to service sites during the financial year under review. A summary of houses built and sites serviced includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	(R'000)	(R'000)	(%)	(#)	(#)
2010/11	32 000	58 413	182	280	700
2011-12	37 540	38 481	102	511	311

*Table 114: Housing*

The Municipality has responded positively in respect of implementing strategic objective 6, by the culmination of 311 serviced sites. The expenditure pattern was also good as we could spend all of our Division of Revenue Act expenditure allocation.

### 3.18 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

In accordance with the approved indigent policy of the municipality, all households earning less than R 3 500 per month will receive the free basic services as prescribed by national policy. Indigent support included Electricity, Rates, Refuse, Sewerage and Rental.

#### 3.18.1 ACCESS TO FREE BASIC SERVICES

The access to free basic services is summarised into the different services as specified in the following table:

Free Basic Services To Low Income Households									
Year	Number of households								
	Total	Households earning less than R 3 500 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	(%)	Access	(%)	Access	(%)	Access	(%)
2010/11	22 429	6 560	100	6 560	100	6 560	100	6 560	100
2011-12	25 095	6 507	100	6 507	100	6 507	100	6 507	100

*Table 115: Access to Free Basic Services*

### 3.18.2 SERVICE STATISTICS – FREE BASIC SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL14	Provision of free basic electricity in terms of the equitable share requirements	No of households receiving free basic electricity	All	6 560	6 800	6 507	O
TL15	Provision of free basic electricity in terms of the equitable share requirements	Quantum of free basic electricity per household	All	50	50	50	G
TL18	Provision of free basic refuse removal in terms of the equitable share requirements	No of households receiving free basic refuse removal	All	100%	6 800	6 507	O
TL19	Provision of free basic refuse removal in terms of the equitable share requirements	Quantum of free basic refuse removal per month per household	All	R 114	122.99	123	G2
TL9	Provision of free basic sanitation in terms of the equitable share requirements	No of households receiving free basic sanitation	All	100%	6 800	6 507	O
TL10	Provision of free basic sanitation in terms of the equitable share requirements	Quantum of free basic sanitation provided per households	All	R 145	174	174	G
TL4	Provision of free basic water in terms of the equitable share requirements	No of households receiving free basic water	All	6 560	6 800	6 507	O
TL5	Quantum of free basic water per household in terms of the equitable share requirements	Quantum of free basic water provided per household	All	6	10	10	G

**Table 116: SDBIP Free Basic Services**

#### Comment on free basic services and indigent support:

The total Equitable Share Grant for 2011-12 was R 56 804 000. The rebates/subsidies was as follows:

- Pensioners

The tables below identify the number of indigent households with access to the different free basic services:

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2010/11	6 560	50	3 031	0	0	0	905	50	302
2011-12	6 507	50	3 127	0	0	0	1 500	50	496

**Table 117: Free basic Electricity services to indigent households**

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Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2010/11	6 560	10	1 680	18 426	6	4 721
2011-12	6 507	10	1 900	18 588	6	4 894

**Table 118:** Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2010/11	6 560	145	4 853	0	0	0
2011-12	6 507	145	5 456	0	0	0

**Table 119:** Free basic Sanitation services to indigent households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2010/11	6 560	1	3 836	0	0	0
2011-12	6 507	1	3 929	0	0	0

**Table 120:** Free basic Refuse Removal services to indigent households per type of service

## COMPONENT B: ROAD TRANSPORT

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

The vision for South Africa transport given with the White Paper on national Transport Policy (1996) is to: "provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable."

### 3.19 ROADS

A Pavement Management System (PMS) is carried out regularly ( $\pm 4$  years) whereby pavement conditions, network status, backlogs, etc. are highlighted.

Funding restriction / shortages to maintain the road network to satisfactory standards remains a major challenge to Breede Valley Municipality (and most other local authorities)! Resealing of the dilapidated roads in the network is of utmost importance to save these assets.

SMME's are appointed to attend to the general maintenance of the network (pothole patching)

#### 3.19.1 SERVICE STATISTICS – ROADS SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL85	Maintenance of municipal roads	% of maintenance budget of municipal roads spent	All	94.40%	98%	135.03%	G2
TL84	Municipal roads is maintained measured by the kms of roads resealed according to approved maintenance plan	Kms of roads resealed	All	2km	2.5	2.5	G
TL83	Revision and update of the maintenance plan for municipal roads by January 2012	% completion of the revised plan	All	New performance indicator for 2011-12. No comparatives available	100%	100%	G

Table 121: SDBIP Roads Services

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

### **3.19.2 TARRED (ASPHALTED) ROADS**

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2010/11	321.4	1.7	0	1.5	321.4
2011-12	323.1	0	0	1.750	323.15

*Table 122: Tarred (Asphalted) roads*

### **3.19.3 GRAVELLED ROADS**

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/maintained
2010/11	40.3	0	0	40.3
2011-12	40.3	0	0	40.3

*Table 123: Gravelled roads*

### **3.19.4 CAPITAL EXPENDITURE – ROAD SERVICES**

The table below indicates the amount that was actually spent on road services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
<b>Total All</b>	<b>1 544</b>	<b>7 256</b>	<b>4 787</b>	<b>(3 243)</b>	<b>7 214</b>
Resealing of proclaimed roads	1 544	1 544	1 502	42	1 502
De Doorns South of N1 Development	0	5 712	3 285	2 427	5 712
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

*Table 124: Capital Expenditure 2011-12: Road Services*

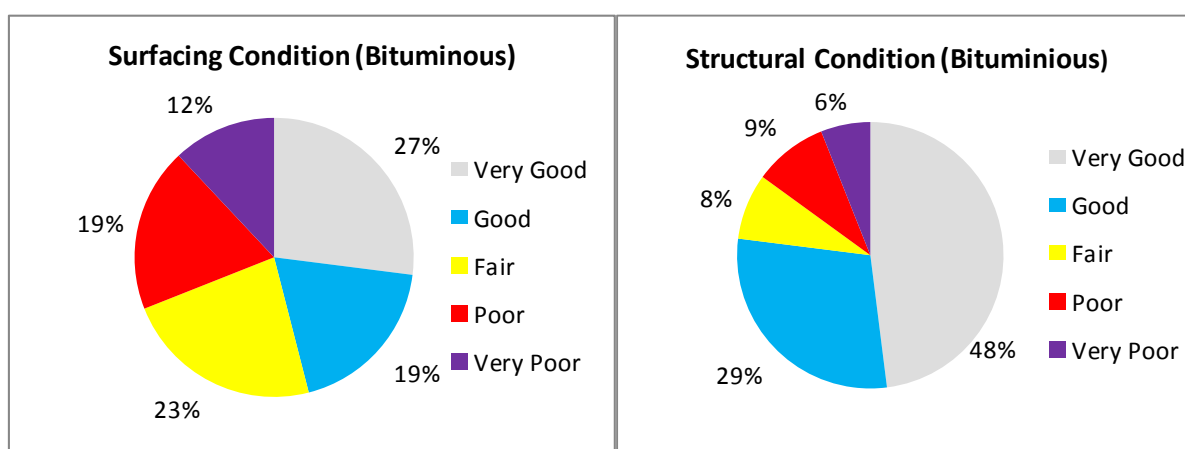
The Pavement Management System (PMS) and Gravel Road Management System (GRMS) for the Breede Valley Municipality present a network level proposal for maintaining the roads in the area through an assessment of the network based on methodical visual rating of each road section.

When implementing a system it can be divided into a network and project level. It must be emphasised that the PMS and GRMS implemented, are essentially a network level tool. Visual assessment forms the basis of evaluating of the condition of the road network and the need for specific actions. The collected information is processed to provide the output for top management for strategic planning and budgeting purposes as well as for maintenance engineers for technical planning and execution purposes.

Different road sections require different types of maintenance varying from routine and normal to heavy rehabilitation. Possible project types range from routine maintenance (e.g. patching, blading, etc.), to normal

maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction or even upgrading). With the limited funds available it is important that these funds be spent at the right place at the right time to ensure optimum use of funds. The use of PMS and GRMS are generally accepted as essential for determining the maintenance and upgrading needs / programmes for pavements in a network of roads.

These programmes provide a good assessment of the total funds required to meet the maintenance needs of the network and, in most cases, of the type of maintenance required. The needs of individual projects should, however, be verified by further investigation to allow for additional unrecorded factors. The total length of the paved network is approximately 321.4 km (316, 9 km bituminous, 4, 0 km block paving and 0, 5 km concrete pavements) with an estimated replacement value of R736 million. The average condition of the paved network can be rated as poor to very poor, with 31% of the surfacing and 15% of the structure in the poor to very poor category.



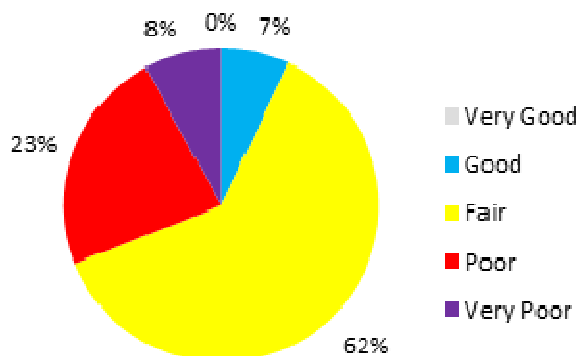
The estimated Funding Backlog on the bituminous pavements at this stage is R137 million with the following immediate needs on the paved network:

Description	Bituminous	Blocks	Concrete	Total
Surfacing – Short term (over next 2 years)	R 106.1 million	R 0	R 0	R 106.1 million
Structural – Long term (over next 5 years)	R 108.7 million	R 0	R 0	R 108.7 million

The total unpaved network is approximately 40.3 km of which only 36 km are gravel roads and the rest can be defined as dirt roads. The average condition of the **unpaved network can be rated as fair (62%)** with 31% of the roads in the poor to very poor category.



**General Condition (Unpaved)**



The **total maintenance need** for the network, without any upgrading, is approximately **R550 000.00**.

Upgrade needs can be viewed from a functional point of view but consideration should also be given to **upgrading the dirt roads to gravel standard** which would require a further **R2.3 million**, or upgrading all the unpaved roads **to paved standards** at a cost of **R20.0 million**.

The amount of R 1 501 913.63 which was spend on the reseal of proclaimed roads is insufficient to address the backlogs in respect of Pavement Management.

Annual budgets which do not meet the budget requirements of the IDP, Parts 4.5.1.1, 4.5.1.2 and 4.5.4, disable the Breede Valley Municipality to address the infrastructure backlogs in the poor communities. If the municipality is serious about Pavement Management and road associated projects, the capital allocations need to be substantially increased in order to address these backlogs and requirements. The Pavement Management needs and capital budget projection are included in the IDP, Parts 4.5.1.1, 4.5.1.2 and 5.4.4.

### 3.20 WASTE WATER (STORM WATER DRAINAGE)

Breede Valley Municipality is in the process of developing a Storm Water Master plan (expected to be completed by 30 June 2013).

Although pockets of challenging areas do exist, the general topography of all of the towns in Breede Valley Municipality is such that flooding seldom occurs.

Informal settlements, however, pose a challenge insofar as accessibility to watercourses is concerned. "Warm body" maintenance is carried out in such areas instead of mechanical plant maintenance.

Annual budgets which do not meet the budget requirements of the IDP, Part 4.5.4, disable the Breede Valley Municipality to address the infrastructure backlogs in respect of storm water drainage. If the municipality is serious about storm water management and associated projects, the capital allocations need to be substantially increased in order to address these backlogs and requirements. The storm water needs and capital budget projection are included in the IDP, Parts 5.5.4.

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The Department Operational Services is currently busy with the capturing of all storm water assets. Layout drawings and storm water models will be populated for the analysis of the systems. Improvements, where required, will be prioritised and included in future IDPs and capital budgets.

### 3.20.1 SERVICE STATISTICS – STORM WATER SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL76	Provision of storm water management systems in built up areas to all formal households	No of households	All	New performance indicator for 2011-12. No comparatives available	22 641	22 765	G2
TL77	Development of a Storm water Master Plan by the end of June	% completion of the Plan	All	New performance indicator for 2011-12. No comparatives available	20%	20%	G
TL78	Storm water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of storm water spent	All	105.70%	98%	85.96%	O
TL7	Upgrading of the Worcester Wastewater Treatment Works	% Of upgrading completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19	New performance indicator for 2011-12. No comparatives available	100%	100%	G
TL80	Quality of waste water discharge measured by the % waste water discharge that comply with microbial content	% waste water discharge that comply with microbial content	All	77.38%	95%	100%	G2

**Table 125: SDBIP Storm water services**

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The table below shows the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed:

Financial year	Total km storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2010/11	90	0	0	90
2011-12	90	2	0	90

Table 126: Storm water infrastructure

### 3.20.2 CAPITAL EXPENDITURE – STORM WATER SERVICES

The table below indicates the amount that was actually spent on Storm water services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
<b>Total All</b>	<b>0</b>	<b>5 227</b>	<b>2 551</b>	<b>(2551)</b>	<b>5 227</b>
De Doorns South of N1	0	5 227	2 551	(2 551)	5 227

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

Table 127: Capital Expenditure 2011-12: Storm Water Services

### 3.20.3 COST OF CONSTRUCTION/MAINTENANCE

The table below indicates the amount of money spend on storm water projects:

Financial year	Storm water Measures	
	Capital R'000	Maintained R'000
2010/11	0	994
2011-12	2 551	1 234

Table 128: Cost of construction/maintenance of storm water systems

Breed Valley Municipality is in the process of developing a Storm Water Masterplan (expected to be completed by 30 June 2013).

Although pockets of challenging areas do exist, the general topography of all of the towns in Breed Valley Municipality is such that flooding seldom occurs.

Informal settlements, however, pose a challenge insofar as assessability to watercourses is concerned. "Warm body" maintenance is carried out in such areas instead of mechanical plant maintenance

## **COMPONENT C: PLANNING AND DEVELOPMENT**

The Department Planning and Economic Development include the following functions:

LED

Tourism

Building Control

Town Planning

GIS

With reference to our new organisational design the section for LED and Tourism are placed under the cluster Department Planning and Economic Development and are reporting to the Senior Manager: Planning and Economic Development. The implementation of project actions relies heavily on the availability of funding to fund our envisaged interventions.

The activities that are performed in the department range from the following:

- Facilitating training for new and emerging businesses.
- Assistance with project concepts for emerging groups within the Municipality.
- Attend to clients who were referred by ward councillor and require general assistance with a business and land reform.
- Perform adjudicatory duties in district wide funding allocation forum as per working agreement with the various B municipalities and the District Municipality.
- Attend to potential investors which need information and guidance from the Municipality.
- Manage partnership between Municipality and Local Tourism organisation based on service level agreements in relation to tourism marketing work.
- Serve in project management capacity to steer land reform implementation projects in the municipality and furthermore serve on the District committee where funding for agricultural development and land free form is approved.
- Review strategies and lease with potential funders to fund project earmarked to enhance local economic development.
- Referral of entrepreneurs for mentorship in their businesses.
- Attendance to suppliers of services that wish to partner with the Municipality around our LED and tourism programmers.

Engage in local and regional economic strategic planning and reviews.

## 3.21 PLANNING

### 3.21.1 SERVICE STATISTICS – PLANNING

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Ward	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL70	All existing informal settlements are formalised with land use plans for economic and social facilities and with the provision of permanent basic services	No of households that meet standards	All	85%	500	500	G
TL33	The request for approval of the Spatial Development Framework in terms of Section 4(7) of LUPO be submitted to DEADP by the end of December	Review and submitted to PGWC annually by the end of December	All	100%	100%	100%	G
TL34	Spatial Development Framework review progress report submitted to the Department of Environmental Affairs and Development Planning by the end of December	Progress report submitted by the end of December	All	New performance indicator for 2011-12. No comparatives available	100%	100%	G

**Table 129: SDBIP Planning**

The table below sets out the main elements of Breede Valley Municipality Planning Strategies:

Strategy	Description
Spatial in-filling	Large pockets of vacant municipal land are to be utilised for a mixture of GAP housing and low cost housing. These pockets of land have been identified in the Draft SDF and will be presented to the Jubilee Professional Task Team of Province to roll out development projects (including housing and commercial opportunities) in order to kick-start a process of economic revival.
Historical core preservation	Historical cores of urban centres must be clearly demarcated and initiatives set in place to facilitate local, representative heritage bodies. Advertisement signage in these cores must be regulated through the bylaws, with input from the said heritage bodies.
CBD revival	Special focus must be placed on CBD revival and aesthetic and land use control parameters must be re-defined and vigorously applied. This initiative must closely be aligned with the strategies of the LED Section as CBD revival was identified as a key catalyser in the Genesis Project.
Spatial integration	Spatial integration should be the main underlying foundation for all spatial decision making and should be facilitated in the encouragement of the development of strategic mixed use nodes and spatial in-filling with GAP housing developments.

**Table 130: Planning Strategies**

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The tables below give a brief description of all the achievements in the planning department during the 2011-12 financial year:

### Town Planning:

Achievement/Highlight	Description
Digital Zoning Maps and Base maps.	These interactive maps enable us to speedily reply on queries and assist in land use management and are available on the intranet.
Some success has been achieved with court cases.	We have achieved breakthroughs in some of our more difficult court cases such as the illegal land use of erven in Meiring Street and Murray Street
Our SDF is being reviewed.	SDF is being reviewed by CNDV through the initiative of Province. We will now have an inclusive SDF which will function as a section 10 Structure Plan and grant us additional powers with regard to zoning delegations.

**Table 131: Planning Highlights**

### Building Control:

Achievement/Highlight	Description
918 building plans approved	Estimated building cost: R2 788 976 000
±5800 inspections performed	Requested by owners + routine inspections
Revision of nat. Building regulations	SANS 204/xa energy efficiency; NRCS decl. Form

**Table 132: Building Control Highlights**

### GIS:

Achievement/Highlight	Description
Redesigned intranet map and added additional functionality.	Improved look of map and added spatial layers (zoning layer as well as file references). Also improved the user interface (more intuitive e.g. drop down menus)
Interactive IDP map.	Spatial conceptualization of the IDP in GIS format that can be spatially navigated and queried and is available on the network.
Spatial digitization of erf files.	File record references were captured digitally and linked spatially to the erven and farms. Cadastral can now be spatially analysed with regard to rezoning, encroachments etc.

**Table 133: GIS Highlights**

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The tables below gives a brief description of all the challenges regards to the planning department during the 2011-12 financial year:

### Town Planning:

Challenge	Corrective Action
Extreme staff shortage	Council should take cognisance of staff shortage and budget accordingly
Organogram insufficient	New, proposed organogram should be implemented in order to allow capacity building
No follow-up on legal actions	Corporate Services should heed requests for legal actions

**Table 134: Town Planning Challenges**

### Building Control:

Challenge	Corrective Action
Shacks	Council to lay down policy
Illegal building work, deviations	Municipal legal section
Encroachment of erf boundaries in Zweletemba	Education of community

**Table 135: Building Control Challenges**

### GIS:

Challenge	Corrective Action
Staff (Capacity)	Approval and implementation of organogram.
Software limitations	Budget/explore options in obtaining additional software.

**Table 136: GIS Challenges**

The table below sets out the three top service delivery priorities and the progress made during the 2011-12 financial year:

Priorities	Progress
Approve and implement organogram	No progress made
Implement system of job-tracking	System implemented
Increase legal pressure on illegal land uses	No progress made

**Table 137: Planning Priorities**

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The table below displays the applications for land use development:

Detail	Formalisation of Townships		Rezoning		Built Environment	
	2010/11	2011-12	2010/11	2011-12	2010/11	2011-12
Planning application received	22	9	51	36	20	13
Determination made in year of receipt	18	8	34	21	18	10
Determination made in following year	4	1	17	15	2	3
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	4	1	17	15		

*Table 138: Applications for Land Use Development*

### 3.21.2 CAPITAL EXPENDITURE – TOWN PLANNING, BUILDING CONTROL AND GIS

No budget was allocated to the planning department for the 2011-12 financial year.

## 3.22 LOCAL ECONOMIC DEVELOPMENT

The table below gives a brief description of all the achievements within local economic development during the 2011-12 financial year:]

Local Economic Development is currently placed under the cluster Planning and Development which are in the Directorate Operations. LED received more prominence and strategic orientation after there was a shift in the manner how we received technical support from the Western Cape Provincial Government. A new school of thought emerged that LED should rather be a strategic tool from where the public sector could implement a range of complementary activities that enhances the competitive advantage of a town or region. Subsequently after the 2012 local government elections the new MAYCO share the sentiment that economic development will be driven by the private sector and the municipality will involve itself in a range of complementary activities. Our work is currently centred on the following programmes.

- a) Provide mentorship and advice to entrepreneurs and refer training and related support to specialist purpose organisations which were established to render particular kinds of entrepreneurial support.
- b) Advice clients to do business planning in order to access the seed funding of the Cape Wine lands District Municipalities, provide info on the LED growth fund, refer clients for BEE grading, and assist prospective beneficiaries accessing rural development support services from the Department of Rural Development and Land Reform.
- c) Manage the process of economic development strategy with our municipal leadership as well as with the captains of industry and integrate it with the long term planning work of the Economic Development Partnership.
- d) Serve on various committees and forums which want to upgrade the CBD and other cultural and heritage sites.
- e) Foster partnership with business and tourism associations to enhance our destination marketing as developing a



sense of place making.

- f) Implement a range of entrepreneurial projects with the beneficiation proceeds of the envisaged solar energy plants.

### 3.22.1 SERVICE STATISTICS - LED

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL55	Value of contracts assigned to SMME's to enhance economic development	Value of contracts assigned	All	New performance indicator for 2011-12. No comparatives available	R 3 300 000	R 0	R

**Table 139: SDBIP LED**

The table below gives a brief description of all the highlights within local economic development during the 2011-12 financial year:

Achievement/Highlight	Description
Positive publicity in SALGA publication as well as in the LED network electronic newsletter which present our strategy development as a best practice.	First in the Western Cape Province that applied Genesis methodology in developing economic development strategy.
Development of new tourism brand and logo	Our tourism corporate image was transformed into the greater corporate image of the greater municipality. Receive positive publicity in SALGA publication as well as in the LED network electronic newsletter for our Genesis strategy development process.
Nelson Mandela statute	The partnership between BVM and Business chamber has received its first result - the Nelson Mandela statute in the Garden of Remembrance and it has the unifying effect in the broader community.
Establishment of leadership for LED	We have managed to convince leaders of the private sector to establish a structure which we will consult and provide us with insight on economic development best practices.

**Table 140: LED Highlights**

The table below gives a brief description of all the challenges within local economic development during the 2011-12 financial year:

Challenge	Correction Action
Link catalytic projects to a performance management tool for senior management	A workshop aimed to develop administrative ownership of catalytic projects as identified in Genesis strategy workshops.
Office space	We have received budget provision for 2 additional staff members which are critical. However we do not have office space available for these two appointments as our offices were taken up by supply chain.
Project funding	We have a desperate shortage and are waiting in anticipation for the solar energy beneficiation grants to fund entrepreneurial and social development projects.

**Table 141: LED Challenges**

### **Strategic outlook:**

The core focus of the BVMs local economic development strategy is to strengthen the existing and build new regional competitive advantages as this is a critical challenge of all regions and cities that want to enjoy sustainable economic growth. If the LED strategy is owned by senior management and leadership it can evolve independent of natural endowments and can become more reliable in the long term. However critical pre-conditions for accelerating regional competitiveness have been included and these are:

- Collective buy-in to a future vision and the development of a set of organisational values.
- Strong pro-active leadership
- Efficient institutions and organisational know-how in how to access opportunities to implement strategies and projects
- Entrepreneurship is the ability of such people within the public and private sector to utilise our natural resource endowments to exploit market conditions as it will generate beneficiation.

We can only do it if our organisation set our economic development goals and thereafter restructure our organisation, to pursue our economic development goals as well as catalytic projects as identified by Genesis.

The LED strategy, along with the LED process plan, is completed and is being implemented. Breede Valley Municipality has an established LED forum comprising of diverse membership emanating from various sectors of society. The LED is built around commitment to develop a climate in which economic development and economic growth can prosper.

In Breede Valley Municipality, which has an agricultural based economy, our LED interventions must try to effect transformation by introducing new entrants to established industries with a view to effect empowerment and ownership. In selecting partnerships with the private sector is essential that we target projects in the business value chain aimed at empowerment and ownership.

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The LED strategy identifies various issues and strategic areas for intervention such as:

Strategic areas	Description
Building and strengthening institutional and social capital	<ul style="list-style-type: none"> <li>■ Enter into a development charter with local stakeholders who outline key principles, priorities and role.</li> <li>■ Expand the influence and insight role of leadership committee in networking for catalytic projects.</li> <li>■ Structure LED staff capacity to undertake local economic development.</li> <li>■ Initiate City Improvement Projects.</li> <li>■ Deepen our work in Public Works and alien vegetation clearing programmes.</li> <li>■ Position BVM as a place to host provincial health and tertiary education facilities.</li> </ul>
Enabling infrastructure	<ul style="list-style-type: none"> <li>■ SDF to prioritise nodes and corridors for urban integration</li> <li>■ Implementing GAP housing projects</li> <li>■ Fast-Track N1 Eastern Bypass</li> <li>■ Phased programme Stettynkloof dam pipe line</li> <li>■ Services investment plan for industrial areas</li> <li>■ Renewable energy and the related beneficiation projects</li> </ul>
Sector competitiveness	<ul style="list-style-type: none"> <li>■ Increase marketing activities to attract South African visitors from other provinces.</li> <li>■ Investigations for new route development</li> <li>■ Investigations on the commercial viability of Kleinplasië</li> <li>■ Develop local event strategy</li> <li>■ Attraction strategy for clean and green economies</li> </ul>
Above mentioned activities must be adopted at senior managerial leadership level and be incorporated in our performance management framework as a municipal response that can unlock future economic growth.	

**Table 142: LED Strategic areas**

The progress with regard to the implementation of the LED strategy can be summarised as follows:

There is little progress as the senior management never used the LED Strategy as a planning - and reference tool to determine budget priorities. It was rather left to the official tasked with LED activities to propose projects to a range of government departments for funding. After the election there was more ownership and leadership to affect LED. We are now in a strategic planning process driven by the Mayoral committee, the private sector and official in planning and LED to determine long term economic growth objectives.

The LED strategy identifies various issues and strategic areas for intervention such as (3 top service delivery priorities):

Objectives	Strategies
Development of anchor attraction for tourism	Apply for conditional grant to upgrade Kleinplasië
Formulate new long term goals in partnership with private sector and provincial government	A new document that will guide future actions with regards to local economic development
Develop an organisation that can undertake LED interventions.	Recruit professionals to execute LED activities

**Table 143: LED Objectives and Strategies**

### **3.22.2 ECONOMIC ACTIVITY**

The table below identifies the economic activity within the different sectors:

<b>Economic Activity history by sector over the last decade</b>		
<b>Sector</b>	<b>GDPR as a %</b>	<b>GDPR growth rate</b>
Agriculture, forestry and fishing	14.6	-15 493
Mining and quarrying	0.2	52
Manufacturing	19.0	-946
Wholesale and retail trade	15.8	1637
Finance, property, etc.	16.0	-512
Community and social services	8.6	75
Electricity gas and water	0.9	-7.6
Transport and Communication	9.7	6.0
General Government Services	12.3	1081
Construction	2.9	14
<b>Total</b>	<b>100. 00</b>	<b>-13 909</b>

*Table 144: Economic activity by sector*

Source Quantico research CER

The Western Cape Economic review and outlook 2012 have the following to say: " the Breede Valley accounts for only 15 percentage of the CWD GDPR and grew at a relatively pedestrian rate of 2.5 per annum, 2000 to 2010, whilst suffering heavy job losses (15 500) in its agriculture sector which contracted over the last period. Only marginal jobs growth occurred in other sectors with the result that no less than 13 900 overall job losses occurred in the municipality, i.e. its workforce contracted at a rate of 2.8 % per annum. Agriculture (15 % of GDPR) and agri-processing (close to half of the manufacturing activity) are the main economic activities in the sub-region. Regarding services, each of the finances, real estate & business services sector, retail and wholesale grew at 3% per annum. Important to note is that the transport and communication sector grew at a robust rate of 6% per annum.

Our table above have demonstrated consistent job losses in the local economy for the last decade and the reasons for this negative tendency are as follow:

- Increased practises of mechanisation in primary agriculture
- Value adding activities positioned closer to suppliers
- No real effort and appreciation for investors in our municipal area
- IGR relations on proactive rather than responsive housing projects
- No real efforts to manage the CBD.

### 3.22.3 LED INITIATIVES

With a limited budget for LED projects and one official assisting with LED implementation, the following has been initiated as set out in the table below and identifies the detail of the various LED initiatives in the municipal area **(Excluding EPWP projects)**:

We had a non-existent budget during the 2010-2011 financial years and made a presentation to the Provincial government to assist us to develop long term strategy. Secondly our next step was to develop an understanding with the municipal leadership regarding strategic importance of LED and how it can impact on the lives of local people if properly comprehended, implemented and applied as a management tool. The challenge at this stage is to incorporate these catalytic strategies in our organisational performance management framework.

The table below identifies the LED initiatives for the 2011-12 financial year:

Description of project	Total Investment	Performance Highlights
Genesis Strategy development	R450 000,00	Along term strategy that we can use as a strategic management tools
Tourism branding material	R30 000,00	Important as the entire organisation decided to expand the use the brand

**Table 145: LED initiatives**

The table below shows the number of jobs created through Grant projects for the 2011-12 financial year:

Jobs created through Grant projects			
Project	Detail	Person days	Total Wages Paid
MIG Projects	Not EPWP registered	5 512	1 140 937
Housing Projects	Not EPWP registered	9 849	3 137 866
<b>TOTAL</b>		<b>15 361</b>	<b>4 278 802</b>

*\*EPWP - Extended Public Works Programme*

**Table 146: Job creation through Grant projects**

**Full Time Employment Equivalent (Person days/230 working days) = 67**

Jobs created through EPWP projects		
Project details	Project no.	Number of EPWP appointments
Roosimere (Refuse Dump)	BVM0001	TOTAL = <b>247</b> EPWP Job creations
Electricity Department	BVM0020	
Nekkies Resort Project	BVM003	
Road Maintenance / 2	BVM0001/2	
Sewerage Works / 2	BVM0002/2	
Parks and Recreation	BVM002	
Water and Sewerage Services	BVM0008/2	
Road Services	BVM0009/2	

Jobs created through EPWP projects		
Project details	Project no.	Number of EPWP appointments
Smartie Town Project /2	BVM0019/2	
Touwsrivier Roads	BVM0016/2	
Electricity Services	BVM0019/2/2	

**Table 147:** Job creation through EPWP projects

### **3.22.4 CAPITAL EXPENDITURE – LOCAL ECONOMIC DEVELOPMENT**

No capital budget was allocated to the Local Economic Development department for the 2011-12 financial year.

The performance of local economic development in the BVM organisation originated from a worst case scenario to one of being optimistic. Previously there was no support or strategic orientation from the senior management to embrace LED as a kind of strategic management tool. This brought frustration and an inability to change the economic and social landscape within the Breede Valley Municipality. However after the Genesis strategy process there is some optimism that LED will become a success story if we put in effort so that our strategy is incorporated in our organisational performance management plans. Best practice studies inform us that LED is an entire municipal response; however the organisation must be structured for such purposes. Lastly we are also connected with our regional and provincial counterparts as a whole range of role-players in society need to work together to transform the local economic development delivery system and it incorporates matters like social policy, health, education and safer communities.

## **3.23 TOURISM**

### **3.23.1 AIM AND FUNCTION OF TOURISM SECTION**

The Tourism Sector had TV coverage nationally as well as internationally. Fiesta, a KykNet production had a focus on the Breedekloof Wine & Tourism's Soetes and Soup. Hex River Valley Tourism had an insert on Pasella, a SABC2 production. Pasella also visited TouwsRiver and we had requests for accommodation via their website. Worcester featured on DSTV's sport channels with the ABSA Cape Epic's visit during March 2011. Exposure of this calibre can only promise a steady flow of visitors and investors, which can be verified with the monthly statistics held in the Tourism Office. Intensive marketing in Europe is a bare necessity to establish partnerships for the local economic development in tourism for the Breede Valley Municipal Area. The Tourism Sector is growing in strength by building on the strong partnership with the Private Sector.

This report wish to give an overview of the kind of activities that we are implementing in the Breede Valley Tourism section. It must be said that we are entering very exciting times and the morale is quite high due to the following occurrence:

- Increased marketing budget provision to market our destination

- Focused attention during the Genesis strategy development process
- Know how to interact with the private sector organisations and companies as we enter our third year of service level agreements with them.

### 3.23.2 TRAINING/DEVELOPMENT

Arts & Crafts are important attractions as visitors/tourists always want memorabilia of the town/region they visited. The Tourism department works closely with the Cape Craft and Design Institute (CCDI). The following workshops were presented:

October 2011 Business Training focused on:

- Business Administration
- Costing and Pricing
- Sales Techniques and Negotiations

March 2012 Creativity Training was for:

- Visual Awareness
- Basic Drawing Skills
- Trends and Colours

The funding from CWDM was used for an Arts and Craft business administration course targeting a range of artists and manufacturers of arty products.

The CWDM invites all LTAs and LTOs to be a part of their marketing strategy as we all work together towards one goal – to promote the district as a tourism destination. Each financial year they inform the various organisations of their planned attendance of exposés. Due to this, there are bi-monthly meetings to update on arrangements and feedback on projects. CWDM fund each LTA for a development project. The LTA submits a Business Plan of the development project upon which a SLA is signed by the Municipal Manager. A report on the project must be submitted. During the financial year 2010/2011 we participated in the following meetings:

- 28 July 2011 in Stellenbosch
- 29 September 2011 in Wolseley
- 24 November 2011 in De Doorns
- 26 January 2012 in Franschhoek
- 30 March 2012 in Robertson
- 25 May 2012 in Drakenstein

### Marketing 2011-2012

The exposés attended for the said period:

- Getaway: March 2012 in Johannesburg
- Annual Worcester Agricultural Show: 26 – 30 January 2012
- Beeld Holiday Makers Show: February 2012 in Johannesburg
- Tourism Indaba: May 2012-08-16 in Durban

The above exposés were well attended. The branding of Breede Valley Tourism is more familiar to the public each year. There is still room for improvement, but the steady growth in enquiries and follow up requests are satisfying.

Successful marketing is repetitive and visible. The first print of the regional brochure is out of stock. This booklet was very popular at the Beeld Holiday Makers Show, which emphasises the need for marketing material. Itineraries are being set out to invite various tour operators to the Breede Valley district to hook in on the market of tour busses. With our budget increase we will target a whole range of magazines, provincial newspapers etc.

### 3.22.3 TOURISM AWARENESS/EVENTS

Annual events in the Breede Valley region:

Annual Event	Date
Wine, Woman and Song was held in De Doorns, introducing the women to tourism	July 2012
Breedekloof Soetes & Sop	July 2012
Breedekloof Outdoor Festival	October 2012
International Day for the Disabled at Worcester Museum	December 2011
Worcester Agricultural Show at Kleinplasia with Huisgenoot	January 2012
A Love Affair Arts & Crafts Market in De Doorns	February 2012
Harvest of Joy in Scherpenheuvel, Worcester	March 2012
RAMfest at Nekkies	March 2012
Nuy Valley Fest by Worcester Wine Route	May 2012

*Table 148: Tourism Awareness/Events*

Numerous smaller events were also hosted and attended.

Breede Valley Municipality links in with Cape Winelands District Municipality in the Tourism Awareness Schools Project.

### 3.23 INTEGRATED DEVELOPMENT PLAN (IDP)

**The IDP Section focussed on the following functions being:**

#### **Community Participation:**

The focus on Community Participation relates mainly to the participation of the local community in the planning



activities of the municipality which informs the IDP and budget processes.

A schedule of community participation engagements were approved by council, based on the municipal's IDP/Budget Process plan. These engagements were published in the local press for community inputs and information.

Identified Risk: lack of administrative support for community participation; a suggested administrative structure in support of community participation was communicated to relevant authorities for consideration.

Lack of adequate budget to support community participation remains a challenge.

### **Ward Committees:**

The launch of the ward committee election project for the new term proved successful.

21 ward committees were successfully elected via public meetings in all 21 wards.

An introductory induction-workshop for all ward committee members and ward councillors was hosted in collaboration with the Western Cape Provincial Government, Department Local Government, and Community Participation division. Approximately 200 ward committee members from a total of 210 members attended this session.

Follow-up training for ward committees were also initiated, for all wards at different dates in collaboration with the WCPG- Dept. Local Govt.

Functionality of Ward Committees: Ward committees currently meet on a regular basis based on a formal meeting schedule adopted and communicated with the IDP office. The IDP office in collaboration with the CDW program currently provides administrative support to ward committee activities. Functionality remains a challenge which we systematically on a continuous basis try and manage to support optimal function of ward committees. A complete ward committee administrative support structure hopes to address some of the functionality challenges.

### **IDP Function:**

The drafting and approval of the 3rd Generation IDP was a challenge for both senior management and the functionary. The Draft 3rd Generation IDP was approved by the end of March 2012 followed by the Final IDP approved at end May 2012 in line with the legislative guidelines, where-after the IDP was communicated to the MEC for Local Government in the WCPG.

The IDP Process Plan Framework for the 2013/2014 IDP Review was initiated in June 2012 for subsequent approval by council as required per legislation.

A definite requirement to support the IDP Section in its totality is a strong organisational structure, supported by a budget to give proper effect to the mandate of the IDP section.

### **The top four IDP priorities for the 2011-12 financial year was:**

- Worcester WwTW
- New 66kV Substation
- De Doorns South of N1 : Services

■ Stettynskloof Water Supply (Worcester/Rawsonville)

### 3.23.1 SERVICE STATISTICS - IDP

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL39	Strengthen the role of communities by facilitating ward based development plans.	No of ward based development plans completed	All	17	21	21	G
TL38	The municipality listens and responds to its people by ensuring that the IDP is endorsed by all wards.	No of ward committees endorsing the IDP (One per Town)	All	20	4	4	G
TL37	The municipality listens and responds to its people by ensuring that the IDP is endorsed by community organisations and stakeholders as local social compacts.	No of community organisations and stakeholders endorsing the IDP	All	100%	4	4	G
TL36	The IDP is comprehensive and complies with the requirements of the Systems Act.	No of required sectoral plans included in the IDP	All	7	6	6	G
TL26	Integrated development planning measured by the alignment of the municipal spending with IDP.	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	All	New performance indicator for 2011-12. No comparatives available	100%	100%	G

**Table 149: SDBIP IDP**

## COMPONENT D: COMMUNITY AND SOCIAL SERVICES

### 3.24 LIBRARIES

The Library Service ensures the provision of library and information services to communities in a sustainable manner.

Libraries and community library projects maintain and develop information resources and develop staff members with in service training and other skills development programs.

Libraries also develop organised systems with other relevant government departments to enhance service delivery to our communities.

Four Wheelie Wagon projects (community libraries) were established during the past few years and deliver a service to rural areas.

Zweletemba Library received three new internet access points during 2011/2012. Although problems are still experienced with regards to bandwidth, the community can use these facilities for internet access and for typing purposes.

Total circulation statistics: 525 807 (Library material used during the financial year)

In-house usage: 384 557 (People using libraries during the financial year)

Outreach programs/Promotional activities/Group visits/Displays: 505

New members: 2694

#### 3.24.1 SERVICE STATISTICS - LIBRARIES

Type of service	2010/11	2011-12
<b>Libraries</b>		
Number of Libraries	7 plus 4 Community Libraries	7 plus 4 Community Libraries
Library members	31 035	31 069
Books circulated	504 647	525 807
Exhibitions held	255	294
Internet users	23 370	40 344
New library service points or Wheelie Wagons	1	1
Children programmes	166 plus 2272 Toy Library participants	211 plus 1452 Toy Library participants
Visits by school groups and crèches	20	30

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Type of service	2010/11	2011-12
Book group meetings for adults	4	2
Primary and Secondary Book Education sessions	15	15

**Table 150: Service STATS - Libraries**

### 3.24.2 CAPITAL EXPENDITURE – LIBRARIES

The table below indicates the amount that was actually spent on libraries services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>R</b>					
<b>Total all</b>	<b>5 000</b>	<b>10 8728</b>	<b>107 550.39</b>	<b>11 588.61</b>	<b>107 550.39</b>
New flooring: Waterloo Library	0	9 818	8 700	(8 700)	8 700
New fence: Goudini Library (Safety purposes)	0	60 000	60 000	16 209	60 000
New fence: De Doorns Library (Safety purposes)	0	33 910	33 910	4 020	33 910
New library material (books)	5 000	5 000	4 940.39	59.61	4 940.39
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

**Table 151: Capital Expenditure 2011-12: Libraries**

The amount of R 103 728 from roll over Conditional grant funding was spent:

The funding was utilized to erect fencing at Goudini and De Doorns Libraries. The buildings and grounds are now properly safeguarded. The paving around the Worcester Library was upgraded and two workrooms received new vinyl flooring.

The total amount of R 1 118, 00 was thus left at the end of 2011/2012 financial year and will be rolled over to the 2012/2013 financial year.

The amount of R 5 000, 00 was allocated from municipal funding. The amount of R 4 940, 39 was spent.

### 3.25 CEMETERIES AND CREMATORIALS

There are 8 cemeteries in the Breede Valley area that resort under the jurisdiction of the Municipality. The older cemeteries are almost all full and the newly developed Worcester Cemetery is growing in demand as the cemetery of choice. Total burials for 2011-2012 came to 491.

#### 3.25.1 SERVICE STATISTICS - CEMETERIES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL66	Graveyards is maintained measured by the % of the maintenance budget spent	% of budget spent	All	82%	98%	90.83%	O

**Table 152: SDBIP Cemeteries**

#### 3.25.2 CAPITAL EXPENDITURE – CEMETERIES AND CREMATORIALS

No capital works were undertaken in the review period, but the Worcester Cemetery will have to be enlarged in the next five year period. This will entail limited capital expenditure as the proposed land belongs to the municipality.

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

This component includes: pollution control; biodiversity and landscape

According to section 156(2) of the Constitution, a Municipality may make and administer by-law for the effective administration of matters that it has the right to administer. Air pollution is listed as a matter in which local government has authority and national and provincial government may not compromise or impede a municipality's right to exercise its powers or perform its functions.

### **3.26 POLLUTION CONTROL**

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Currently an air quality monitoring station within the Meirings Park residential area is maintained by SGS Environmental Services on behalf of the Provincial Government of the Western Cape.

Breed Valley Municipality has drawn-up an incident management response protocol to address any spills resulting from industrial or sewer spills.

### **3.27 BIO-DIVERSITY; LANDSCAPE (INCLUDING OPEN SPACES)**

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The relevant department is responsible for a large number of functions, including the management and maintenance of trees; the removal of unwanted and alien trees; the planting of new indigenous trees; the irrigation of trees and open spaces, as well as entrances to the towns; weeding and cleaning of sidewalks and open spaces; beautification of certain focus areas; landscaping and the moving of parks, open spaces and buffer zones. No capital works were undertaken in the review period

#### **3.27.1 CAPITAL EXPENDITURE – BIO-DIVERSITY; LANDSCAPE AND OPEN SPACES**

No capital works executed for the 2010/11 financial year.

## COMPONENT F: SECURITY AND SAFETY

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

### 3.28 TRAFFIC AND LICENSING

The main priorities are:

- The testing of applicants for Driving Licenses, Learners Licenses and the application and renewal of Professional Driving Licenses.
- The registration and Licensing of Motor Vehicles.
- The promotion of Road Safety and law enforcement.

#### 3.28.1 SERVICE STATISTICS – TRAFFIC SERVICES

Details	2010/11	2011-12
	Actual No.	Actual No.
Number of road traffic accidents during the year	No data available	534
Number of by-law infringements attended	No data available	10 339
Number of Traffic officers in the field on an average day	No data available	22
Number of Traffic officers on duty on an average day	No data available	20
Number of drivers licenses issued	No data available	1205
Number of learners licenses issued	No data available	3 065
Number of motor vehicle licenses transactions	No data available	106 405
Number of Road signage erected	No data available	1 736

**Table 153: Service Data for Traffic Services**

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL74	High profile community complaints effectively negotiated and resolved within one month after complaint has been lodged	Number of results achieved / number of high profile complaints lodged (%)	All	New performance indicator for 2011-12. No comparatives available	95%	100%	G 2
TL72	Implement a comprehensive law enforcement strategy to decrease high risk violations	2% decrease in high risk violations	All	28.50%	2%	1%	R

**Table 154: SDBIP: Traffic Services**

### 3.28.2 CAPITAL EXPENDITURE – TRAFFIC SERVICES

The table below indicates the amount that was actually spent on traffic services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R					
<b>Total all</b>	<b>300 000</b>	<b>811 000</b>	<b>541 263</b>	<b>241 263</b>	<b>751 263</b>
Purchasing of 2 patrol vehicles	300 000	600 000	541 263	241 263	541 263
Erecting of 10 speed humps in various areas in the BVM.	0	211 000	0	0	211 000

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

**Table 155: Capital Expenditure 2011-12: Traffic Services**

The traffic department is currently in the process to extend its services to other towns such as Touwsriver and De Doorns. The purchasing of patrol vehicles was an important contributing factor to achieve this goal.

Road safety being the primary mandate of the Traffic department is taken very seriously and speed calming through the building of speed humps obviously makes a big difference in the “fight” against carnage on our streets in the area. The 10 speed humps build will enhance road safety in the areas where it was erected

### 3.29 FIRE, RESCUE AND DISASTER MANAGEMENT SERVICES

The two greatest challenges facing the Breede Valley Fire, Rescue & Disaster Management Service (BVFD) is firstly the ability to redress the anomaly that was produced out of municipal re-demarcation and secondly to meet the national strategic objective of ensuring a safe and secure environment.

Whilst minor resource and strategic management achievements have been made; the BVFD finds itself still lagging (way) behind in the race to deliver an equitable emergency service to all our communities within the Breede Valley.

Our current status remains way behind what was envisaged in the previous IDP and this underachievement reflects itself in Departmental statistics and the continuing high fatality rate our citizens due to fire and related incidents.

The current reality is that Fire Service delivery is provided at a rate where at least 66% of our jurisdictional remains subserviced and currently overall understaffed by over 60%.

Notwithstanding the lack of goal realisation in extending our services to all our communities; the three top service delivery priorities have been to:

- Sustain our current level of service
- Improve the effectiveness of our Fire Safety Regulatory and Enforcement role
- Improve our Skills in order to be more efficient and effective within current constraints



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### 3.29.1 SERVICE STATISTICS – FIRE SERVICES

Details	2010/11	2011-12	2012/13
	Actual No.	Actual No.	Estimate No.
Total fires attended in the year	571	541	600
Total of other incidents attended in the year	137	93	120
Average turnout time - urban areas (minutes)	12:41	7:39	8:00
Average turnout time - rural areas (minutes)	11:82	12:35	12:00
Fire fighters in post at year end	30	39	39
Total fire appliances at year end	12	12	12
Average number of appliance off the road during the year	4	6	5

**Table 156: Service Data for Fire Services**

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL73	Review the Fire Management Plan by end March	Review by the end of March	All	100%	100%	100%	G

**Table 157: SDBIP: Fire Services**

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL71	Disaster Management plan reviewed by the end of June	Plan reviewed by the end of June	All	100%	100%	100%	G

**Table 158: SDBIP: Disaster Management**

### **3.29.2 CAPITAL EXPENDITURE – FIRE SERVICES**

The table below indicates the amount that was actually spent on fire services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>R</b>					
Equipment	534 400	534 400	534 757	357	534 757
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

**Table 159: Capital Expenditure 2011-12: Fire Services**

The maintenance, growth, extension and delivery of Fire Services rely heavily on capital funding. The funding received in this reporting year is not even a percentage of what is required; but nevertheless was utilised to acquire much needed specialist equipment required to sustain the current level of service. Against this background and amidst staffing challenges and the inability to attain objectives as set out in the Fire Services Master Plan as contained in the IDP; the Department continues to perform admirably in terms of ensuring that emergency services delivery is maintained

## COMPONENT G: SPORT AND RECREATION

BVM features 8 sport grounds, of which Boland Park and Esselen Park are the biggest. There are also 3 swimming pools, 2 of which in Worcester and 1 in Touwsriver. Nekkies Resort consists of Nekkies Meer chalets and Nekkies Camping Site with one swimming pool. There are a great many sport clubs in the Breede Valley area with resultant very high demands on facilities. Flood lights were erected at Esselen park with a Lottery grant and new athletic equipment were also purchased for Boland Park from this grant.

Nekkies Resort consist of Nekkies Meer chalets and Nekkies Camping Site with one swimming pool

### 3.30 HOLIDAY RESORTS AND CAMPSITES

Nekkies Holiday Resorts is an hour outside Cape Town near the town of Worcester. The Meer chalets consist of 17 self-catering log chalets build in stilts overlooking the lake (Brandvlei Dam) with 2 bedrooms and 2 bathrooms, fully equipped kitchen, balcony and fireplace. The Campsite consists of 20 power points for caravans and tents and 80 sites without power, all sites are on grass.

#### 3.30.1 CAPITAL EXPENDITURE – HOLIDAY RESORTS AND CAMPSITES

No capital budget was allocated to Holiday Resorts function for the 2011-12 financial year.

### 3.31 SWIMMING POOLS AND SPORT GROUNDS

Breede Valley Municipality has a total of three public swimming pools. Two of these are situated in Worcester and the third is situated in Touwsriver. The pools are available for public use during season (which starts on the 15th of September and ends on the 15th of April the following year. Nekkies Resort consist of Nekkies Meer chalets and Nekkies Camping Site with one swimming pool

#### 3.31.1 SERVICE STATISTICS SWIMMING POOLS AND SPORT GROUNDS

Type of service	2010/11	2011-12
<b>Community halls, facilities, Thusong centres, Swimming Pools, Stadiums and Sport Grounds</b>		
<b>Number of Sport Grounds/fields</b>	8	8
<b>Number of Swimming Pools</b>	3	3
<b>Number of Stadiums</b>	8	8
<b>Number of complaints addressed – Swimming Pools</b>	No data available	5

Table 160: Statistics: Swimming Pools and Sport Grounds

### 3.31.2 CAPITAL EXPENDITURE – SWIMMING POOLS AND SPORT GROUNDS

The table below indicates the amount that was actually spent on swimming pools and sport ground projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
<b>Total all</b>	<b>1 050</b>	<b>1 050</b>	<b>693</b>	<b>357</b>	<b>1 050</b>
Flood Lights at Esselen Park	400	400	300	100	400
Sporting Equipment at Boland Park	650	650	393	257	650
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

**Table 161: Capital Expenditure 2011-12: Swimming Pools and Sport Grounds**

Besides some minor works, Phase 1 (the entire R400 000) of the sports field lightning at Esselenpark stadium are completed.

All the necessary athletic equipment were purchased, but we are still waiting for the construction of the discuss camp which should be completed within the next two weeks. (Rain delayed the works).

The remaining funds were rolled over to the 2012/2013 financial year to erect security fencing at Boland Park, however, (still to get final approval from the Lotto for this).

### 3.32 COMMUNITY HALLS, FACILITIES AND PARKS

#### 3.32.1 SERVICE STATISTICS COMMUNITY HALLS, FACILITIES AND PARKS

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL68	Maintenance of halls and facilities	% of maintenance budget of halls and facilities spent	All	100%	100%	64.95%	R
TL67	Review the maintenance plan for halls and facilities by end of June 2012 for the 2012/13 financial year	Plan reviewed by the end of June	All	100%	100%	0%	R
TL64	Recreational areas is maintained measured by the % of the maintenance budget spent	% of budget spent	All	95.40%	98%	96.76%	O
TL65	Municipal parks and recreational areas is provided to all households measured by the provisioning of recreational areas for all new formal and informal developments	% Of recreational areas for all new developments	All	New performance indicator for 2011-12. No comparatives available	100%	100%	G
TL75	Re-establishment of the sport office to service community sport needs, including a sport strategic framework by Mar 2012	Office established and framework submitted	All	New performance indicator for 2011-12. No comparatives available	100%	100%	G

**Table 162: SDBIP Community halls, Facilities and Parks**

## COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

### 3.33 EXECUTIVE AND COUNCIL

After the elections of the new council and the appointment of the new Municipal Manager the Breede Valley Council and Administration can be considered to be in a stable position as far as its day to day operations are concerned.

The Council in consultation with the administration set new strategic pillars on which the business of council will be conducted that were aligned with the provincial strategic framework.

Council set a sound tone of service delivery and also placed a lot of emphasis on good administration and enhancement of the quality and quantity of services.

#### 3.33.1 SERVICE STATISTICS – EXECUTIVE AND COUNCIL

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL27	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	New performance indicator for 2011-12. No comparatives available	4	4	G
TL28	Effective functioning of the executive Mayoral committee measured by the number of MayCo meetings	No of MayCo meetings per annum	All	New performance indicator for 2011-12. No comparatives available	10	10	G
TL20	The number of people from employment equity target groups employed in the three highest levels of management in funded vacancies for 2011-12 in compliance with the municipality's approved employment equity plan	Number of people employed	All	New performance indicator for 2011-12. No comparatives available	1	1	G
TL46	Annual report and oversight report of council submitted before the end of January	Report submitted to Council	All	100%	100%	100%	G
TL47	Functional performance audit committee measured by the number of meetings per annum	No of meetings held	All	1	4	2	R
TL44	No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	All	5	5	5	G

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Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL31	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	All	100%	100%	100%	G
TL42	Annual revision of the anti-corruption policy and implementation of quarterly awareness actions	Number of actions implemented	All	Developed and approved by Audit Committee and not yet by Council	4	1	R
TL43	Average Citizen satisfaction rate as per the survey	% Citizen satisfaction rate	All	New performance indicator for 2011-12. No comparatives available	70%	0%	R
TL41	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per ward per annum	All	6	84	63	O
TL35	IDP reviewed and approved annually by the end of May	IDP approved by the end of May	All	100%	100%	100%	G
TL40	Review of communication policy by end June to ensure effective communication with the community	Communication policy reviewed by end June	All	New performance indicator for 2011-12. No comparatives available	100%	100%	G
TL32	The municipality comply with all the relevant legislation	0 findings in the audit report on non-compliance with laws and regulations	All	0	0	0	G

**Table 163: SDBIP Executive and Council**

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### 3.34 FINANCIAL SERVICES

#### 3.34.1 SERVICE STATISTICS – FINANCIAL SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL25	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	New performance indicator for 2011-12. No comparatives available	2.08%	2.00	O
TL23	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year)	All	New performance indicator for 2011-12. No comparatives available	8.70%	9.06%	G 2
TL24	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	New performance indicator for 2011-12. No comparatives available	14.20%	14.26	G 2
TL59	Approved financial statements submitted by 31 August	Approved financial statements submitted	All	1	1	1	G
TL56	Compliance with GRAP 16, 17 & 102 to ensure effective asset management	0 findings in the audit report on non-compliance	All	0	0	0	G
TL57	Improved revenue collection	% Debt recovery rate	All	97%	95%	97.50%	G 2
TL60	Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	All	94.21%	100%	85%	O
TL61	Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	All	67.53%	95%	93.27%	O
TL58	No of Root causes of issues raised by AG in AG report of the previous financial year addressed to promote a clean audit	No of Root causes addressed	All	New performance indicator for 2011-12. No comparatives available	20	20	G
TL63	Review of valuation roll by June 2010	Review by June 2010	All	New performance indicator for 2011-12. No comparatives available	100%	100%	G
TL30	The adjustment budget is submitted to Council by the end	Adjustments Budget submitted by the end of	All	100%	100%	100%	G



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Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
	of February	February					
TL29	The main budget is submitted to Council by the end of March	Budget submitted by the end of March	All	100%	100%	100%	G

**Table 164: SDBIP Financial Services**

Debt Recovery						
Details of the types of account raised and recovered	2011-12			2012/13		
	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
	R		%	R	%	R
Property Rates	70 622 645	70 149 391	99	88 960 250	100	88 960 250
Electricity	218 014 236	215 014 160	99	249 884 192	100	249 884 192
Water	49 255 618	47 312 049	96	36 231 480	96.9	35 108 304
Sanitation	44 066 543	41 524 123	94	63 932 020	95.2	60 863 283
Refuse	28 445 441	27 276 567	96	57 966 036	97.1	56 285 020
Other	19 512 678	17 708 893	93	20 781 002	91.8	19 076 960

**Table 165: Service Standards for Financial Services**

### 3.34.2 CAPITAL EXPENDITURE – FINANCIAL SERVICES

The table below indicates the amount that was actually spent on financial services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
<b>Total All</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>0</b>	<b>218</b>
Safeguard Assets	200	200	200	0	200
Equipment	18	18	18	0	18

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

**Table 166: Capital Expenditure 2011-12: Road Services**

### 3.35 HUMAN RESOURCE SERVICES

The Human Resources Department contributes to managing the GAP between expectations and capacity of the Breede Valley Municipality.

The need for a Human Resources Strategy was identified to align our human resource policies and practices to support the accomplishment of the Breede Valley Municipality's mission, vision, goals and strategies. The focus is to invest in our human capital to contribute effectively, efficiently and economically to the achievement of short, medium and long term objectives of our Municipality.

The purpose of the human resources strategy is to maximise the potential of the employees at Breede Valley Municipality through:

- The acquisition of knowledge, skills and values;
- Increased work productivity to achieve a rising quality of life for all;
- Implementing an operational plan, together with the necessary institutional arrangements;

Achieving the following human resources strategies over a five year period to address the critical issues:

- Improve the foundations for human development and optimize personnel utilization
- Improve the supply of high quality skills, especially scarce skills which are more responsive to societal and economic needs
- Increase employer participation in lifelong learning by promoting learning opportunities
- Support employment growth through the EPWP projects, innovation & development
- Improve professionalism and ethical work practices

The Human Resources Department established ten key objectives for the human resource support services.

- Review the institutional Structure (restructuring to accommodate new critical needs for effective, efficient and economical service delivery)
- TASK grading and job evaluation (Job descriptions with profiles, competencies and performance standards)
- Recruitment, selection and assigning employees (right person in right position with required competencies and skills)
- Implement Employment Equity targets to address the under representation of black people, women and disabled people in the demographic profile of Breede Valley Municipality
- Training and development of staff capacity (management skills on lower, middle and senior levels)
- Compiling standard operating procedures as guidelines for performance standards and identification of skills gaps. Implement succession planning and multi-skilling.
- Compile critical HR Policies, related procedures and control mechanisms (e.g. succession planning, scarce skills,

coaching of staff, etc.)

- Discipline improvement (increase in productivity, support to Area Managers with the management of people, motivation of staff, addressing incapacity due to illness or poor performance)
- Industrial relations (improve relationship with Unions – optimize staff potential, full utilization of staff, improve motivation and productivity and address incapacity cases)
- Health and Safety (maintain a safe and healthy work environment, safety audit completed critical safety hazards addressed, decrease in job injuries)

### 3.35.1 SERVICE STATISTICS –HUMAN RESOURCE SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL21	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	1.50%	1%	0.82%	O
TL45	Institutional Performance management system in place and implement levels 0 - 6 (Van der Merwe system)	Number of levels implemented	All	New performance indicator for 2011-12. No comparatives available	6	6	G
TL52	Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	13	4	3	O
TL53	Revise identified HR policies by the end of June to ensure compliant and up to date HR policies	No of policies reviewed	All	100%	5	5	G
TL51	Creation of an effective institution with sustainable capacity	% Budgeted vacancy level as % of approved organogram (National norm between 10-15%)	All	100%	15%	15%	G
TL54	Implementation of skills development plan with targeted skills development	No of personnel actually trained as per the approved budget	All	New performance indicator for 2011-12. No comparatives available	200	225	G 2

**Table 167: SDBIP Human Resource**

### 3.35.2 CAPITAL EXPENDITURE – HUMAN RESOURCE SERVICES

The focus of Human Resources was to determine a status quo report in June 2012 regarding the identification of achievements and challenges that were experienced. The most important challenge was to finalise the process of compiling a new organisation structure for Breede Valley Municipality with new job descriptions and performance standards linked to each position in the structure.

Achievements included improved monitoring and evaluation controls over overtime, absences without permission, disciplinary actions, misuse of sick leave and dealing with incapacity due to illness cases. The importance of people management was emphasized with all Line Managers and continuous feedback reports were provided to the Management Team.

The Local Labour Forum and Training Committee meetings were scheduled on a regular basis which resulted in overall improved relationships with the unions and therefore labour force.

Critical needs identified for the future budgeting process were:

- the filling of vacant positions in the human resources department
- obtain an integrated human resources data management system
- obtain an electronic time and attendance register system
- Implementation of the TASK Job Evaluation System with a related financial impact regarding higher evaluated positions in the new organisation structure

### 3.36 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

Our world has become totally dependent on Information and Communication Technology (ICT) to the extent that a national power outage for even one day can be classified as a disaster, the effect of which cannot realistically, accurately be determined. Should such an outage go beyond one day into days, or even weeks, the results cannot even be imagined. Our world in Breede Valley Municipality is similarly as dependant on ICT.

The ICT department has therefore endeavoured to provide, within our means, reliable systems, reliable and easily accessible data, and support to the users.

During the past year we virtualized the last physical servers so that we now have 17 virtual servers running on 3 hypervisors thus reducing the number of physical servers to a minimum. Should a hypervisor fail the software automatically switches the servers running on the failed machine to one of the remaining servers. Users will most likely not notice if such an event should occur.

During the past year we have also managed to improve our backup system so that we have backups of all the data stored on the servers every day. The system we had been using proved to be unreliable in certain cases in that it failed to do backups and the backup process was so slow that full backups could no longer be performed in a full

working day. The present backup process gives us a full backup in less time.

In the past year we lost only one full day after the air conditioners failed to automatically switch on after a power outage and server shut down automatically to prevent damage. Where radio links failed communication was automatically switched over to ADSL lines. The company providing the support on the radio network have not only been quick in responding to service calls but have kept up an effective preventative maintenance program. Replacing the radio links with optic fibre during the next financial year is being planned but the availability of funds will determine if it will actually take place or not.

The major challenge to achieving our goals is a lack of finance.

One of our staff members accepted a job offer in Cape Town and had to be replaced. The new technician has experience that is invaluable to us as a team. Old equipment at workstations has placed a considerable additional burden on the technical staffs who is constantly working to enable users to continue their work.

The ICT department has spent time in the 2011/2012 financial year to improve the physical security of the ICT department. A biometric access control systems was installed in the department. The system is also used for time and attendance.

The annual audit was done by the Auditor General during the August/September period. Various aspects were covered by the audit. Of significance was the security and segregation of duties in the financial systems that have been 'n problem for a number of years. Although requests had been made to the suppliers of the software to change the said aspects, it hadn't been done by the time the audit was done. Subsequent to the audit a new version of the software was installed with the necessary changes in to address the security and segregation of duties.

The ICT department immediately set about changes to implement changes to address the Auditor General's queries.

### **3.36.1 SERVICE STATISTICS – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Details	2011-12	2012/13	
	Estimate No.	Actual No.	Estimate No.
	%		
Ensure the availability of the network to ensure effective ICT systems for municipal processes (Down-time)	< 5	0.33	< 5
Provide ICT support to all municipal departments by attending to requests within 4 working days	90	90	90
Connecting all municipal sites to the ICT network	60	100	100
% of viruses identified / reported & attended to	100	100	100
% of queries resolved within 8 working hours	95	98.33	95

**Table 168: Service Data For Information And Communication Technology (ICT) Services**

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

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Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL49	Review the Information and Communication Technology master systems plan by end June	Plan reviewed by the end of June	All	New performance indicator for 2011-12. No comparatives available	100%	90%	O

**Table 169: SDBIP ICT**

### 3.36.2 CAPITAL EXPENDITURE – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The table below indicates the amount that was actually spent on information and communication technology services projects for the 2011-12 financial year:

Capital Projects	2011-12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R					
Microsoft Licences	161 868	0	156 928	4 940	161 868
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

**Table 170: Capital Expenditure 2011-12: Information and Communication Technology (ICT) Services**

Due to financial constraints very little capital has been available to fund projects. What money we have had available has been paid toward Microsoft licences.

### 3.37 RISK MANAGEMENT AND INTERNAL AUDIT

The Accounting Officer is responsible in terms of the MFMA to ensure that the municipality has and maintains effective, efficient and transparent systems of Risk Management, and Internal Audit operating in accordance with any prescribed norms and standards

#### Risk Management:

The Internal Audit Activity were tasked with the following responsibilities as per the Public Sector Risk Management Framework under section 29(5):

- (a) assisting Management to develop the risk management policy, strategy and implementation plan;
- (b) co-ordinating risk management activities;

- (c) facilitating identification and assessment of risks;
- (d) recommending risk responses to Management; and
- (e) Developing and disseminating risk reports.

Although the Internal Audit Activity was held responsible for the above, management took ownership of risks and the mitigation thereof. The Internal Audit Activity's main focus in terms of risk management was the facilitation of the identification and assessment of risks, and the reporting thereon to Council and relevant stakeholders. The risk assessment report was used to create a register of risks within the municipality, and which Internal Audit utilised to create its Risk Based Internal Audit Plan.

The recruitment and selection process of the Chief Risk Officer will be addressed during the 2012/2013 financial year with the appointment to be ensured in the first quarter. The above priorities will then be addressed.

#### Internal Audit:

The Internal Audit Activity had the following responsibilities in terms of the MFMA(Section 165) and the Systems Act(Section 46) which translated into the following key priorities:

- Completion of the 2011/2012 Risk Based Audit Plan.
- The creation & approval of the 3 year Strategic Internal Audit Plan (2012-2015) & Risk Based Annual Audit Plan (2012/2013).
- Auditing of Performance Information (Audit of Predetermined Objectives).
- Co-ordination and support Audit Committee & Performance Audit Committee meetings.

Only 50% of all scheduled audits were completed due to a lack of resources, which was compounded by the fact that the Chief Audit Executive position was vacant for 10 months of the financial year. The approved Risk Based Audit Plan was therefore amended to be brought in line with existing resources. The Internal Audit structure was also amended to be in line with best practice in terms of the IIA Standards, and so approved by Council.

The creation and approval of the 3 year Strategic Internal Audit Plan & Risk Based Audit Plan for the 2012/2013 financial year was ensured prior to the start of the new financial year. The audit coverage planned, focuses audit effort on the critical risk areas of the municipality (as per legislation) and also takes into consideration existing resources.

The Audit of Performance Information (PDO Audit) could not be concluded before the end of the financial year, and is rolled over to the new financial year for completion. It is envisaged that reporting on the 2011/2012 financial year, as well as legislative compliance will be ensured in the new financial year.

Co-ordination and support to the Audit Committee and Performance Audit Committee has been ensured, as well as legislative compliance in terms of number of meetings.

Legislative compliance and alignment of the Internal Audit Activity with best practices as prescribed by the Institute of Internal Auditors (IIA) is the major efficiencies achieved by this section during the year under review, in comparison

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with previous years. Although not fully compliant in all areas yet, the execution of a Quality Assessment Review(QAR) from an IIA approved assessor will go a long way in ensuring that the Internal Audit Activity fully complies with International Standards for the Professional Practice of Internal Auditors.

### 3.37.1 SERVICE STATISTICS – INTERNAL AUDIT

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL48	Risk based audit plan approved by June	Plan approved	All	100%	100%	100%	G

*Table 171: SDBIP Internal Audit*

### 3.37.2 CAPITAL EXPENDITURE –RISK MANAGEMENT AND INTERNAL

No capital was budgeted for either of these sections during the year under review.

The Internal Audit Activity urgently needed to replace and acquire certain capital items for our service delivery not to be hampered, and it was therefore motivated that the unfunded capital items be acquired by utilising the savings on Internal Audit's Budget, due to vacancies in the section. Equipment such as computer and office equipment is priority as these has already passed its useful lives.

## 3.38 LEGAL SERVICES

### 3.38.1 SERVICE STATISTICS –LEGAL SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL50	Effective and up to date By-laws	No of By-laws review annually	All	100%	18	18	G

*Table 172: SDBIP Legal Services*

The table below indicates the service data for legal services:

Details	2010/11	2011-12	
	Actual No.	Estimate No.	Actual No.
All new legislation and proclamations distributed to all Departments	This distribution is done electronically	Not applicable	Electronic distribution direct assessable from Lexis Nexis and Butterworths.
Promulgate by-laws	None	None	1 Traffic Parking meters 1 Liquor Hour By-Law



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Details	2010/11	2011-12	
	Actual No.	Estimate No.	Actual No.
Provide legal opinions and input on policies, contracts, agreements, legislation, by-laws and authorities	Done on request	Done on request	Done on request, difficult to list all, because received some verbally and not always in writing.

**Table 173: Service Data for Legal Services**

### 3.38.2 CAPITAL EXPENDITURE –LEGAL SERVICES

No capital budget was allocated for the legal services for the 2011-12 financial services.

Only one person in this department.

Completed many legal matters overall in the Municipality.

One outstanding highlight will be the successful High Court Defence of a Tender claimant in the nature of R 36 MIL. For the extension of Stettynskloof Water Networks.

### 3.39 PROCUREMENT SERVICES

The procurements main focus for the financial year was to ensure sound procurements practices in line with the regulatory framework and also to ensure that the response time of procurement are to such an extent that it enhances services delivery.

A workshop was held and an action plan was compiled and implemented. The response time of procurement did improve but further progress is needed.

#### 3.39.1 SERVICE STATISTICS –PROCUREMENT SERVICES

Below are Key Performance Indicators as per the Service Delivery Budget Implementation Plan (top layer):

Ref	KPI	Unit of Measurement	Wards	Actual 2010/11	Overall Performance 2011-12		
					Target	Actual	
TL62	Compliance with the SCM Regulations (MFMA) measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0	0	0	G

**Table 174: SDBIP Procurement Services**

## COMPONENT I: ORGANISATIONAL PERFORMANCE

### SCORECARD

#### 3.40 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2012/13

The main development and service delivery priorities for 2012/13 forms part of the Municipality's top layer SDBIP for 2012/13 and are indicated in the tables below:

##### 3.40.1 ASSURE A SUSTAINABLE FUTURE THROUGH SOUND FINANCIAL MANAGEMENT, CONTINUOUS REVENUE GROWTH CORPORATE GOVERNANCE AND RISK MANAGEMENT PRACTICES

KPI	Unit of Measurement	Wards	Annual Target
Compilation of an Operation Clean Audit Plan by the end of March 2013	Plan completed	All	1
Develop a long term Finance and Investment Strategy by the end of March 2013	Strategy completed	All	1
Develop a revenue enhancement strategy by the end of December 2012	Strategy completed	All	1
Improved revenue collection	% Debt recovery rate	All	96%
Submit approved financial statements in terms of the MFMA by 31 August 2012	Approved financial statements submitted	All	1
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	2.08
Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue- operating grants received)/debt service payments due within the year) (%)	% achieved	All	8.70%
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	Ratio achieved	All	14.2
Complete a feasibility study for Kleinplasie by the end of December 2012	Study completed	All	1
Complete a feasibility study regarding the viability and management of Nekkies Resort by the end of March 2013	Study completed	All	1

Table 175: Services Delivery Priorities for 2012/13

**3.40.2 ENSURE A HEALTHY AND PRODUCTIVE WORKFORCE AND AN EFFECTIVE AND EFFICIENT WORK ENVIRONMENT**

<b>KPI</b>	<b>Unit of Measurement</b>	<b>Wards</b>	<b>Annual Target</b>
Finalise outstanding by-laws and review any by-laws identified by Council	Number of by-laws reviewed	All	2
Complete a feasibility study on the most cost effective and affordable office accommodation utilised by the end of June 2013	Study completed	All	1
Complete a feasibility study on the real need and affordability of security services by the end of June 2013	Study completed	All	1
Develop a fleet management policy for the utilisation, disposal and maintenance of vehicles by the end of March 2013	Policy completed	All	1
Implement a system to monitor fleet utilisation by the end of December	% completed	All	100%
Develop the Strategic ICT Plan by the end of November 2012	Plan completed	All	1
% Budgeted vacancy level as % of approved organogram (National norm between 10-15%)	% vacancy	All	15%
Complete an in-house audit on the completeness of human resource documents of all personnel on Collaborator by the end of June 2015	Number of employees with complete personal files	All	500
Targeted skills development measured by the % of the budget spent on implementation of the workplace skills plan	% of the total budget spent	All	1%
Institutional Performance management system in place and implement levels 0 - 6 (Van der Merwe system) by the end of June 2013	Number of levels implemented	All	6
Employment Equity Plan completed and submitted to Council for approval by the end of September 2012	Plan completed	All	1
Develop an action plan to address the top 10 municipal risks by the end of September 2012	Action plan completed	All	1
Completion of the Quality assurance review of the Internal Audit work	Assessment completed	All	1

**Table 176: Services Delivery Priorities for 2012/13**

**3.40.3 PROVIDE DEMOCRATIC, ACCOUNTABLE GOVERNMENT FOR LOCAL COMMUNITIES AND ENCOURAGE INVOLVEMENT OF COMMUNITIES AND COMMUNITY ORGANISATIONS IN THE MATTERS OF LOCAL GOVERNMENT**

KPI	Unit of Measurement	Wards	Annual Target
Section 57 performance agreements signed by the end of July	Number of performance agreements signed	All	5
Develop and communicate a client service charter with service standards acceptable to all customers by the end of June 2013	Charter completed	All	1
Facilitate the compilation of ward based development plans	Number of ward based development plans completed	All	21
Internal and external anti-corruption awareness initiatives	Number of initiatives	All	2
Risk based audit plan approved by June 2013	Plan approved	All	100%
Develop a communication strategy by the end of July 2013	Strategy completed	All	100%

**Table 177: Services Delivery Priorities for 2012/13**

**3.40.4 TO CREATE A UNIQUE AND CARING VALLEY OF SERVICE EXCELLENCE OPPORTUNITY AND GROWTH**

KPI	Unit of Measurement	Wards	Annual Target
Completion of a new 11/66kV electricity substation at Worcester by the end of November 2012	% of project completed	9; 10; 11; 12; 13; 14	100%
Electricity assets is maintained in terms of the prioritised maintenance per the maintenance plan within approved maintenance budget	% of maintenance budget of electricity spent	All	96%
Manage the electricity provisioning systems to limit electricity losses to less than 8%	% of total electricity losses	All	14
Implement actions to comply to matters identified in the registered waste facility audits	Number of activities	All	4
Public awareness initiatives with regard to recycle of solid waste	Number of initiatives	All	1
Complete the upgrade of the sewerage purification systems (Bulk services) in Worcester by the end of November 2012	% completion of the project	All	100%
Development of a Storm water Master Plan by the end of June 2013	% completion of the plan	All	100
Quality of waste water discharge measured by the % waste water discharge that comply with microbial content	% waste water discharge that comply with microbial content	All	95%
Completion of Phase 1 of the upgrade of Steynskloof Supply Pipe Line by June 2013	% of project completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14;	100%

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KPI	Unit of Measurement	Wards	Annual Target
		15; 16; 17; 18; 19; 20; 21	
Limit unaccounted water to less than 30%	% of water unaccounted for	All	30
Excellent water quality measured by the quality of water as per SANS 241 criteria	% water quality level	All	95%
Execution of water saving awareness initiative in terms of the Water Demand Management plan	Number of initiatives	All	2

**Table 178: Services Delivery Priorities for 2012/13**

### 3.40.5 TO CREATE AN ENABLING ENVIRONMENT FOR EMPLOYMENT AND POVERTY ERADICATION THROUGH PROACTIVE ECONOMIC DEVELOPMENT AND TOURISM

KPI	Unit of Measurement	Wards	Annual Target
Value of contracts assigned to SMME's to enhance economic development	Value of contracts assigned	All	R 3,300,000
The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created of contracts assigned to SMME's	All	50
Develop a comprehensive Tourism Strategy by the end of March 2013	Strategy completed	All	1
Develop a development charter by end December 2012	Charter completed	All	100%
Develop a draft major events strategy and policy by end June 2013	Strategy and policy completed	All	100%
Develop a marketing and advertising strategy by the end of June 2013	% completed	All	100%
Develop a public-private marketing plan by end June 2013	Plan completed	All	100%
Establish an economic development leadership committee by end August 2012	Committee established	All	100%
Finalise the long term economic development strategy by end September 2013	Strategy completed	All	100%
Identify tourism routes and incorporate the routes within the SDF by end June 2013	% completed	All	100%

**Table 179: Services Delivery Priorities for 2012/13**

### 3.40.6 TO ENSURE A SAFE HEALTHY CLEAN AND SUSTAINABLE EXTERNAL ENVIRONMENT FOR ALL BREEDE VALLEY'S PEOPLE

KPI	Unit of Measurement	Wards	Annual Target
Disaster Risk Management plan reviewed by the end of March 2013	Plan reviewed	All	1
Compile a feasibility study on the establishment of a municipal court by the	Study completed	All	1

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KPI	Unit of Measurement	Wards	Annual Target
end of December 2012			
High profile community complaints effectively negotiated and resolved within one month after complaint has been lodged	Number of results achieved / number of high profile complaints lodged (%)	All	95%
Implement a comprehensive law enforcement strategy to decrease high risk violations by 2%	% decrease	All	2%
Investigate the installation of speed over distance camera's by March 2013 in an effort to decrease speed violations	Investigation completed	All	100%

**Table 180: Service Delivery Priorities for 2012/13**

### 3.40.7 TO PROVIDE MAINTAIN AND ASSURE BASIC SERVICES AND SOCIAL UPLIFTMENT FOR THE BREDE VALLEY COMMUNITY

KPI	Unit of Measurement	Wards	Annual Target
Develop a management and maintenance plan for owned municipal office buildings and halls by the end of June	Plan developed	All	1
Complete the Human Settlement Plan for approval by Council by the end of December 2012	Plan completed	All	1
Identify land for Klipvlakte and register it as a project with the Provincial Administration of the Western Cape by the end of June 2013	Number of projects	2	1
Provision of new houses to beneficiaries	Number of houses	2; 3; 4; 16; 17; 18; 19; 20; 21	442
Provision of free basic electricity in terms of the equitable share requirements	Number of households receiving free basic electricity	All	6,600
Provision of free basic refuse removal in terms of the equitable share requirements	Number of households receiving free basic refuse removal	All	6,600
Provision of free basic sanitation in terms of the equitable share requirements	Number of households receiving free basic sanitation	All	6,600
Provision of free basic water in terms of the equitable share requirements	Number of households receiving free basic water	All	6,600
New electricity connections to provide electricity reticulation to new housing developments	Number of new electricity connections	16; 17; 18	200
Develop and complete the Sport Strategy by the end of September 2012	Strategy completed	All	1

**Table 181: Service Delivery Priorities for 2012/13**



# Chapter 4: Organisational Development

## Performance



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART I)

### A) NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2010/11	2011-12
The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	0	2 Colour Males 1 White Female
The percentage of a municipality's budget actually spent on implementing its workplace skills plan ( <b>R199 676 360 Personnel Budget and R3 674 219 for overall training</b> )	0.26	1.84

Table 182: National KPIs– Municipal Transformation and Organisational Development

### B) HIGHLIGHTS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Highlight	Description
Impact of improved people management	Appointment of the new Municipal Manager, Mr G Matthyse at the Breede Valley Municipality on 1 March 2012.
	Compilation of a new Organisation Structure to ensure efficient, effective and economic service delivery in terms of the new Integrated Development Plan.
	Submitted the Employment Equity reports to Department of Labour and a draft Employment Equity Plan for the period 2012 until 2017 was compiled.
	Workshops were held at different work premises to explain the purpose of the Employment Equity Act to all employees at Breede Valley Municipality.
	Various policies were compiled to ensure adherence with legislative requirements and collective agreements.
Impact of improved people management	The Skills Development Training Report was approved and submitted to LGSETA on 28 June 2012, reflecting all the training that took place for the 2011/2012 financial year. Emphasis was placed on the municipal competency modules, internships and learner ships e.g. Water and process control, auditing, financial procedures, etc.
	The new Skills Development Plan for the 2012/2013 period was compiled and approved at the Training Committee Meeting which was held on 26 June 2012. This plan is based on prioritised training needs in the different departments to address skills shortages and lack of competencies.
	There was a decrease in the overtime payments, compared to the 2010/2011 financial year. This was achieved through improved control mechanisms where planned overtime must be motivated and approved in a prescribed format.



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Highlight	Description
	There was an improvement in absences from work without permission as the employees did not receive any pay and the required disciplinary action was taken.
	There are continuous investigations regarding incapacity due to poor performance and illness.
	Increase in dismissals due disciplinary actions that were taken as a result of misconducts.

**Table 183: Highlights – Municipal Transformation and Organisational Development**

### c) CHALLENGES – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Challenge	Actions to address
High Labour Turnover	Compile an Award and Incentive Policy Compile a Retention and Scarce Skills Policy
Poor overall performance of employees	Implement job descriptions with specific inputs, outputs and outcomes with operating standards that need to be achieved Performance evaluations of staff in terms of their job descriptions Address high level of absences from work and abuse of sick leave through incapacity due to illness and incapacity due to poor performance investigations
Employed staff who do not meet the minimum requirements in terms of job specifications	Identify the skills gaps by comparing the skills audits with the requirements of the job descriptions in order to arrange training and development to address the shortcomings.
Lack of office space and outdated or ineffective equipment has a direct impact on performance of employees	Investigate the extent of the problems and address it in the new budget for 2012/2013
Restructuring and alignment of the organizational structure.	To really ensure that we use our staff compliment in the most effective and efficient way it became a priority to ensure that we review the organisational structure in the context of proper alignment to ensure effectiveness and efficiency in service delivery along with economy in resource utilization.
Local Economic Development and as a result broadening of the Tax base	The Municipality is in process to upgrade certain of its bulk services, such as the Worcester Waste Water Treatment Plant in order to create the capacity for future developments
High economic pressures during the 2010/2011 financial year that had a negative impact on service delivery	Improve the debt recovery rate further Enhance LED to eventually broaden the Tax base and promote employment creation Create an understanding with management and the community that it can't be business as usual.
Low moral & unacceptable conduct of staff that sometimes culminates in unprofessional and disloyal behaviour.	The implementation of an appropriate code of conduct, strengthened by a performance management system that speaks to all levels of the municipality will definitely assist to address the issue. Staff moral need to be further enhance through a proper PMS that are linked to a recognition and reward system
Greater focus on Local Economic Development.	The collaboration with other stakeholders, such as business, to ensure that the investment made in the upgrading of our bulk services, with reference to the Worcester Waste Water Treatment Plant, are being capitalised on, especially with the aim in mind to better the life of the poor through job creation.
Broadening the Tax base of the municipality.	To ensure an appropriate revenue resource based that will enhance financial health and sustainability.
Create a greater sense of responsibility in the broader Breede Valley community.	Create a sense of responsibility that speaks to the moral generation of a society with self-respect and pride and an understanding that something, like for instance irresponsible refuse/ rubbish distribution, above others, can create a high cost

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Challenge	Actions to address
	burden on the coffers of the municipalities and may result in unnecessary tariff increases for the community's pockets.
Squatter Control and control on informal settlements.	There's a need that squatter control are constructively implemented to reduce the further expansion of a situation that will not only become uncontrollable but will impact negative on the resources and pockets of the Breede Valley Society.
Proper prioritization of limited resources.	To efficiently, effectively and economically address the ultimate priorities of basic service delivery and as a result proper control over expenditures, such as proper fleet management, etc. Will assist that limited resources end up in the right priorities.
Seek for innovative ways to provide/ render services.	To ensure that the required standard of service delivery, such as, refuse removal & filling of potholes etc. are rendered, it is important that new ways are found to deal with service delivery, due to the fact that we know that resources are limited. It can't be business as usual.
Constant and continuous improvement of debt recovery;	Although the debt recovery rate is good, the good is not well enough anymore and BVM acknowledge that it need to pull all stops to improve on the current rate.
To ensure the successful implementation of the Vision, Mission and objectives of the new political regime, etc.	This really indicates the importance of the alignment of the administration to ensure the staff is keen to implement the objectives to the best of their ability.
Expenditure Management	To ensure that proper control take place over expenditures such as, Fleet Management, Overtime, telephones, Leave Administration, etc.

**Table 184: Challenges – Municipal Transformation and Organisational Development**

### 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Breede Valley Municipality currently as at 30 June 2012 employs **930** permanent officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

### 4.1.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

#### A) EMPLOYMENT EQUITY TARGETS/ACTUAL

The new Manager: Human Resources compiled a draft Employment Equity Plan for the period 2012 – 2017. The only approved plan to date is the 2010 – 2015 EE Plan. The temporary Employment Equity Officer completed the EEA2 and EEA4 reports for Department of Labour which was submitted on 16 January 2012.

#### B) EMPLOYMENT EQUITY VS. POPULATION

Description	African	Coloured	Indian	White	Total
Population numbers	29 235	95 790	516	20 492	146 033
<b>% Population</b>	<b>20.01</b>	<b>65.59</b>	<b>0.35</b>	<b>14.03</b>	<b>100</b>
Number for positions filled	232	605	1	92	930
<b>% for Positions filled</b>	<b>0.7</b>	<b>0.6</b>	<b>0.1</b>	<b>0.4</b>	<b>0.6</b>

*Table 185: EE population 2011-12*

Note: The total population numbers is based on projection done by the Breede Valley municipality

#### C) OCCUPATIONAL CATEGORIES – RACE

Below is a table that indicate the number of employees by race within the specific occupational categories:

Posts filled									
Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	3	9	1	9	0	0	0	2	24
MM, S57, Senior Management	3	9	1	9	0	0	0	2	24
Professionals	3	14	0	6	2	12	0	2	39
Technicians & associate professionals	2	46	0	22	1	0	0	1	72
Clerks	22	59	0	8	38	100	0	21	248
Service and sales workers	22	60	0	16	6	20	0	3	127
Craft and related trades workers	5	21	0	0	0	0	0	0	26
Plant and machine operators and assemblers	12	53	0	0	1	0	0	0	66
Elementary occupations	95	161	0	1	21	50	0	0	328
<b>Total permanent</b>	<b>164</b>	<b>423</b>	<b>1</b>	<b>62</b>	<b>69</b>	<b>182</b>	<b>0</b>	<b>29</b>	<b>930</b>

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Posts filled									
Occupational	Male				Female				Total
categories	A	C	I	W	A	C	I	W	
Non- permanent	7	16	0	0	3	7	0	3	36
<b>Grand total</b>	<b>171</b>	<b>439</b>	<b>1</b>	<b>62</b>	<b>72</b>	<b>189</b>	<b>0</b>	<b>32</b>	<b>966</b>

*Table 186: Occupational Categories*

### D) OCCUPATIONAL LEVELS - RACE

The table below categories the number of employees by race within the occupational levels:

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top Management	1	3	0	1	0	0	0	0	5
Senior management	2	6	1	9	0	0	0	2	20
Professionally qualified and experienced specialists and mid-management	4	23	0	16	2	14	0	2	61
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	26	112	0	32	14	48	0	18	250
Semi-skilled and discretionary decision making	35	113	0	4	31	70	0	7	250
Unskilled and defined decision making	95	166	0	1	22	50	0	0	334
<b>Total permanent</b>	<b>163</b>	<b>423</b>	<b>1</b>	<b>63</b>	<b>69</b>	<b>182</b>	<b>0</b>	<b>29</b>	<b>930</b>
Non- permanent employees	7	16	0	0	3	7	0	3	36
<b>Grand total</b>	<b>171</b>	<b>439</b>	<b>1</b>	<b>62</b>	<b>72</b>	<b>189</b>	<b>0</b>	<b>32</b>	<b>966</b>

*Table 187: Occupational Levels*

### E) DEPARTMENTS - RACE

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal Manager	1	6	0	3	2	2	0	1	15
Corporate Services	8	25	0	5	9	21	0	8	76
Financial Services	14	37	0	4	16	43	0	13	127
Public Safety and Community Services	27	59	1	17	21	55	0	4	184
Operational Services	113	297	0	33	21	61	0	3	528
<b>Total permanent</b>	<b>163</b>	<b>424</b>	<b>1</b>	<b>62</b>	<b>69</b>	<b>182</b>	<b>0</b>	<b>29</b>	<b>930</b>
Non- permanent	7	16	0	0	3	7	0	3	36
<b>Grand total</b>	<b>171</b>	<b>439</b>	<b>1</b>	<b>62</b>	<b>72</b>	<b>189</b>	<b>0</b>	<b>32</b>	<b>966</b>

*Table 188: Department - Race*

### 4.1.2 VACANCY RATE

The approved organogram for the municipality had **1 136** posts for the 2011-12 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **36** Funded Posts were vacant at the end of 2011-12, resulting in a vacancy rate of **3.87%**.

Below is a table that indicates the vacancies within the municipality:

Below is a table that indicates the funded vacancies within the municipality:

PER OCCUPATIONAL LEVEL		
Post level	Filled	Vacant
MM & MSA section 57 & 56	5	0
Middle management	20	0
Professionals	61	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	250	3
Semi-skilled workers	260	10
Unskilled and defined decision making	334	20
<b>Total</b>	<b>930</b>	<b>36</b>
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Municipal Manager	15	1
Corporate Services	76	0
Financial Services	127	1
Public Safety and Community Services	184	2
Operational Services	528	32
<b>Total</b>	<b>930</b>	<b>36</b>

*Table 189: Vacancy rate per post (salary) and functional level*

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The table below indicates the number of staff per level expressed as total positions and current vacancies express as full time staff equivalents:

Salary Level	Number of current critical vacancies	Number total posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	1	10	Risk Manager	10%
Chief Financial Officer	1	1	Head : Finance Plan	100%
Other Section 57 Managers	0	4	Not applicable	0%
Senior management	1	20	Legal Manager	5%
Highly skilled supervision	4	311	2 x Head : Technical Services 1 Electrician 1 Superintendent : Traffic	1.3%
<b>Total</b>	7	346 in terms of salary level groups 1 136 (2006 structure )	7 Positions	2%

**Table 190: Vacancy rate per salary level**

### 4.1.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a slight **decrease** from **4.4%** in 2010/11 to **4.05%** in 2011-12.

The table below indicates the turn-over rate over the last three years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2010/11	913	52	40	4.40%
2011-12	930	79 (include promotions, new funded positions and positions that became vacant)	42	4.05%

**Table 191: Turnover Rate**

*Note: the numbers are as at 30 June 2012.*

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The table below shows a breakdown of the different categories of the terminations:

Month	Appoint-ments	Promo-tions	Total	Retire-ments	Dismis-sals	Resigna-tions	Disabled	Death	Total
July 11	9	3	<b>12</b>	1	3	2	1	0	<b>7</b>
Aug 11	3	3	<b>6</b>	1	0	1	0	0	<b>2</b>
Sept 11	9	1	<b>10</b>	0	1	1	0	1	<b>3</b>
Oct 11	1	4	<b>5</b>	1	0	0	0	0	<b>2</b>
Nov 11	2	2	<b>4</b>	1	1	2	0	0	<b>4</b>
Dec 11	3	3	<b>6</b>	0	1	1	0	1	<b>3</b>
Jan 12	4	1	<b>5</b>	2	2	4	0	0	<b>8</b>
Feb 12	1	0	<b>1</b>	1	1	1	0	0	<b>3</b>
March 12	3	3	<b>6</b>	1	0	2	0	0	<b>3</b>
April 12	6	5	<b>11</b>	1	1	1	0	0	<b>3</b>
May 12	3	4	<b>7</b>	1	0	1	0	0	<b>2</b>
June 12	5	1	<b>6</b>	0	0	3	0	0	<b>3</b>
<b>Total</b>	<b>49</b>	<b>30</b>	<b>79</b>	<b>10</b>	<b>10</b>	<b>19</b>	<b>1</b>	<b>2</b>	<b>42</b>

*Table 192: Termination Categories*

## 4.2 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

### 4.2.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a slight **increase** for the 2011-12 financial year from **152** employees injured against **127 employees** in the 2010/11 financial year.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

The table below indicates the total number of injuries within the different directorates:

Directorates	2010/11	2011-12
Municipal Manager	1	0
Corporate Services	6	5
Financial Services	6	2
Public Safety and Community Services	7	18
Operational Services	107	117
<b>Total</b>	<b>127</b>	<b>152</b>

**Table 193: Injuries**

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

#### **4.2.2 SICK LEAVE**

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2011-12 financial year shows an **increase** when comparing it with the 2010/11 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

<b>Department</b>	<b>2010/11</b>	<b>2011-12</b>
Municipal Manager	68.00	77.50
Corporate Services	726.50	943.50
Financial Services	1 225.50	1 376
Public Safety and Community Services	2119	2 104
Operational Services	6 029.50	6 047
<b>Total</b>	<b>10 168.50</b>	<b>10 548</b>

**Table 194: Sick Leave**

**79** New appointments were made which contributed to an increase in the number of sick leave days taken. The sick leave increase in the office of the Municipal Manager and Corporate services were as a result of one employee who had two heart operations and were absent for more than three months and another employee who received on-going treatment for cancer.



### 4.2.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Recruitment and Selection Policy	February 2011
OHSACT Policy	February 2011
Policies still to be developed	
Name of policy	Proposed date of approval
HIV and AIDS policy	January 2013
Smoking policy	January 2013
Bursary policy	January 2013
Essential users scheme policy	January 2013
Review of Recruitment and Selection Policy	April 2013
Disciplinary Policy and Procedure	April 2013
Employee Assistance Programme	April 2013
Employee Study Aid and Leave Policy	April 2013
Incapacity : Managing Poor Performance Policy	April 2013
Incapacity : Chronic Illness Policy	April 2013
Private Work	April 2013
Nepotism Policy	April 2013
Employment Imprisonment Policy	April 2013
Substance Abuse Policy	April 2013
Sexual Harassment Policy	April 2013
Overtime Policy	April 2013
Annual Closing of Municipal Offices : Policy	April 2013
Private Protective Equipment : Policy	April 2013
Rewards and Incentives : Policy	April 2013
Individual Performance Management : Policy	April 2013

**Table 195: HR policies and plans**

The Human Resources Policies were part of the agenda for the Local Labour Forum meeting that was scheduled for 10 February 2012. A workshop must be scheduled with all stakeholders to work through each policy. All Councillors and members of the Local Labour Forum Meeting will participate in this workshop. This workshop is planned for the first week in December 2012.

#### **4.2.4 EMPLOYEE PERFORMANCE REWARDS**

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- (1) The annual report for the financial year under review has been tabled and adopted by the municipal council;
- (2) An evaluation of performance in accordance with the provisions of regulation 23; and
- (3) Approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of Section 57 that received performance rewards for the 2010/11 financial year. The 2011-12 financial year's performance bonuses will only be awarded after the annual report was tabled:

<b>Race</b>	<b>Gender</b>	<b>Number of beneficiaries</b>	<b>Total number of employees received performance rewards</b>	<b>% Employees received performance rewards</b>
African	Female	-	-	-
	Male	1	1	100%
Asian	Female	-	-	-
	Male	-	-	-
Coloured	Female	-	-	-
	Male	3	3	100%
White	Female	-	-	-
	Male	1	1	100%
Disability	Female	-	-	-
	Male	-	-	-
<b>Total</b>		<b>5</b>	<b>5</b>	<b>-</b>

**Table 196: Performance Rewards**

The Performance Management System was rolled out to all employees from post level 1 to post level 3 during the 2011/2012 financial period. PMS will be rolled out to post level 6 during the 2012/2013 financial period.

### 4.3 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

#### 4.3.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	5	3
Legislators, senior officials and managers	Female	2	2
	Male	18	16
Associate professionals and Technicians	Female	3	2
	Male	65	52
Professionals	Female	10	8
	Male	42	35
Clerks	Female	62	35
	Male	35	14
Service and sales workers	Female	46	35
	Male	55	17
Craft and related trade workers	Female	0	00
	Male	0	0
Plant and machine operators and assemblers	Female	3	2
	Male	32	19
Elementary occupations	Female	80	55
	Male	185	75
<b>Sub total</b>	<b>Female</b>	<b>206</b>	<b>139</b>
	<b>Male</b>	<b>437</b>	<b>231</b>
<b>Total</b>		<b>634</b>	<b>370</b>

**Table 197: Skills Matrix**

*Note: The reason why the figures differ from those in table 63 is due to the fact that some employees that have been identified for training are being identified for more than one training/workshop/skills course. In some instances the employees that are attending learnerships are also booked for a skills course.*

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The reason for the total work force not being trained is due to the following:

- Most of the training budget was spent on the Minimum Competency training for compliance purposes (1 January 2013 – National Treasury Regulations)
- Shortage of staff to be released for training

The following training was implemented.

- Computer Training : MS Word and MS Excel Intermediate and Advances
- Minimum Competency Training
- Water Learner Ships
- Admin and Bookkeeping Learner Ship
- Telematic Water Learner Ship
- Local Government Accounting Certificate
- Internal Audit Technician
- Diversity Training
- Health and Safety Training

### 4.3.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1) (f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	0	0	0	0	0	0	0	0
	Male	5	0	0	3	5	3	5	40
Legislators, senior officials and managers	Female	2	0	0	1	1	1	1	0
	Male	18	1	1	13	17	14	18	22
Professionals	Female	18	1	1	7	7	8	8	0
	Male	43	0	0	25	35	25	35	28
Technicians and associate professionals	Female	80	1	5	1	3	2	8	75
	Male	170	0	0	35	60	35	60	42
Clerks	Female	72	18	35	25	60	43	95	55
	Male	98	5	10	25	45	30	55	45
Service and sales workers	Female	36	0	0	35	37	35	37	5
	Male	54	0	0	5	30	5	30	83
Craft and related	Female	0	0	0	0	0	0	0	0

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Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
trade workers	Male	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	32	0	5	1	8	1	13	92
	Male	67	15	25	12	45	27	60	55
Elementary occupations	Female	40	0	0	32	75	32	75	57
	Male	196	0	0	92	202	92	202	54
Sub total	Female	280	20	46	102	191	122	137	10
	Male	650	21	36	212	439	232	475	51
Total		930	41	97	314	630	355	727	51

*Table 198: Skills Development*

### 4.3.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 3 674 219** were allocated to the workplace skills plan and that **82.44%** of the total amount was spent in the 2011-12 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spent
R199 676 360	R3 674 219	R3 346 053.59	91.07

*Table 199: Budget allocated and spent for skills development*

LGSETA requires all municipalities to submit quarterly training reports with evidence of attendance in order to ensure that actual training is taking place in terms of the Skills Development Plan submitted for the 2011/2012 financial year.

## 4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

### 4.4.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

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Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000		%
2010/11	175 407	531 390	33
2011-12	187 613	604 726	31

**Table 200: Personnel Expenditure**

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2010/11	2011-12		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
<u>Councillors (Political Office Bearers plus Other)</u>				
Salary	7 344	8 288	8 717	8 443
Pension Contributions	763	835	658	683
Medical Aid Contributions	150	193	92	96
Motor vehicle allowance	1 208	1 317	2 130	2 101
Cell phone allowance	509	640	597	573
Housing allowance	171	206	60	60
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
Sub Total - Councillors	10 145	11 479	12 256	11 957
% increase/ (decrease)	(4.3)	13.1	20.8	17.9
<u>Senior Managers of the Municipality</u>				
Pension Contributions	3 121	3 289	4 260	3 998
Pension Contributions	207	331	335	170
Medical Aid Contributions	84	108	102	62
Motor vehicle allowance	551	590	485	490
Cell phone allowance	105	129	119	95
Housing allowance	0	0	0	0
Performance Bonus	519	608	608	296
Other benefits or allowances	113	207	206	162
In-kind benefits	0	0	0	0
Sub Total - Senior Managers of Municipality	4 700	5 262	6 115	5 273
% increase/ (decrease)	(0.9)	12.0	30.1	12.2
<u>Other Municipal Staff</u>				
Basic Salaries and Wages	99 184	116 422	110 910	105 782
Pension Contributions	16 442	19 539	18 631	18 019
Medical Aid Contributions	11 805	18 945	15 683	12 867
Motor vehicle allowance	3 971	4 735	4 558	4 395
Cell phone allowance	349	448	498	451

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Financial year	2010/11	2011-12		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Housing allowance	972	1 248	1 118	990
Overtime	10 239	5 493	9 683	9 569
Other benefits or allowances	17 600	20 353	20 222	18 312
<b>Sub Total - Other Municipal Staff</b>	<b>160 562</b>	<b>187 183</b>	<b>181 305</b>	<b>170 384</b>
<b>% increase/ (decrease)</b>	<b>(3.4)</b>	<b>16.6</b>	<b>12.9</b>	<b>6.1</b>
<b>Total Municipality</b>	<b>175 407</b>	<b>203 924</b>	<b>199 676</b>	<b>187 613</b>
<b>% increase/ (decrease)</b>	<b>(3.4)</b>	<b>16.3</b>	<b>13.8</b>	<b>7.0</b>

*Table 201: Personnel Expenditure*

*\*Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.*

# Chapter 5: Financial Performance





## CHAPTER 5: FINANCIAL PERFORMANCE

### Component A: Statements of Financial Performance

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

#### 5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2011-12 financial year:

Description	2010/11	2011-12			2011-12 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Financial Performance						
Property rates	57 142	60 798	61 083	62 914	3	1
Service charges	301 429	346 960	346 935	345 284	(0)	(0)
Investment revenue	9 404	9 546	9 546	9 906	4	4
Transfers recognised - operational	91 740	104 558	100 461	93 695	(10)	(7)
Other own revenue	32 003	39 524	38 213	37 960	(4)	3
Total Revenue (excluding capital transfers and contributions)	491 718	561 387	556 240	549 760	(2)	(1)
Employee costs	165 262	192 445	187 420	175 657	(9)	(6)
Remuneration of councillors	10 145	11 479	12 256	11 957	4	(2)
Depreciation & asset impairment	62 933	66 300	66 733	64 730	(2)	(3)
Finance charges	23 679	32 005	32 005	27 576	(14)	(14)
Materials and bulk purchases	177 074	208 753	208 828	214 320	3	3
Transfers and grants	166	150	150	149	0	0
Other expenditure	92 131	104 316	104 624	110 338	6	5
Total Expenditure	531 390	615 447	612 016	604 726	(2)	(1)
Surplus/(Deficit)	(39 671)	(54 060)	(55 776)	(54 966)	2	(1)
Transfers recognised - capital	49 543	30 567	46 747	45 734	50	(2)
Contributions recognised - capital & contributed assets	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	9 872	(23 493)	(9 028)	(9 233)	(61)	2
Share of surplus/ (deficit) of associate	0	0	0	0	0	0
Surplus/(Deficit) for the year	9 872	(23 493)	(9 028)	(9 233)	(61)	2
Capital expenditure & funds sources						
Capital expenditure						

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Description	2010/11	2011-12			2011-12 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Transfers recognised - capital	49 251	30 567	46 747	39 896	30.52	(14.66)
Public contributions & donations	291	0	0	5 837	100	100
Borrowing	77 981	75 114	80 875	20 401	(72.84)	(74.77)
Internally generated funds	10 011	7 832	10 723	7 843	0.15	(26.86)
<b>Total sources of capital funds</b>	<b>137 534</b>	<b>113 513</b>	<b>138 345</b>	<b>73 978</b>	<b>(34.83)</b>	<b>(46.53)</b>
<b><u>Financial position</u></b>						
Total current assets	198 743	160 394	160 394	184 784	15.21	15.21
Total non-current assets	1 802 841	1 818 543	1 827 220	1 811 102	(0.41)	(0.89)
Total current liabilities	129 637	113 377	113 377	129 726	14.42	14.42
Total non-current liabilities	377 560	405 926	405 926	369 162	(9.06)	(9.06)
Community wealth/Equity	1 494 387	1 459 634	1 468 312	1 496 998	2.56	1.95
<b><u>Cash flows</u></b>						
Net cash from (used) operating	75 968	55 548	58 199	68 238	22	17
Net cash from (used) investing	(128 098)	(108 663)	(118 495)	(16 327)	(85)	(86)
Net cash from (used) financing	78 207	27 654	27 721	(23 531)	(184)	(184)
<b>Cash/cash equivalents at the beginning of the year</b>	<b>11 204</b>	<b>35 989</b>	<b>37 257</b>	<b>37 280</b>	<b>4</b>	<b>0</b>
<b>Cash/cash equivalents at the year end</b>	<b>37 281</b>	<b>11 756</b>	<b>4 705</b>	<b>65 660</b>	<b>527</b>	<b>1 302</b>
<b><u>Cash backing/surplus reconciliation</u></b>						
Cash and investments available	127 281	90 465	90 465	100 660	11	11
Application of cash and investments	108 672	83 510	82 008	129 726	55	58
<b>Balance - surplus (shortfall)</b>	<b>18 609</b>	<b>6 955</b>	<b>8 457</b>	<b>(29 066)</b>	<b>(518)</b>	<b>(444)</b>
<b><u>Asset management</u></b>						
Asset register summary (WDV)	1 798 660	1 497 999	1 522 831	1 808 436	21	19
Depreciation & asset impairment	62 933	66 300	66 733	64 730	(2)	(3)
Renewal of Existing Assets	90	0	0	0	0	0
Repairs and Maintenance	35 896	35 791	36 716	37 588	5	2
<b><u>Free services</u></b>						
Cost of Free Basic Services provided	15 732	19 579	19 579	21 168	8	8
Revenue cost of free services provided	45 421	52 264	52 849	50 397	(4)	(5)
<b><u>Households below minimum service level</u></b>						
Water:	0	0	0	0	0	0
Sanitation/sewerage:	1	0	0	0	0	0
Energy:	0	0	0	0	0	0
Refuse:	0	0	0	0	0	0

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Description	2010/11	2011-12			2011-12 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						

**Table 202: Financial Performance 2011-12**

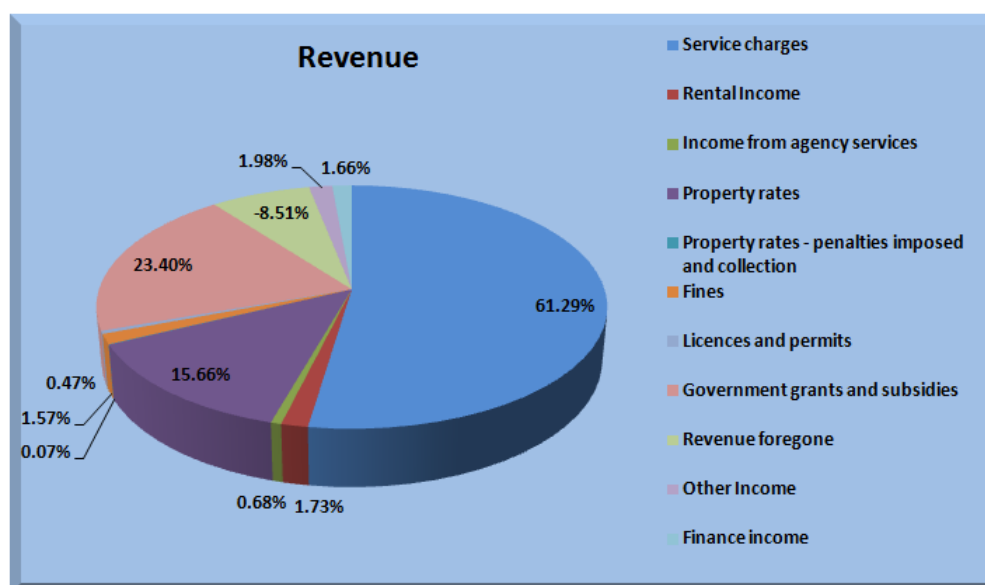
The table below shows a summary of performance against budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2010/11	570 522	541 261	(29 261)	(5)	568 230	531 390	(36 840)	(6)
2011-12	602 987	595 493	(7 494)	(1)	612 016	604 726	(7 290)	(1)

**Table 203: Performance against budgets**

The municipality received **R 595 493 million** revenue for the 2011-12 year of which **R 604 726 million** was utilized for operating expenditure. Employee Related Costs and expenditure with regards to Bulk Services make up most of the total operating expenditure of the municipality. Municipal Services and Government Grants, account for most of the revenue for the year under review. Budget Variances for 2011-12 and 2010/11 are less than 5%, which is acceptable

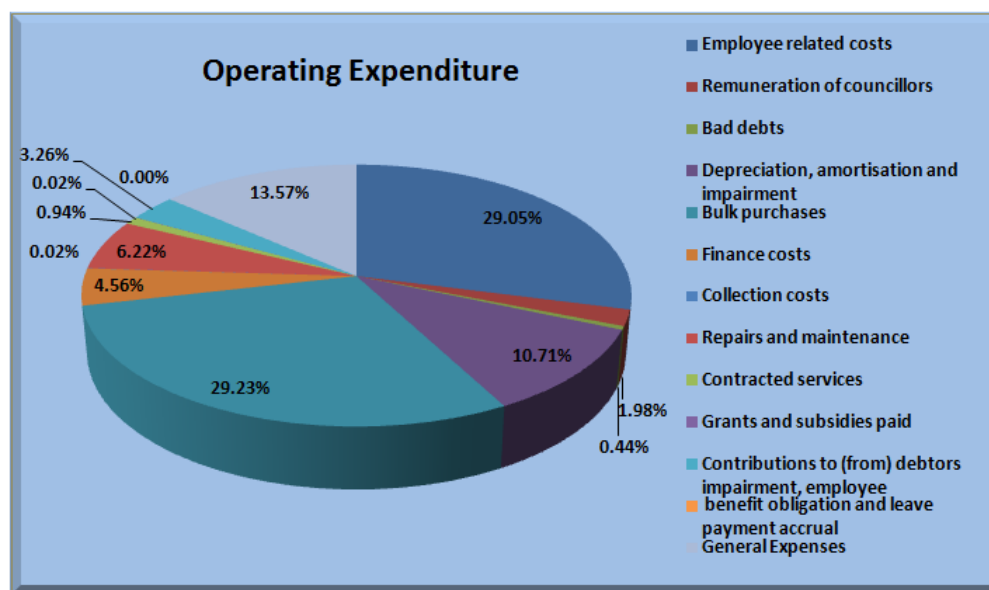
The following graph indicates the various types of revenue items in the municipal budget for 2011-12



**Graph 17: Revenue**

The following graph indicates the various types of expenditure items in the municipal budget for 2011-

12



Graph 18: Operating expenditure

### 5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by vote

Vote Description	2010/11	2011-12			2011-12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000			%		
Vote1 – Council General	376	829	1 264	1 003	21	(21)
Vote2 – Municipal Manager	619	500	500	482	(4)	(4)
Vote3 - Corporate Services	23 201	39 307	33 412	27 712	(29)	(17)
Vote4 – Financial Services	105 783	112 615	112 875	114 836	2	2
Vote5 – Community Services	14 330	16 705	15 714	20 572	23	31
Vote6 – Operational Services	396 952	421 997	439 223	430 887	2	(2)
<b>Total Revenue by Vote</b>	<b>541 261</b>	<b>591 954</b>	<b>602 987</b>	<b>595 493</b>	<b>1</b>	<b>(-1)</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

Table 204: Revenue by Vote

# BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

## 5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2011-12 financial year:

Description	2010/11	2011-12			2011-12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Property rates	56 672	60 287	60 572	62 505	4	1
Property rates - penalties & collection charges	470	511	511	409	(20)	(20)
Service Charges - electricity revenue	216 357	258 701	258 701	257 340	(1)	(1)
Service Charges - water revenue	39 395	37 139	37 139	40 363	9	9
Service Charges - sanitation revenue	35 227	38 971	38 971	37 738	(3)	(3)
Service Charges - refuse revenue	23 661	24 282	24 282	25 633	6	6
Service Charges - other	(13 211)	(12 132)	(12 157)	(15 790)	30	30
Rentals of facilities and equipment	10 015	11 412	11 412	10 325	(10)	(10)
Interest earned - external investments	7 350	7 500	7 500	7 641	2	2
Interest earned - outstanding debtors	2 053	2 046	2 046	2 266	11	11
Dividends received	0	0	0	0	0	0
Fines	7 147	9 290	7 980	9 342	1	17
Licences and permits	2 786	2 527	2 527	2 825	12	12
Agency services	3 769	3 763	3 763	4 066	8	8
Transfers recognised - operational	91 740	104 558	100 461	93 695	(10)	(7)
Other revenue	8 033	12 518	12 517	11 403	(-9)	1
Gains on disposal of PPE	254	15	15	0	(100)	(100)
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>491 718</b>	<b>561 387</b>	<b>556 240</b>	<b>549 760</b>	<b>(2)</b>	<b>(1)</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						

**Table 205: Revenue by Source**

# BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

## 5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational services performance for the 2011-12 financial year:

Description	2010/11	2011-12			2011-12 Variance	
	Actual	Original Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Operating Cost						
Governance and Administration	(3 660)	7 671	6 113	12 743	66	108
Executive and Council	(43 293)	(33 146)	(34 336)	(31 196)	(6)	(9)
Budget and Treasury Office	73 796	73 332	73 794	78 344	7	6
Corporate Services	(34 163)	(32 515)	(33 345)	(34 405)	6	3
Community and Public Safety	(55 229)	(67 451)	(69 229)	(76 041)	13	10
Community and Social Services	(13 303)	(15 290)	(15 915)	(14 744)	(4)	(7)
Sport and Recreation	(14 950)	(15 216)	(15 249)	(15 040)	(1)	(1)
Public Safety	(25 825)	(27 808)	(28 888)	(26 780)	(4)	(7)
Housing	(795)	(8 629)	(8 676)	(19 067)	121	120
Health	(355)	(508)	(501)	(411)	(19)	(18)
Economic and Environmental Services	(23 463)	(35 777)	(32 898)	(34 557)	(3)	5
Planning and Development	(7 049)	(7 288)	(7 510)	(7 015)	(4)	(7)
Road Transport	(13 024)	(23 931)	(21 211)	(23 183)	(3)	9
Environmental Protection	(3 389)	(4 557)	(4 176)	(4 358)	(4)	4
Trading Services	93 443	73 327	88 150	89 697	22	2
Electricity	32 789	42 428	42 231	40 581	(4)	(4)
Water	17 920	17 713	18 591	15 324	(13)	(18)
Waste Water Management	30 576	8 335	22 636	27 026	224	19
Waste Management	12 158	4 851	4 691	6 766	39	44
Other	(1 219)	(1 264)	(1 164)	(1 075)	(15)	(8)
Total Expenditure	9 872	(23 493)	(9 028)	(9 233)	(61)	2
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

**Table 206: Operational Services Performance**

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below show the financial performance according to municipal functions:

### 5.2.1 EXECUTIVE AND COUNCIL

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>721</b>	<b>874</b>	<b>1 309</b>	<b>1 041</b>	<b>(20)</b>
<b>Expenditure:</b>					
Employees	13 525	14 460	15 290	13 803	(10)
Repairs and Maintenance	19	53	53	6	(88)
Other	30 470	19 507	20 302	18 427	(9)
<b>Total Operational Expenditure</b>	<b>44 014</b>	<b>34 020</b>	<b>35 645</b>	<b>32 237</b>	<b>(10)</b>
<b>Net Operational (Service) Expenditure</b>	<b>(43 293)</b>	<b>(33 146)</b>	<b>(34 336)</b>	<b>(31 196)</b>	<b>(9)</b>

*Table 207: Financial Performance: Executive and Council*

### 5.2.2 BUDGET AND TREASURY OFFICE

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>105 612</b>	<b>112 615</b>	<b>112 875</b>	<b>113 989</b>	<b>1</b>
Employees	21 297	24 602	23 784	22 282	(6)
Repairs and Maintenance	418	620	615	408	(34)
Other	10 101	14 061	14 683	12 954	(12)
<b>Total Operational Expenditure</b>	<b>31 816</b>	<b>39 283</b>	<b>39 081</b>	<b>35 645</b>	<b>(9)</b>
<b>Net Operational (Service) Expenditure</b>	<b>73 796</b>	<b>73 332</b>	<b>73 794</b>	<b>78 344</b>	<b>6</b>

*Table 208: Financial Performance: Budget and Treasury Office*

### 5.2.3 CORPORATE SERVICES

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>1 393</b>	<b>1 958</b>	<b>1 958</b>	<b>4 046</b>	<b>107</b>
<b>Expenditure:</b>					
Employees	22 435	26 777	24 694	23 620	(4)
Repairs and Maintenance	5 724	6 011	5 615	5 389	(4)
Other	7 396	1 685	4 995	9 441	89
<b>Total Operational Expenditure</b>	<b>35 556</b>	<b>34 473</b>	<b>35 303</b>	<b>38 451</b>	<b>9</b>
<b>Net Operational (Service) Expenditure</b>	<b>(34 163)</b>	<b>(32 515)</b>	<b>(33 345)</b>	<b>(34 405)</b>	<b>3</b>

*Table 209: Financial Performance: Corporate Services*

### 5.2.4 COMMUNITY AND SOCIAL SERVICES

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>505</b>	<b>399</b>	<b>506</b>	<b>630</b>	<b>25</b>
<b>Expenditure:</b>					
Employees	9 044	10 443	10 507	10 271	(2)
Repairs and Maintenance	799	866	1 486	1 101	(26)
Other	3 964	4 380	4 428	4 002	(10)
<b>Total Operational Expenditure</b>	<b>13 807</b>	<b>15 689</b>	<b>16 420</b>	<b>15 374</b>	<b>(6)</b>
<b>Net Operational (Service) Expenditure</b>	<b>(13 303)</b>	<b>(15 290)</b>	<b>(15 915)</b>	<b>(14 744)</b>	<b>(7)</b>

*Table 210: Financial Performance: Community and Social Services*



### 5.2.5 SPORT AND RECREATION

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>582</b>	<b>2 489</b>	<b>3 975</b>	<b>1 549</b>	<b>(61)</b>
<b>Expenditure:</b>					
Employees	10 134	10 983	11 437	10 776	(6)
Repairs and Maintenance	1 201	2 206	1 888	1 827	(3)
Other	4 197	4 517	5 899	3 986	(32)
<b>Total Operational Expenditure</b>	<b>15 532</b>	<b>17 705</b>	<b>19 224</b>	<b>16 589</b>	<b>(14)</b>
<b>Net Operational (Service) Expenditure</b>	<b>(14 950)</b>	<b>(15 216)</b>	<b>(15 249)</b>	<b>(15 040)</b>	<b>(1)</b>

*Table 211: Financial Performance: Sport and Recreation*

### 5.2.6 PUBLIC SAFETY

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>4 986</b>	<b>7 771</b>	<b>6 673</b>	<b>9 377</b>	<b>41</b>
<b>Expenditure:</b>					
Employees	24 600	28 496	27 343	26 230	(4)
Repairs and Maintenance	1 405	1 506	1 586	1 622	2
Other	4 807	5 577	6 632	8 305	25
<b>Total Operational Expenditure</b>	<b>30 812</b>	<b>35 579</b>	<b>35 561</b>	<b>36 157</b>	<b>2</b>
<b>Net Operational (Service) Expenditure</b>	<b>(25 825)</b>	<b>(27 808)</b>	<b>(28 888)</b>	<b>(26 780)</b>	<b>(7)</b>

*Table 212: Financial Performance: Public Safety*

## 5.2.7 HOUSING

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>23 515</b>	<b>39 325</b>	<b>33 430</b>	<b>28 355</b>	<b>(15)</b>
<b>Expenditure:</b>					
Employees	2 199	2 483	2 327	2 000	(14)
Repairs and Maintenance	1 517	1 732	1 738	1 695	(2)
Other	20 594	43 740	38 041	43 727	15
<b>Total Operational Expenditure</b>	<b>24 310</b>	<b>47 955</b>	<b>42 106</b>	<b>47 422</b>	<b>13</b>
<b>Net Operational (Service) Expenditure</b>	<b>(795)</b>	<b>(8 629)</b>	<b>(8 676)</b>	<b>(19 067)</b>	<b>120</b>

Table 213: Financial Performance: Housing

## 5.8 HEALTH

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(23)</b>	<b>(107)</b>	<b>(107)</b>	<b>(43)</b>	<b>(59)</b>
<b>Expenditure:</b>					
Employees	186	241	212	205	(3)
Repairs and Maintenance	(9)	(5)	(5)	0	(100)
Other	155	165	188	163	(13)
<b>Total Operational Expenditure</b>	<b>333</b>	<b>402</b>	<b>395</b>	<b>368</b>	<b>(7)</b>
<b>Net Operational (Service) Expenditure</b>	<b>(355)</b>	<b>(508)</b>	<b>(501)</b>	<b>(411)</b>	<b>(18)</b>

Table 214: Financial Performance: Health

## 5.9 PLANNING AND DEVELOPMENT

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>1 297</b>	<b>1 397</b>	<b>1 502</b>	<b>1 479</b>	<b>(2)</b>
<b>Expenditure:</b>					
Employees	6 665	6 997	7 197	6 798	(6)
Repairs and Maintenance	10	12	12	7	(45)
Other	1 672	1 675	1 803	1 689	(6)
<b>Total Operational Expenditure</b>	<b>8 347</b>	<b>8 685</b>	<b>9 013</b>	<b>8 494</b>	<b>(6)</b>
<b>Net Operational (Service) Expenditure</b>	<b>(7 049)</b>	<b>(7 288)</b>	<b>(7 510)</b>	<b>(7 015)</b>	<b>(7)</b>

*Table 215: Financial Performance: Planning and Development*

## 5.10 ROAD TRANSPORT

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>26 292</b>	<b>7 594</b>	<b>13 092</b>	<b>11 148</b>	<b>(15)</b>
<b>Expenditure:</b>					
Employees	9 007	10 962	11 030	10 235	(7)
Repairs and Maintenance	2 309	2 201	2 077	2 769	33
Other	28 000	18 362	21 196	21 328	1
<b>Total Operational Expenditure</b>	<b>39 317</b>	<b>31 525</b>	<b>34 303</b>	<b>34 331</b>	<b>0</b>
<b>Net Operational (Service) Expenditure</b>	<b>(13 024)</b>	<b>(23 931)</b>	<b>(21 211)</b>	<b>(23 183)</b>	<b>9</b>

*Table 216: Financial Performance: Road Transport*

## 5.11 ENVIRONMENTAL PROTECTION

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>3 275</b>	<b>5 088</b>	<b>5 088</b>	<b>4 124</b>	<b>(19)</b>
<b>Expenditure:</b>					
Employees	2 818	3 616	3 621	3 309	(9)
Repairs and Maintenance	2 876	4 125	4 075	3 583	(12)
Other	971	1 904	1 568	1 590	1
<b>Total Operational Expenditure</b>	<b>6 664</b>	<b>9 646</b>	<b>9 265</b>	<b>8 482</b>	<b>(8)</b>
<b>Net Operational (Service) Expenditure</b>	<b>(3 389)</b>	<b>(4 557)</b>	<b>(4 176)</b>	<b>(4 358)</b>	<b>4</b>

*Table 217: Financial Performance: Environmental Protection*

## 5.12 ELECTRICITY

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>220 980</b>	<b>265 837</b>	<b>265 837</b>	<b>264 388</b>	<b>(1)</b>
<b>Expenditure:</b>					
Employees	13 259	15 783	15 624	14 580	(7)
Repairs and Maintenance	8 944	5 743	7 204	7 615	6
Other	165 988	201 883	200 778	201 612	0
<b>Total Operational Expenditure</b>	<b>188 191</b>	<b>223 409</b>	<b>223 606</b>	<b>223 807</b>	<b>0</b>
<b>Net Operational (Service) Expenditure</b>	<b>32 789</b>	<b>42 428</b>	<b>42 231</b>	<b>40 581</b>	<b>(4)</b>

*Table 218: Financial Performance: Electricity*

### 5.13 WATER

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>52 376</b>	<b>56 749</b>	<b>55 915</b>	<b>50 492</b>	<b>(10)</b>
<b>Expenditure:</b>					
Employees	10 360	12 864	11 863	11 042	(7)
Repairs and Maintenance	3 979	4 889	4 578	4 515	(1)
Other	20 117	21 283	20 883	19 612	(6)
<b>Total Operational Expenditure</b>	<b>34 456</b>	<b>39 036</b>	<b>37 324</b>	<b>35 168</b>	<b>(6)</b>
<b>Net Operational (Service) Expenditure</b>	<b>17 920</b>	<b>17 713</b>	<b>18 591</b>	<b>15 324</b>	<b>(18)</b>

*Table 219: Financial Performance: Water*

### 5.14 WASTE WATER MANAGEMENT

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>71 973</b>	<b>59 869</b>	<b>70 613</b>	<b>74 233</b>	<b>5</b>
<b>Expenditure:</b>					
Employees	8 985	10 993	10 859	10 012	(8)
Repairs and Maintenance	4 261	3 450	3 339	4 215	26
Other	28 151	37 092	33 779	32 980	(2)
<b>Total Operational Expenditure</b>	<b>41 397</b>	<b>51 534</b>	<b>47 977</b>	<b>47 206</b>	<b>(2)</b>
<b>Net Operational (Service) Expenditure</b>	<b>30 576</b>	<b>8 335</b>	<b>22 636</b>	<b>27 026</b>	<b>19</b>

*Table 220: Financial Performance: Waste Water Management*

## 5.15 WASTE MANAGEMENT

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>27 891</b>	<b>30 233</b>	<b>30 459</b>	<b>30 849</b>	<b>1</b>
<b>Expenditure:</b>					
Employees	10 076	11 846	11 155	10 103	(9)
Repairs and Maintenance	2 385	2 327	2 244	2 629	17
Other	3 271	11 209	12 369	11 351	(8)
<b>Total Operational Expenditure</b>	<b>15 733</b>	<b>25 382</b>	<b>25 768</b>	<b>24 083</b>	<b>(7)</b>
<b>Net Operational (Service) Expenditure</b>	<b>12 158</b>	<b>4 851</b>	<b>4 691</b>	<b>6 766</b>	<b>44</b>

*Table 221: Financial Performance: Waste Management*

## 5.16 OTHER

Description	2010/11	2011-12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>(114)</b>	<b>(138)</b>	<b>(138)</b>	<b>(162)</b>	<b>18</b>
<b>Expenditure:</b>					
Employees	672	899	479	391	(18)
Repairs and Maintenance	56	57	212	207	(2)
Other	377	170	335	315	(6)
<b>Total Operational Expenditure</b>	<b>1 106</b>	<b>1 126</b>	<b>1 026</b>	<b>912</b>	<b>(11)</b>
<b>Net Operational (Service) Expenditure</b>	<b>(1 219)</b>	<b>(1 264)</b>	<b>(1 164)</b>	<b>(1 075)</b>	<b>(8)</b>

*Table 222: Financial Performance: Other*

## 5.3 GRANTS

### 5.3.1 GRANT PERFORMANCE

The table below indicates the Grant performance for the 2011-12 financial year:

The Municipality had a total amount of **R 44 323 714** for infrastructure and other capital projects available that was received in the form of grants from the National and Provincial Governments during the 2011-12 financial year. The performance in the spending of these grants is summarised as follows:

Description	2010/11	2011-12			2011-12 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
<u>Operating and Capital Transfers and Grants</u>						
National Government:	73 510	85 826	85 826	85 849	0	0
Equitable share	53 333	56 804	56 804	56 804	0	0
Municipal Systems Improvement	787	790	790	813	3	3
Department of Water Affairs	0	0	0	0	0	0
Levy replacement	0	0	0	0	0	0
Financial Management Grant	1 000	1 250	1 250	1 250	0	0
Integrated National Electrification grant	0	1 500	1 500	1 500	0	0
MIG	18 390	25 482	25 482	25 482	00	0
Provincial Government	65 806	47 749	59 410	46 755	(2.1)	(21.0)
Health subsidy	77	12	12	0	(100)	(100)
Housing	0	37 540	10 960	0	(100)	(100)
Housing: Capital De Doorns N1	27 717	0	778	10 884	0	1 299
Housing Capital	0	0	14 751	0	0	(100)
Top Structures: Touwsriver	0	0	6	0	0	(100)
Top Structures: Sunnyside Hostel	1	0	0	0	0	0
Top Structures: 708 Avian Park	0	0	222	0	0	(100)
Top Structures: UISP De Doorns	11 755	0	11453	11 775	0	3
Top Structures: Avian Park	7 634	0	6 377	11 496	0	80
Top Structures: 331 People Housing Proj.	2 564	0	2 621	47	0	(98)
Zwelethembe 242 Erven	62	0	0	4 326	0	0
Ambulance subsidy	0	0	0	0	0	0
Sports and Recreation: DE Doorns	0	0	500	0	0	(100)
Dept. Sport culture affairs:	0	0	650	0	0	(100)
LGWSETA	444	600	600	418	(30)	(30)
Learner ship Seta	0	500	500	0	(100)	(100)
Proclaimed Roads Operating	9 010	115	115	115	0	0

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Description	2010/11	2011-12			2011-12 Variance	
	Actual	Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Proclaimed Roads Capital	1545	1235	1 235	1 235	0	0
Work for Water	3 397	5 267	5 267	4 391	(17)	(17)
CDW Grant	191	208	527	336	61	(36)
Housing Consumer Education	24	0	0	0	0	0
Add Staff Libraries – Operating	727	936	939	953	2	1
Add Staff Libraries – Capital	169	0	104	103	1	(1)
Emergency Relief Reintegration	270	0	0	0	0	0
EPWP grant	0	536	536	595	11	11
Non-Motorist transport	0	0	212	0	0	(100)
Alteration Traffic – Capt.	0	800	800	0	(100)	(100)
Proj Ground water fund	0	0	58	0	0	(100)
Upgrading land ownership	0	0	81	0	0	(100)
Medicinal Plants Proj. De Doorns	0	0	67	0	0	(100)
Geographic Information System	6	0	39	39	0	0
Prov. Mang. Support grant HR	208	0	0	0	0	0
Prov. Mang. Support grant HR - Capital	5	0	0	0	0	0
Catering Public Participation	0	0	0	42	0	0
<b>District Municipality</b>	<b>1514</b>	<b>0</b>	<b>88</b>	<b>43</b>	<b>100</b>	<b>(105)</b>
Housing Consumer Education	0	0	6	0	0	(100)
Capacity Building for 20 ward committees	0	0	34	0	0	(100)
Facility Reg. Immovable property	149	0	1	0	0	(100)
Clean-up Campaign of Sandhills	0	0	9	0	0	(100)
Waste Removal Sandhills	20	0	38	34	0	(11)
Emergency Relief Reintegration	38	0	0	0	0	0
Tourism Dev. Grant – Training	7	0	0	0	0	0
Tourism – economic Dev.	0	0	0	9	0	0
Roads – Worcester Upgrading Capt.	1 300	0	0	0	0	0
<b>Other grant providers:</b>	<b>434</b>	<b>1 550</b>	<b>1 887</b>	<b>6 783</b>	<b>338</b>	<b>260</b>
Teerlapwerk	11	0	0	0	0	0
Lunch for elderly	1	0	0	0	0	0
Nat. Lottery Zwel	125	1 050	1 050	0	(100)	(100)
Nat Lottery Sport grounds	0	0	336	693	0	106
Development BP to Total Garage	0	500	500	0	(100)	(100)
Housing HCE Workshops	5	0	0	0	0	0
Donation: Assets Fire Dept. – United Bank	100	0	0	50	0	0
Donation: Works and Materials	190	0	0	0	0	0



## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Description	2010/11	2011-12			2011-12 Variance	
	Actual	Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Unicity Cape Town	0	0	1	1	0	0
Service Connections	2	0	0	0	0	0
Troffees: Special Events	0	0	0	20	0	0
Donation: Fire Service Capt.	0	0	0	17	0	0
Donation: Fire Service Vehicles Capt.	0	0	0	1 854	0	0
Donation: Dept. Co-OP Governance	0	0	0	3 916	0	0
Donation: Oper. Consumable's Fire Dept.	0	0	0	232	0	0
<b>Total Operating Transfers and Grants</b>	<b>141</b>	<b>135 125</b>	<b>147 211</b>	<b>139 430</b>	<b>3</b>	<b>(5)</b>

*Table 223: Grant Performance for 2011-12*

### 5.3.2 CONDITIONAL GRANTS: EXCLUDING MIG

The performance in the spending the conditional grants is summarised as follows:

Details	Budget	Adjust-ments Budget	Actual	Variance	
				Budget	Adjust-ments Budget
		R'000			%
Systems Improvement Grant	790	790	790	0	0
Financial Management Grant	1 250	1 250	1 250	0	0
Integrated National Electrification Grant	1 500	1 500	1 500	0	0
Department of Water Affairs	0	0	300	0	0
Health subsidy	12	12	0	(100)	(100)
Housing	37 540	10 960	0	(100)	(100)
Housing: Capital De Doorns N1	0	778	15 807	0	1 932
Housing Capital	0	14 751	0	0	(100)
Top Structures: Touwsriver	0	6	0	0	(100)
Top Structures: 708 Avian Park	0	222	0	0	(100)
Top Structures: UISP De Doorns	0	11 453	13 853	0	21
Top Structures: Avian Park	0	6 377	7 378	0	16
Top Structures: 331 People Housing Proj.	0	2 621	0	0	(100)
Zwelethembe 242 Erven	0	0	4 004	0	0
Sports and Recreation: DE Doorns	0	500	0	0	(100)
Dept. Sport culture affairs:	0	650	0	0	(100)
LGWSETA	600	600	911	52	52
Learner ship Seta	500	500	0	(100)	(100)
Proclaimed Roads Operating	115	115	115	0	0

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Details	Budget	Adjust-ments Budget	Actual	Variance	
				Budget	Adjust-ments Budget
	R'000			%	
Proclaimed Roads Capital	1 235	1 235	1 235	0	0
Work for Water	5 267	5 267	7 004	33	33
CDW Grant	208	528	182	(13)	(66)
Add Staff Libraries – Oper.	936	939	936	0	(3)
Add Staff Libraries – Capital	0	104	0	0	(100)
EPWP grant	536	536	551	3	3
Non-Motorist transport	0	212	0	0	(100)
Alteration Traffic – Capt.	800	800	0	(100)	(100)
Proj Ground water fund	0	58	0	0	(100)
Upgrading land ownership	0	81	0	0	(100)
Medicinal Plants Proj. De Doorns	0	67	0	0	(100)
Geographic Information System	0	39	0	0	(100)
Catering Public Participation	0	0	42	0	0
Housing Consumer Education	0	6	0	0	(100)
Capacity Building for 20 ward committees	0	34	0	0	(100)
Facility Reg. Immovable property	0	1	0	0	(100)
Clean-up Campaign of Sandhills	0	9	0	0	(100)
Waste Removal Sandhills	0	38	0	0	(100)
Tourism – economic Dev.,	0	0	11	0	0
Other Specify:					
Nat. Lottery Zwel	1 050	1 050	0	(100)	(100)
Nat Lottery Sport grounds	0	336	0	0	(100)
Development BP to Total Garage	0	0	0	0	0
Donation: Assets Fire Dept. – United Bank	0	0	0	0	0
Unicity Cape Town	0	1	0	0	(100)
Troffees: Special Events	0	0	20	0	0
Donation: Fire Service Capt.	0	0	50	0	0
Donation: Fire Service Capt.	0	0	17	0	0
Donation: Fire Service Vehicles Capt.	0	0	1 854	0	0
Donation: Dept. Co-OP Governance	0	0	3 916	0	0
Donation: Oper. Consumable's Fire Dept.	0	0	232	0	0
Electr Dept. Mineral and Energy	500	500	0	(100)	(100)
Total	52 839	64 926	61 958	17	5
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report.					
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					

**Table 224: Conditional Grant (excl. MIG)**

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

*Note: For municipal infrastructure grant (MIG) see 5.8.3.*

No grants were withheld in the 2011 2012 Financial Year.

All grants received have designated projects that must be completed.

Housing Capt. De Doorns N1: In April 2012 the Department of Housing paid an additional amount of R 6 000 000 to Breede Valley that was not included in the Actual Budget of 2011 2012.

LGWSETA: An amount of R311 030 was received in the 2011-12 Financial year. These funds must be claimed after the project was finalised.

Work for Water: We receive this grant in April and September of the Financial Year. The amount of R2 592 047 that was unspent at year end is grant funding for July till Sep 2012.

CDW grant: On 1 July 2012 an amount of R334 758 was rolled over to the 2011-12 Financial Year. Actual; we receive an amount of R182 000.

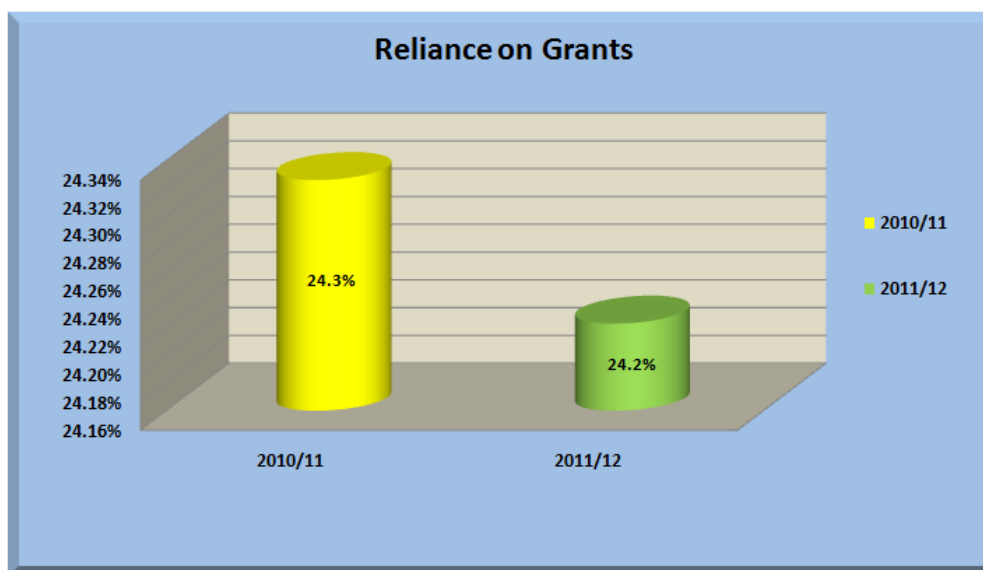
EPWP: On this grant we had an overspending of R43 661.00.

### 5.3.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2010/11	131 605	541 008	24.33
2011-12	144 244	595 493	24.22

*Table 225: Reliance on grants*

The following graph indicates the municipality's reliance on grants as percentage for the last three financial years



Graph 19: Reliance on grants as %

### 5.4 ASSET MANAGEMENT

The assets of the Breede Valley Municipality (BVM) are managed in accordance with the Asset Management policy of BVM (the Policy).

The Policy is drawn up in line with the relevant Statutory and Regulatory Frameworks and the relevant GRAP Standards as set out by The Accounting Standards Board.

#### **The key elements are:**

#### **Responsibilities of:**

- 1- The Accounting Officer (Municipal Manager)- Overall responsible for the Assets of BVM
- 2- The Chief Financial Officer (Director: Finance) - Delegated to ensure safeguarding of Assets.
- 3- The Asset Manager- Accountable for asset under his/her directorate
- 4- The Asset Champions- Senior Officials responsible per departments
- 5- The Asset Management Division- Maintenance of the asset register, Review & Verifications
- 6- The Budgetary Division-Providing detail on Capital expenditure & Funding

#### **Financial Management:**

- 1- Planning
- 2- Funding
- 3- Acquisition

**Accounting**

- 1- Capitalization
- 2- Classification of the assets
- 3- Costing process
- 4- Depreciation Method, Impairment
- 5- Disclosure

**Internal Control**

- 1- Asset Register
- 2- Transfer
- 3- Safeguarding – Lost, Theft, Destruction
- 4- Verification And Review

**Disposal**

**Key issues under development**

The constant development in GRAP and the addition of GRAP 21 & 26 on Impairment request reviews in the policy.

**5.4.1 TREATMENT OF THE THREE LARGEST ASSETS**

Asset 1		
Name:	Waste Water treatment works- Worcester	
Description:	Waste Water treatment works	
Asset Type:	PURWK=Waste Purification Structure	
Key Staff Involved:	Engineers, Waste Plant Staff, Asset Department	
Staff Responsibilities:	Operation, Verification, Control and Management	
Asset Value :	<b>2010/11</b>	<b>2011-12</b>
	<b>R 130 542 680</b>	<b>R 162 637 182</b>
Capital Implications:	CRR, EFF, CGRNT, CGRPR	
Future Purpose of Asset:	Purification of waste water for Worcester	
Describe Key Issues:	Availability of funds for continuous maintenance & repairs	
Policies in Place to Manage Asset:	Asset management Policy	

**Table 226: Summary of Largest Asset**

Asset 2		
Name:	Waste Water Treatment Works – De Doorns	
Description:	Waste Water Treatment Works	
Asset Type:	PURWK=Waste Purification Structure	
Key Staff Involved:	Engineers, Waste Plant Staff, Asset Department	
Staff Responsibilities:	Operation, Verification, Control and Management	
Asset Value:	<b>2010/11</b>	<b>2011-12</b>
	<b>R 6 004 682</b>	<b>R 6 004 682</b>
Capital Implications:	CRR, EFF	
Future Purpose of Asset:	Purification of waste water for De Doorns	
Describe Key Issues:	Availability of funds for continuous maintenance & repairs	
Policies in Place to Manage Asset:	Asset management Policy	

**Table 227: Summary of 2nd Largest Asset**

Asset 3		
Name:	Stettynskloof Dam- 48m Wall	
Description:	Stettynskloof Dam -48m Wall	
Asset Type:	DAMST= Dams Structure Earth	
Key Staff Involved:	Engineers, Water Plant Staff, Asset Department	
Staff Responsibilities:	Operation, Verification, Control and Management	
Asset Value: <b>At Cost</b>	<b>2010/11</b>	<b>2011-12</b>
	<b>R 90 000 000</b>	<b>R 92 002 587</b>
Capital Implications:	CRR, EFF	
Future Purpose of Asset:	Purification of Drinking water for Worcester	
Describe Key Issues:	Weather conditions, Material, Maintenance & repair Funding	
Policies in Place to Manage Asset:	Asset management Policy	

**Table 228: Summary of 3rd Largest Asset**

**Other key Issues with reference to the 3 top assets:**

All 3 assets are heavily influenced by weather, demand for basic service delivery and human settlement.

Although investment in new infrastructures are of utmost importance, investing in proper maintenance plans are even more important. Proper maintenance will ensure that the assets are productive even beyond its useful life and that the assets are in use for longer than its financing period.

No or poor maintenance may results in the assets not being able to run at full capacity or even being impaired or disposed long before reaching the end of its normal useful life.

Constant investment in new infrastructure with little or no investment in maintenance may result in poor service delivery and expensive infrastructures becoming out dated or non- functional and have to be demolish at huge costs.

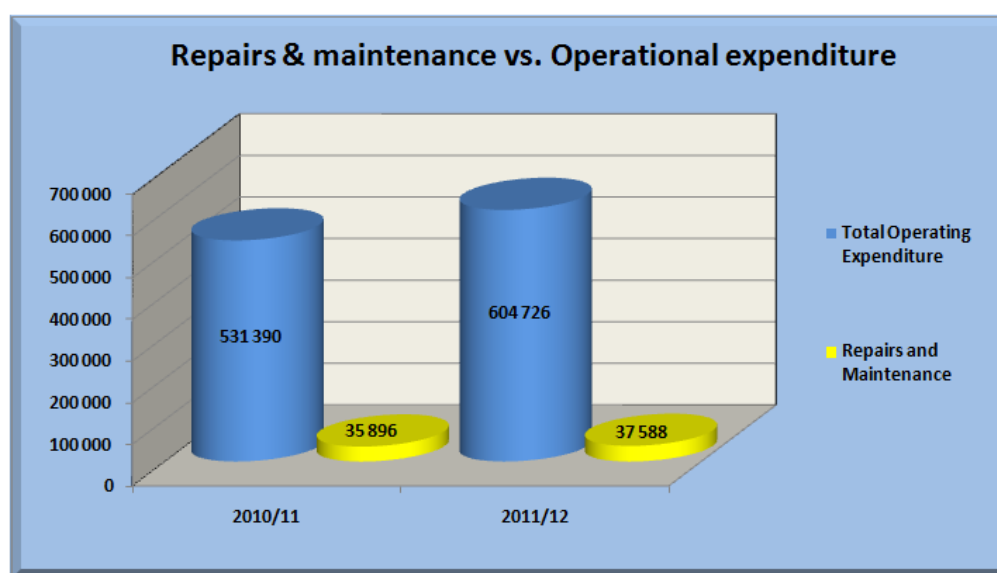
## 5.4.2 REPAIRS AND MAINTENANCE

Description	2010/11	2011-12
	R'000	
Total Operating Expenditure	531 390	604 726
Repairs and Maintenance	35 896	37 588
<b>% of total OPEX</b>	<b>7%</b>	<b>6%</b>

**Table 229: Repairs & maintenance as % of total Operating Expenditure**

*Note: the repairs and maintenance expenditure must reconcile with the operational repairs and maintenance expenditure for all services set out in chapter 3.*

The following graph indicates the percentage of the budget that was spent on repairs & maintenance in relation to the operational budget



**Graph 20: Repairs and Maintenance**

### Comment on repair and maintenance expenditure:

Repairs and Maintenance Expenditure in 2011-12 is overspent by 2% as a result of spending on deteriorating municipal buildings. Repairs and Maintenance as a percentage of total operating expenditure is 6% in 2011-12 and 7% in 2010/11.

## 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 5.5.1 LIQUIDITY RATIO

Description	Basis of calculation	2010/11	2011-12
		Audited outcome	Pre-audit outcome
Current Ratio	Current assets/current liabilities	1.72	1.51
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.51	1.30
Liquidity Ratio	Monetary Assets/Current Liabilities	0.98	0.77

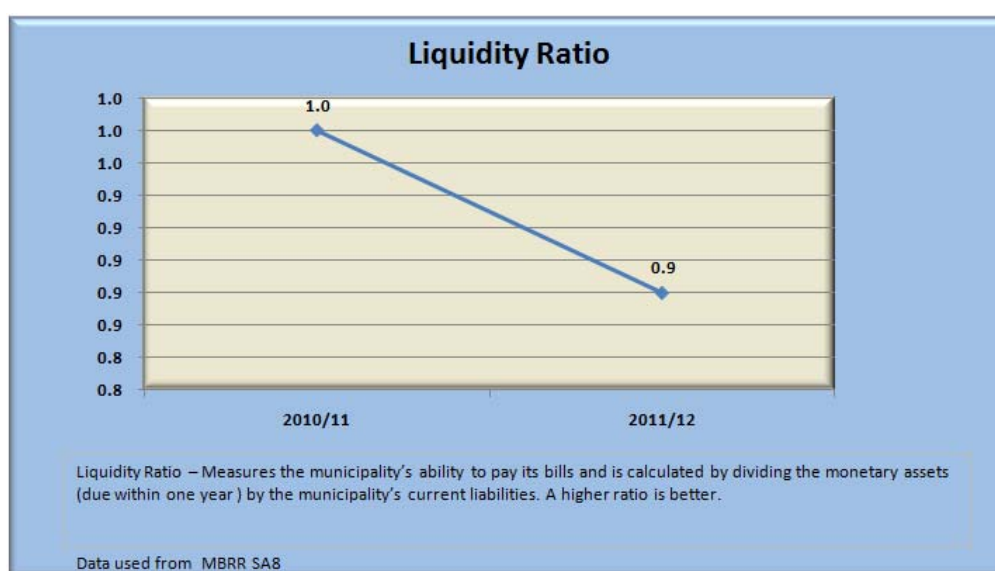
Table 230: Liquidity Financial Ratio

Financial year	Net current assets	Net current liabilities	Ratio
	R		
2010/11	222 478 795	129 637 494	1.72
2011-12	196 681 945	130 103 901	1.51

Table 231: Liquidity Financial Ratio

Breed Valley Municipality is still functioning inside the acceptable liquidity norm. The Municipality has a positive liquidity ratio. It decreased from **1.53:1** **1.42:1**. Efforts to increase the debt collection rate must stay the main focus area for improving this ratio. The largest contributor to the decrease in the current liabilities is the trade and other payables.

The following graph indicates the liquidity financial ratio for 2011-12:



Graph 21: Liquidity Ratio



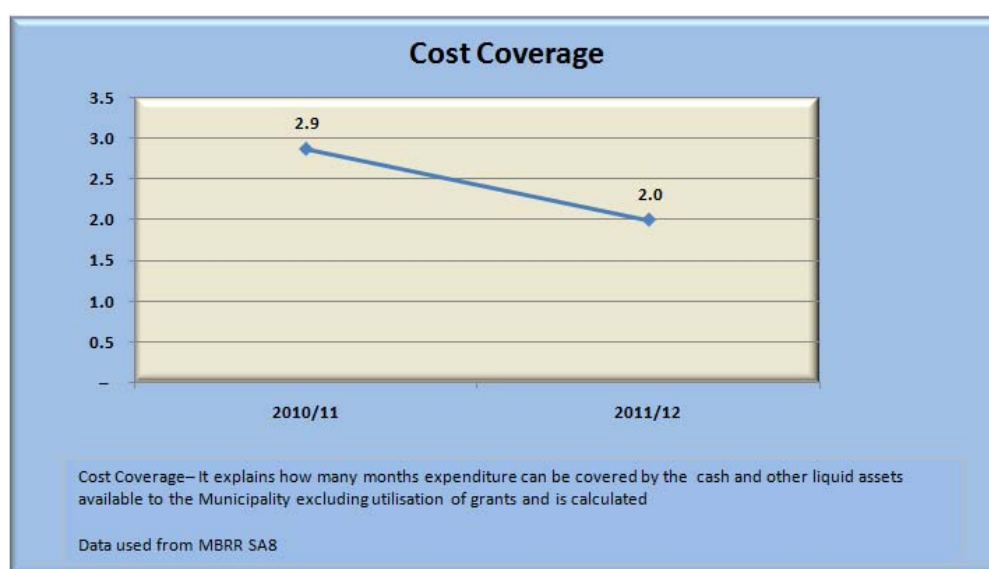
## 5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2010/11	2011-12
		Audited outcome	Pre-audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.87	2.00
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	13.18	14.26
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	9.27	9.06

**Table 232:** Financial Viability National KPAs

### 5.5.2.1 COST COVERAGE

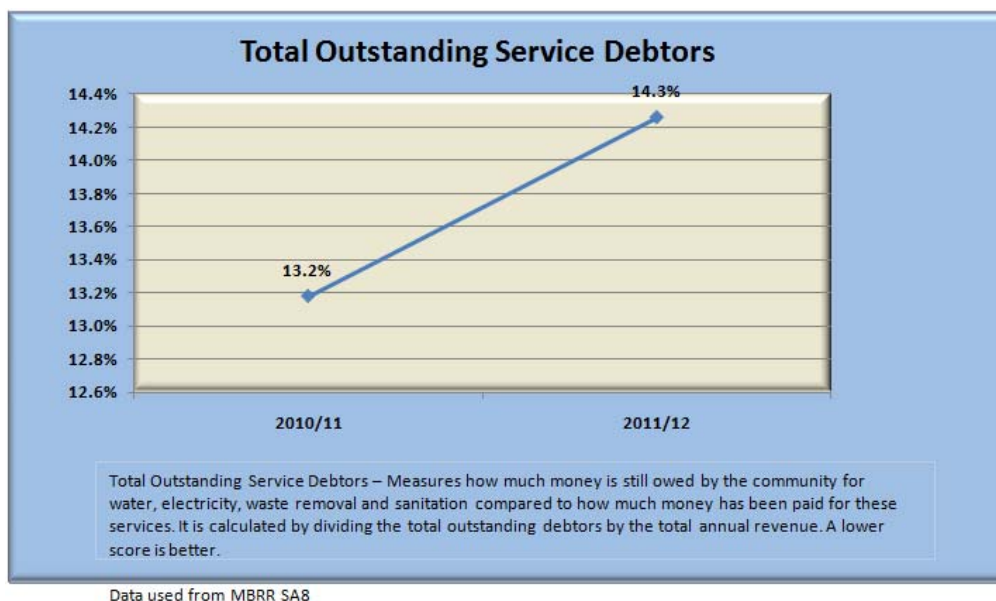
The following graph indicates the cost coverage financial viability indicator:



**Graph 22:** Cost Coverage

### 5.5.2.2 OUTSTANDING SERVICE DEBTORS TO REVENUE

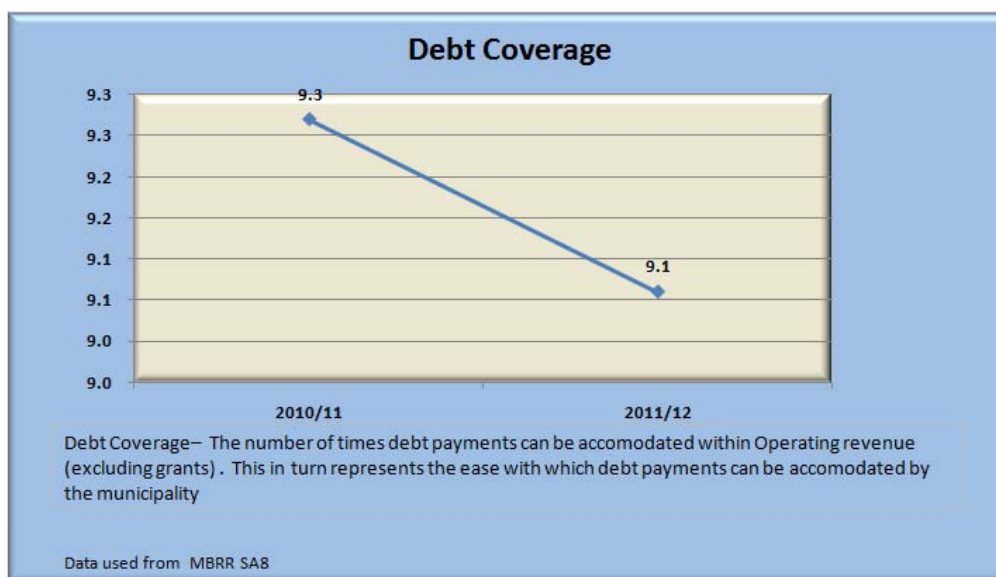
The following graph indicates the outstanding service to revenue financial viability indicator:



**Graph 23:** *Total Outstanding Service Debtors*

### 5.5.2.3 DEBT COVERAGE

The following graph indicates the debt coverage financial viability indicator:



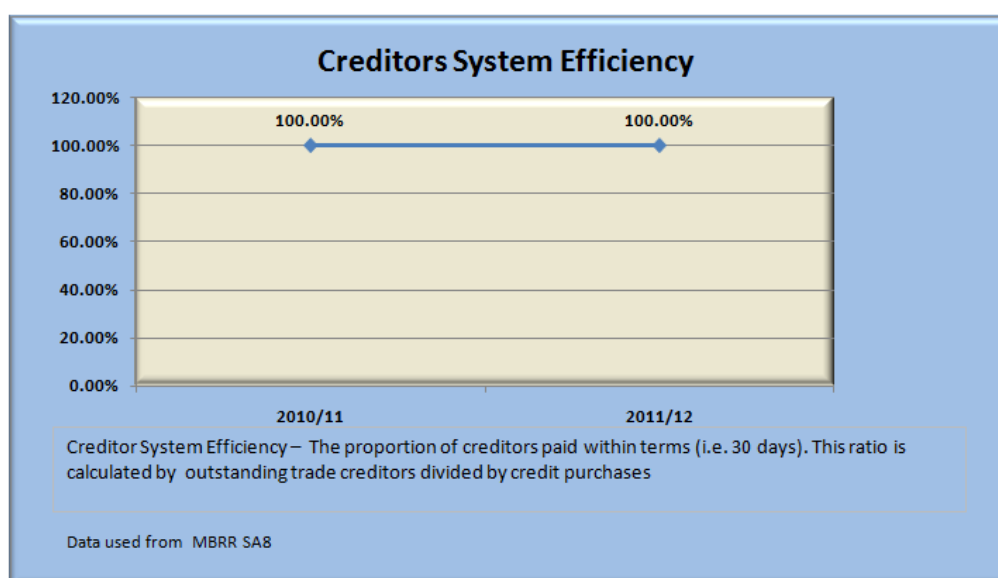
**Graph 24:** *Debt Coverage*

### 5.5.3 CREDITORS MANAGEMENT

Description	Basis of calculation	2010/11	2011-12
		Audited outcome	Pre-audit outcome
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100%	100%

**Table 233: Creditors Management**

The following graph indicates the percentage of all creditors paid within terms:



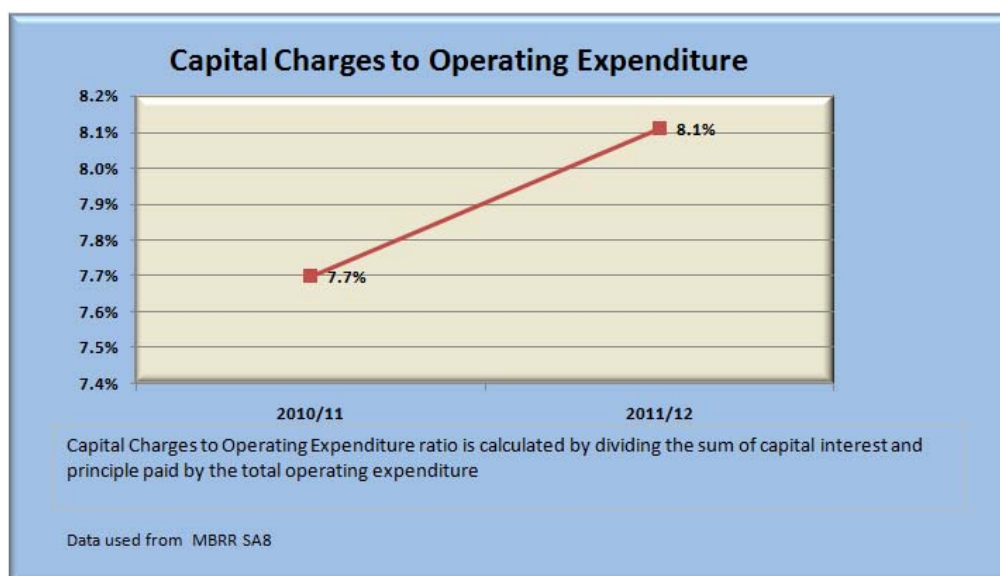
**Graph 25: Creditors Ratio**

### 5.5.4 BORROWING MANAGEMENT

Description	Basis of calculation	2010/11	2011-12
		Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	7.70%	8.11%

**Table 234: Borrowing Management**

The following graph indicates the ratio of capital charges to operating expenditure:



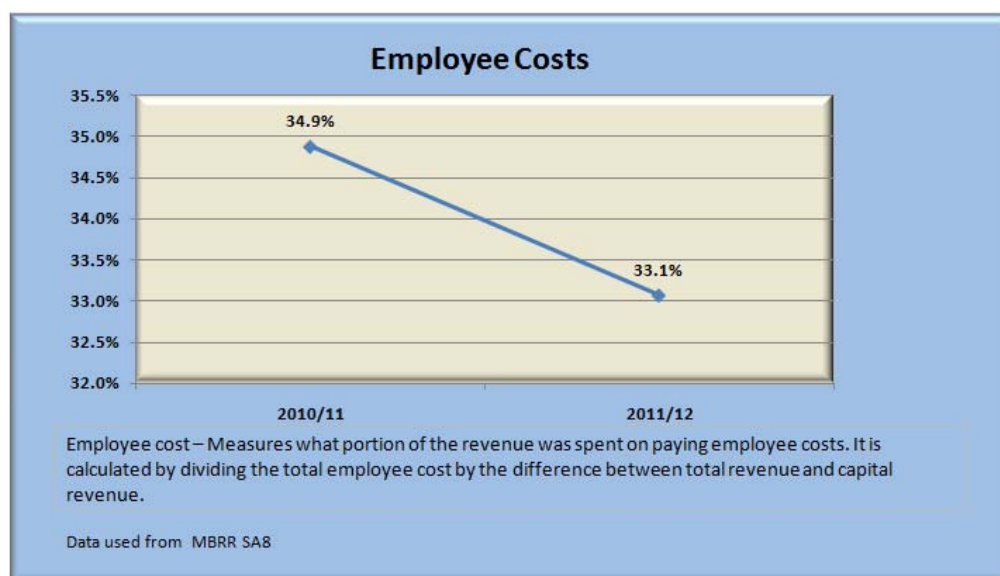
Graph 26: Capital Charges to Operating Expenditure Ratio

#### 5.5.5 EMPLOYEE COSTS

Description	Basis of calculation	2010/11	2011-12
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.88%	33.07%

Table 235: Employee Costs

The following graph indicates the employee costs ratio:



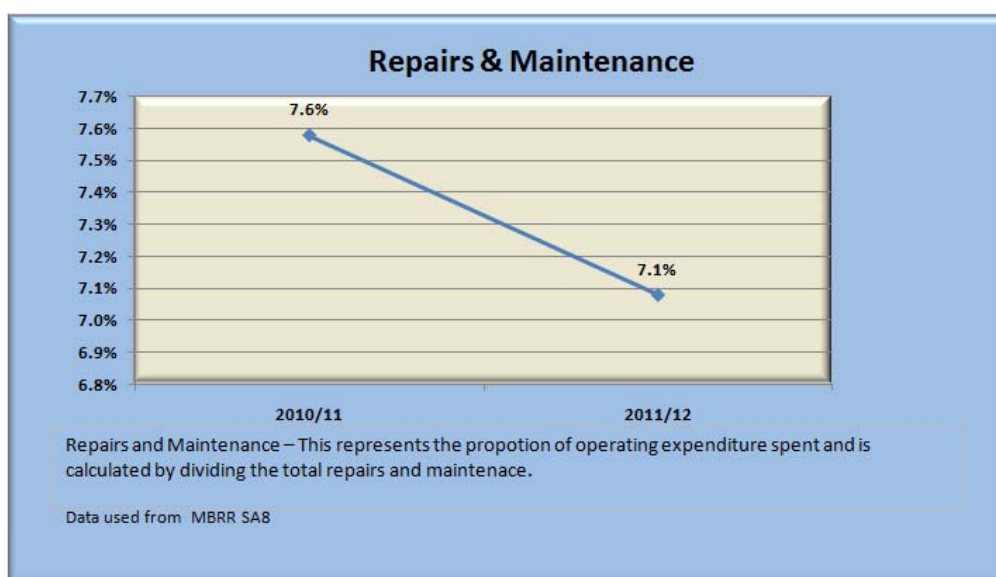
Graph 27: Employee Costs Ratio

## 5.5.6 REPAIRS & MAINTENANCE

Description	Basis of calculation	2010/11	2011-12
		Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.58%	7.08%

**Table 236: Repairs and Maintenance**

The following graph indicates the ratio of repairs and maintenance:



**Graph 28: Repairs and Maintenance Ratio**

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### Introduction to spending against capital budget

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects)

### 5.6 CAPITAL EXPENDITURE

#### A) CAPITAL EXPENDITURE BY NEW ASSETS PROGRAMME

Note: refer to page 39

Description	2010/11	2011-12			Planned Capital expenditure		
	Actual	Original Budget	Adjustmen t Budget	Actual Expen- diture	2012/13	2013/14	2014/15
	R'000						
Capital expenditure by Asset Class							
Infrastructure - Total	130 156	109 597	131 839	63 788	140 927	55 123	68 498
Infrastructure: Road transport - Total	16 957	1 694	12 847	7 493	13 293	21 473	19 091
Roads, Pavements & Bridges	11 450	1 694	12 847	7 493	13 293	21 473	19 091
Storm water	5 507	0	0	0	0	0	0
Infrastructure: Electricity - Total	14 939	47 220	53 219	15 593	39 779	8 694	4 600
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	14 899	46 960	52 919	15 293	31 477	2 856	2 999
Street Lighting	40	261	301	300	8 302	5 838	1 601
Infrastructure: Water - Total	6 489	13 104	12 732	3 952	73 081	24 106	27 441
Dams & Reservoirs	0	0	0	0	0	0	4 265
Water purification	0	0	0	0	0	0	0
Reticulation	6 489	13 104	12 732	3 952	73 081	24 106	23 176
Infrastructure: Sanitation - Total	91 772	47 078	52 536	36 247	14 674	850	17 367

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Description	2010/11	2011-12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
	R'000						
<i>Reticulation</i>	7 641	225	5 683	4 153	6 824	850	8 367
<i>Sewerage purification</i>	84 131	46 854	46 854	32 095	7 850	0	9 000
<b>Infrastructure: Other - Total</b>	<b>0</b>	<b>500</b>	<b>505</b>	<b>503</b>	<b>100</b>	<b>0</b>	<b>0</b>
<i>Waste Management</i>	0	500	505	503	0	0	0
<i>Transportation</i>	0	0	0	0	0	0	0
<i>Gas</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	(0)	100	0	0
<b>Community - Total</b>	<b>543</b>	<b>200</b>	<b>794</b>	<b>764</b>	<b>8 060</b>	<b>300</b>	<b>400</b>
<i>Parks &amp; gardens</i>	0	0	0	0	0	0	0
<i>Sportsfields &amp; stadia</i>	0	0	0	0	0	0	0
<i>Swimming pools</i>	0	0	0	0	0	0	0
<i>Community halls</i>	0	0	0	0	0	0	0
<i>Libraries</i>	0	0	0	0	0	0	0
<i>Recreational facilities</i>	125	0	0	0	0	0	0
<i>Fire, safety &amp; emergency</i>	110	0	100	505	0	0	0
<i>Security and policing</i>	308	200	694	258	6 660	300	400
<i>Buses</i>	0	0	0	0	0	0	0
<i>Clinics</i>	0	0	0	0	0	0	0
<i>Museums &amp; Art Galleries</i>	0	0	0	0	0	0	0
<i>Cemeteries</i>	0	0	0	0	0	0	0
<i>Social rental housing</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	(0)	1 400	0	0
<b>Capital expenditure by Asset Class</b>							
<b>Heritage assets - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Buildings</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0
<b>Investment properties - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Housing development</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0
<b>Other assets</b>	<b>6 603</b>	<b>3 671</b>	<b>5 551</b>	<b>9 269</b>	<b>10 539</b>	<b>0</b>	<b>0</b>
<i>General vehicles</i>	2 745	930	1 220	3 075	2 300	0	0
<i>Specialised vehicles</i>	759	0	0	0	0	0	0
<i>Plant &amp; equipment</i>	523	1 274	2 065	5 679	2 452	0	0

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Description	2010/11	2011-12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
	R'000						
<i>Computers – hardware/equipment</i>	382	0	18	37	136	0	0
<i>Furniture and other office equipment</i>	467	267	284	313	289	0	0
<i>Abattoirs</i>	0	0	0	0	0	0	0
<i>Markets</i>	0	0	0	0	0	0	0
<i>Civic Land and Buildings</i>	0	0	0	0	0	0	0
<i>Other Buildings</i>	1 722	800	1 318	358	2 017	0	0
<i>Other Land</i>	0	0	0	0	0	0	0
<i>Surplus Assets - (Investment or Inventory)</i>	0	0	0	0	0	0	0
<i>Other</i>	5	400	646	(192)	3 344	0	0
<b><u>Agricultural assets</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>List sub-class</i>	0	0	0	0	0	0	0
<b><u>Biological assets</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>List sub-class</i>	0	0	0	0	0	0	0
<b><u>Intangibles</u></b>	<b>142</b>	<b>45</b>	<b>162</b>	<b>157</b>	<b>335</b>	<b>0</b>	<b>0</b>
<i>Computers - software &amp; programming</i>	142	45	162	157	335	0	0
<i>Other (list sub-class)</i>	0	0	0	0	0	0	0
<b>Total Capital Expenditure on new assets</b>	<b>137 444</b>	<b>113 513</b>	<b>138 345</b>	<b>73 978</b>	<b>159 861</b>	<b>55 423</b>	<b>68 898</b>
<b><u>Specialised vehicles</u></b>	<b>1 186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Refuse</i>	1 186	0	0	0	0	0	0
<i>Fire</i>	0	0	0	0	0	0	0
<i>Conservancy</i>	0	0	0	0	0	0	0
<i>Ambulances</i>	0	0	0	0	0	0	0
* Note: Information for this table may be sourced from MBRR							

**Table 237: Capital Expenditure – New Assets Programme**



# BREDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

## B) CAPITAL EXPENDITURE BY UPGRADE/RENEWAL PROGRAMME

Description	2010/11	2011-12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
<b>Capital expenditure by Asset Class</b>							
<b>R'000</b>							
<b>Infrastructure - Total</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Infrastructure: Road transport - Total</i>	0	0	0	0	0	0	0
<i>Roads, Pavements &amp; Bridges</i>	0	0	0	0	0	0	0
<i>Storm water</i>	0	0	0	0	0	0	0
<b>Infrastructure: Electricity - Total</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Generation</i>	0	0	0	0	0	0	0
<i>Transmission &amp; Reticulation</i>	47	0	0	0	0	0	0
<i>Street Lighting</i>	0	0	0	0	0	0	0
<b>Infrastructure: Water - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Dams &amp; Reservoirs</i>	0	0	0	0	0	0	0
<i>Water purification</i>	0	0	0	0	0	0	0
<i>Reticulation</i>	0	0	0	0	0	0	0
<b>Infrastructure: Sanitation - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Reticulation</i>	0	0	0	0	0	0	0
<i>Sewerage purification</i>	0	0	0	0	0	0	0
<b>Infrastructure: Other - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Waste Management</i>	0	0	0	0	0	0	0
<i>Transportation</i>	0	0	0	0	0	0	0
<i>Gas</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0
<b>Community</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Parks &amp; gardens</i>	0	0	0	0	0	0	0
<i>Sportsfields &amp; stadia</i>	0	0	0	0	0	0	0
<i>Swimming pools</i>	0	0	0	0	0	0	0
<i>Community halls</i>	0	0	0	0	0	0	0
<i>Libraries</i>	0	0	0	0	0	0	0
<i>Recreational facilities</i>	0	0	0	0	0	0	0
<i>Fire, safety &amp; emergency</i>	0	0	0	0	0	0	0

# BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Description	2010/11	2011-12			Planned Capital expenditure		
	Actual	Original Budget	Adjust-ment Budget	Actual Expen-diture	2012/13	2013/14	2014/15
<b><u>Capital expenditure by Asset Class</u></b>							
<b>R'000</b>							
<i>Security and policing</i>	0	0	0	0	0	0	0
<i>Buses</i>	0	0	0	0	0	0	0
<i>Clinics</i>	0	0	0	0	0	0	0
<i>Museums &amp; Art Galleries</i>	0	0	0	0	0	0	0
<i>Cemeteries</i>	0	0	0	0	0	0	0
<i>Social rental housing</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0
<b><u>Heritage assets</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Buildings</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0
<b><u>Capital expenditure by Asset Class</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Investment properties</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Housing development</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0
<b><u>Other assets</u></b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>General vehicles</i>	0	0	0	0	0	0	0
<i>Specialised vehicles</i>	0	0	0	0	0	0	0
<i>Plant &amp; equipment</i>	43	0	0	0	0	0	0
<i>Computers - hardware/equipment</i>	0	0	0	0	0	0	0
<i>Furniture and other office equipment</i>	0	0	0	0	0	0	0
<i>Abattoirs</i>	0	0	0	0	0	0	0
<i>Markets</i>	0	0	0	0	0	0	0
<i>Civic Land and Buildings</i>	0	0	0	0	0	0	0
<i>Other Buildings</i>	0	0	0	0	0	0	0
<i>Other Land</i>	0	0	0	0	0	0	0
<i>Surplus Assets - (Investment or Inventory)</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0
<b><u>Agricultural assets</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>List sub-class</i>	0	0	0	0	0	0	0
<b><u>Biological assets</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Description	2010/11	2011-12			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
<b>Capital expenditure by Asset Class</b>							
<b>R'000</b>							
List sub-class	0	0	0	0	0	0	0
<b>Intangibles</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Computers - software & programming	0	0	0	0	0	0	0
Other (list sub-class)	0	0	0	0	0	0	0
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Specialised vehicles</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Refuse	0	0	0	0	0	0	0
Fire	0	0	0	0	0	0	0
Conservancy	0	0	0	0	0	0	0
Ambulances	0	0	0	0	0	0	0

**Table 238: Capital Expenditure – Upgrade/Renewal Programme**

### 5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2011-12 financial year:

Details	2010/11	2011-12			2011-12 Variance	
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	R"000				%	
Source of finance						
External loans	77 981	75 114	80 875	20 401	7.6	(72.84)
Public contributions and donations	291	0	0	5 837	100	100
Grants and subsidies	49 251	30 567	46 747	39 896	52.93	30.52
Other	10 011	7 832	10 723	7 843	36.92	0.15
Total	137 534	113 513	138 345	73 978	21.88	(34.83)
Percentage of finance						
External loans	56.7%	66.2%	58.5%	27.6%	Not applicable	Not applicable
Public contributions and donations	0.2%	0.0%	0.0%	7.9%	Not applicable	Not applicable
Grants and subsidies	35.8%	26.9%	33.8%	53.9%	Not applicable	Not applicable
Other	7.3%	6.9%	7.8%	10.6%	Not applicable	Not applicable

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Details	2010/11	2011-12			2011-12 Variance	
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	R"000				%	
Capital expenditure						
Water and sanitation	98 261	60 203	70 800	40 199	17.60	(33.23)
Electricity	14 899	47 420	54 017	15 293	13.91	(67.75)
Housing	0	0	0	0	0	0
Roads and storm water	16 957	1 563	7 276	7 493	365.41	379.31
Other	7 418	4 327	6 252	10 992	44.49	154.05
Total	137 534	113 513	138 345	73 978	21.88	(34.83)
Percentage of expenditure						
Water and sanitation	71.4%	53.0%	51.2%	54.3%	Not applicable	Not applicable
Electricity	10.8%	41.8%	39.0%	20.7%	Not applicable	Not applicable
Housing	0.0%	0.0%	0.0%	0.0%	Not applicable	Not applicable
Roads and storm water	12.3%	1.4%	5.3%	10.1%	Not applicable	Not applicable
Other	5.4%	3.8%	4.5%	14.9%	Not applicable	Not applicable

**Table 239: Capital Expenditure by Funding Source**

The substantial variances on the Sources of Funding are as a result of the following:

### **External loans :**

#### **■ Worcester Wastewater Treatment Works**

A saving of R7.1 million has realised as well as under spending of R7.65 million. The under spending was transferred to the 2012/13 financial year for the completion of the project. The saving was re-allocated to the upgrading of the Stetteynskloof water supply pipeline.

#### **■ New 11/66kV Substation**

There was a delay in the delivery of the transformers and switchgear from Italy and Vietnam. A saving of R9.3million occurred as a result of tenders being much lower as anticipated. An amount of R25, 7 million was transferred to the 2012/13 financial year for the completion of the project. The saving was re-allocated to the upgrading of the Stetteynskloof water supply pipeline.

### **Public contributions and donations**

- Donated assets were received from the Department of Local Government for use in Disaster Management. The donation was not included in the budget as we were unaware of this during the Adjustment Budget process.

### **Grants and subsidies**

#### **■ De Doorns South of N1: Services**

An under expenditure of R4.6 million occurred as a result of the funding being made on the adjustment budget in

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February 2012. This left insufficient time for completion. The funding was transferred to the 2012/13 financial year for the completion of the project.

### ■ **Shadow centre : Phase 2**

The R800 000 as per DORA was not received from the Department of Transport which caused the delay of the project.

### ■ **Upgrading Sport grounds: Lotto Funding**

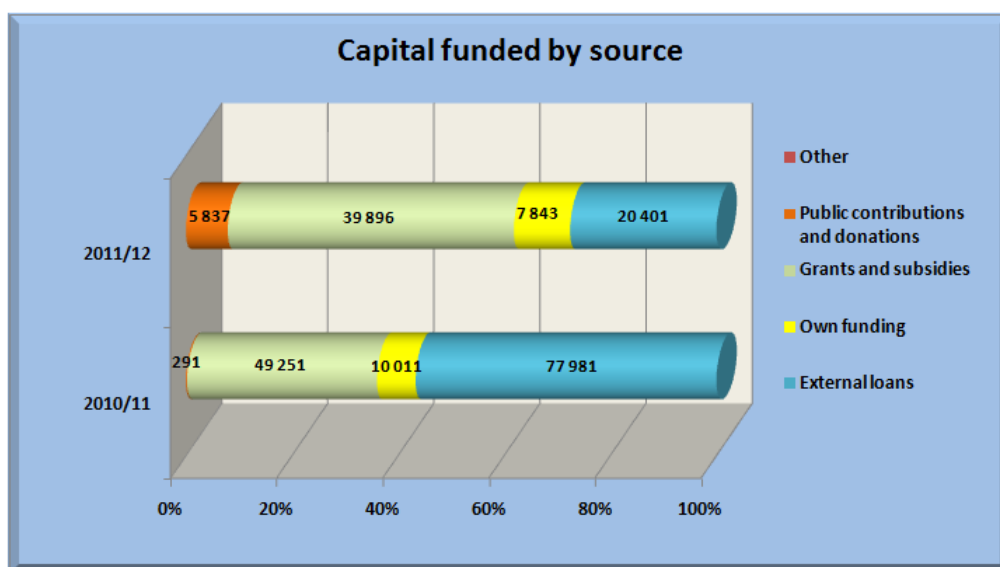
The projects were completed and permission was asked from the relevant department to use the unspent amount for security fencing. Permission not received yet, but the unspent amount was transferred to the 2012/13 financial year.

## CAPITAL FUNDED BY SOURCE

Description Source	2010/11	2011-12
	R'000	
External loans	77 981	20 401
Grants and subsidies	49 251	39 896
Public contributions and donations	291	5 837
Own funding	10 011	7 843
Other	0	0
<b>Total capital expenditure</b>	<b>137 534</b>	<b>73 978</b>

*Table 240: Capital funded by source*

The following graph indicates capital expenditure funded by the various sources



Graph 29: Capital funded by source

## 5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2011-12

Name of Project	2011-12			Variance Current Year: 2011-12	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R			%	
A – Upgrading Worcester Wastewater Treatment Works	46 853 614	46 853 614	32 094 501	(31.50)	(31.50)
B – New 66kV Substation	41 200 000	46 960 428	11 785 589	(71.39)	(74.90)
C - De Doorns South of N1 : Services	0	20 528 793	10 883 933	(100.00)	(46.98)
D - Stettynskloof Water Supply (Worcester/Rawsonville)	12 542 506	7 542 506	2 002 587	(84.03)	(73.45)
E - Resealing of Proclaimed Roads	1 544 000	1 544 000	1 501 914	(2.73)	(2.73)

Table 241: Capital Expenditure on the 5 Largest Projects

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<b>Name of Project - A</b>	Upgrading Worcester Wastewater Treatment Works
<b>Objective of Project</b>	To create extra capacity.
<b>Delays</b>	None.
<b>Future Challenges</b>	To be able to maintain assets successfully.
<b>Anticipated citizen benefits</b>	Create capacity for new developments.

**Table 242: Summary of Project A – Upgrading of Worcester WWTW**

<b>Name of Project - B</b>	New 66kV Substation
<b>Objective of Project</b>	To create extra capacity.
<b>Delays</b>	Yes, due to late delivery of imported material.
<b>Future Challenges</b>	To be able to maintain assets successfully.
<b>Anticipated citizen benefits</b>	Create capacity for new developments.

**Table 243: Summary of Project B – 66kV Substation**

<b>Name of Project - C</b>	De Doorns South of N1 : Services
<b>Objective of Project</b>	To supply basic services and houses for the poor inhabitants.
<b>Delays</b>	Delays due to budget constraints.
<b>Future Challenges</b>	To supply houses to every family.
<b>Anticipated citizen benefits</b>	Supply houses to all citizens.

**Table 244: Summary of Project C – De Doorns South of N1: Services**

<b>Name of Project - D</b>	Stettynskloof Water Supply (Worcester/Rawsonville)
<b>Objective of Project</b>	To upgrade main water pipeline to town.
<b>Delays</b>	Delay in tender awarding due to an appeal from one of the tenders.
<b>Future Challenges</b>	To be able to maintain assets.
<b>Anticipated citizen benefits</b>	The communities of Worcester and Rawsonville.

**Table 245: Summary of Project D - Stettynskloof Water Supply**

<b>Name of Project - E</b>	Resealing of Proclaimed Roads
<b>Objective of Project</b>	To extend the remaining useful life of the roads.
<b>Delays</b>	Availability of resources.
<b>Future Challenges</b>	Insufficient funding to eradicate the backlog.
<b>Anticipated citizen benefits</b>	The community of Breede Valley Municipality.

**Table 246: Summary of Project E – Resealing of Proclaimed Roads**

## 5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

In terms of Clause 152 (1) (b) and (d) of the Constitution, it is Breede Valley Municipality's objective to ensure the provision of services to communities in a sustainable manner and to promote a safe and healthy environment, respectively. The before mentioned clearly relates to engineering infrastructure. The challenge are the delivery of services (i.e. sanitation, water, electricity, refuse removal. etc.) to all inhabitants of Breede Valley Municipality, whilst both maintaining infrastructure and developing more economic infrastructure in order to support growth, job creation and prosperity for the more than 93 000 inhabitants.

Informal settlements are situated in the Breede Valley within the towns of Worcester, Rawsonville, De Doorns, Sand Hills and Touws River. These informal settlements are a concern for the municipality as they are built on areas that are not suited for development. There is no infrastructure and amenities which can lead to health risks and crime. As the dwellings are often located in areas that are not suited to development (e.g. in a riverbed), the settlements are often vulnerable to natural disasters such as floods or fires.

The implementation of Access to Basic Services and Housing projects will allow the municipality to address backlogs in a more economical and aggressive manner.

### 5.9.1 SERVICE BACKLOGS

Households (HHs)				
Description	*Service level above minimum standard		**Service level below minimum standard	
	Number of Households	% Households	Number of Households	% Households
Water	22 013	96	924	4
Sanitation	20 753	94	1 233	6
Electricity	25 763	100	0	0
Waste management	22 641	100	0	0
Housing	36 328	72	14 127	28

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

**Table 247: Service Backlogs**

*Note: Information as at 30 June 2012*



## 5.9.2 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Details	Budget	Adjust- ments Budget	Actual	Variance	
				Budget	Adjust- ments Budget
	R'000			%	
Infrastructure - Road transport	0	5000	0	(100)	(100)
Roads, Pavements & Bridges	0	3 000	0	(100)	(100)
Storm water	0	2 000	0	(100)	(100)
Infrastructure - Electricity	0	0	0	0	0
Generation	0	0	0	0	0
Transmission & Reticulation	0	0	0	0	0
Street Lighting	0	0	0	0	0
Infrastructure - Water	12 543	7 543	2 003	(84)	(73)
Dams & Reservoirs	0	0	0	0	0
Water purification	0	0	0	0	0
Reticulation	12 543	7 543	2 003	(84)	(73)
Infrastructure - Sanitation	12 939	12 939	23 479	81	81
Reticulation	0	0	0	0	0
Sewerage purification	12 939	12 939	23 479	81	81
Infrastructure - Other	0	0	0	0	0
Waste Management	0	0	0	0	0
Transportation	0	0	0	0	0
Gas	0	0	0	0	0
Other Specify:	0	0	0	0	0
Total	25 482	25 482	25 482	0	0
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					

Table 248: Municipal Infrastructure Grant (MIG)

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

It must ensure the availability at all times of adequate liquid resources for operational purpose and investment in assets

Obtain an optimal balance between available cash and cash investments.

Attain the highest possible return at the lowest risk on investments

Ensure the safety of Public funds by proper stewardship and accountability of cash resources.

Collect all monies as soon as possible after they become payable and deposit it into a bank account.

There must be effective control over expenditure and proper planning of Payments.

Cash receipts must be balanced daily.

All monies must be banked promptly.

Adequate internal control system must exist,

Safeguard assets, prevent theft and fraud.

Audit checks must carry out regularly.

Bank reconciliations must be prepared and certified regularly.

Payment of creditors and salaries should be controlled.

### 5.10 CASH FLOW

Description	2010/11	2011-12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>Cash flow from operating activities</b>				
<b>R'000</b>				
<b>Receipts</b>				
Ratepayers and other	469 566	473 191	468 443	515 430
Government - operating	99 254	104 558	95 781	93 753
Government - capital	32 351	30 567	45 318	44 324
Interest	7 350	9 546	9 546	7 641
Dividends	0	0	0	0
<b>Payments</b>				
Suppliers and employees	(508 708)	(530 846)	(529 357)	(565 184)
Finance charges	(23 679)	(31 382)	(31 382)	(27 576)
Transfers and Grants	(166)	(150)	(150)	(149)
<b>Net cash from/(used) operating activities</b>	<b>75 968</b>	<b>55 484</b>	<b>58 199</b>	<b>68 239</b>
<b>Cash flows from investing activities</b>				
<b>Receipts</b>				

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

Description	2010/11	2011-12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>Cash flow from operating activities</b>				
<b>R'000</b>				
Proceeds on disposal of PPE	339	150	150	0
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	(6 194)	(300)	(300)	(3 187)
Decrease (increase) in non-current investments	15 000	5 000	20 000	55 000
<b>Payments</b>				
Capital assets	(137 243)	(113 513)	(138 345)	(68 140)
<b>Net cash from/(used) investing activities</b>	<b>(128 098)</b>	<b>(108 663)</b>	<b>(118 495)</b>	<b>(16 327)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				
Short term loans	0	0	0	0
Borrowing long term/refinancing	100 000	51 000	51 000	0
Increase (decrease) in consumer deposits	57	53	120	150
<b>Payments</b>				
Repayment of borrowing	(21 850)	(23 399)	(23 399)	(23 681)
<b>Net cash from/(used) financing activities</b>	<b>78 207</b>	<b>27 654</b>	<b>27 721</b>	<b>( 23 531)</b>
<b>Net increase/ (decrease) in cash held</b>	<b>26 077</b>	<b>(25 525)</b>	<b>(32 575)</b>	<b>28 379</b>
Cash/cash equivalents at the year begin:	<b>11 204</b>	<b>35 989</b>	<b>37 257</b>	<b>37 280</b>
Net increase on Cash/cash equivalents at the year-end:	<b>37 281</b>	<b>10 464</b>	<b>4 682</b>	<b>65 659</b>

*Source: MBRR SA7*

**Table 249: Cash flow**

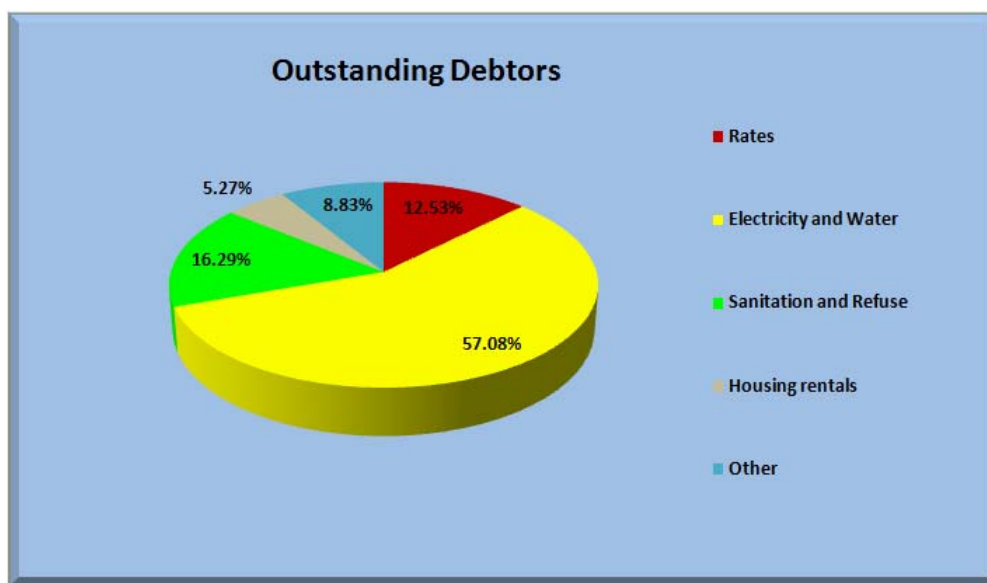
### 5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000					
2010/11	9 745	40 018	11 424	3 677	8 597	73 461
2011-12	9 958	45 347	12 941	4 187	7 016	79 449
Difference	213	5 329	1 517	510	(1 581)	5 988
% growth year on year	12.53	57.08	16.29	5.27	8.83	100.00

**Table 250: Gross outstanding debtors per service**

*Note: Figures exclude provision for bad debt.*

The following graph indicates the total outstanding debt per type of service for 2010/11



Graph 30: Debt per type of service

## 5.12 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2010/11	42 178	2 958	1 824	26 501	73 461
2011-12	48 599	2 934	1 829	27 414	80 776
Difference	6 421	(24)	5	913	7 315
% growth year on year	60.17	3.63	2.26	33.94	100.00

Table 251: Service debtor age analysis

**Note: Figures exclude provision for bad debt**

Total Debtors increased from R 73 461 000 in 2010/2011, to R 80 778 000 in 2011/2012 (9.96%). Outstanding Debtors less than 30 days, increased by 15.22% whilst outstanding debtors between 30-60 days decreased by .08%. Outstanding Debtors between 60-90 days increased by less than half a percentage point whilst outstanding debtors more than 90 days increased by 3.45%. Collection rate for 2011/2012 was 97.5%.

The Financial Charges actual is less than budget: Breede Valley budget to borrow R 51 000 000 for the 2011 2012 Financial Year, it was not raised. For that reason - interest paid on the external loans are less than budget.

Disposal on PPE – no PPE was disposed in the 2011 2012 financial year.

Borrowing long term / refinancing: Breede Valley budget to borrow R 51 000 000 for the 2011 2012 Financial Year, it was not raised.

Capital Assets: 49% of the capital Budget was spent in the 2011 2012 financial year for that reason there are more

## BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

cash/ cash equivalent at year end.

Rent of facilities: Received R 1 087 176 less than budgeted

Electricity – Bulk: Purchased R 2 905 496 more than budgeted

Water purchased: Purchased R 865 449 more than budgeted

Contracted Services: Paid R 3 024 646 more than budgeted.

Employee cost: R 5 958 126 less than budgeted

Other Material: R 9 034 157 less than budgeted.

### 5.13 BORROWING AND INVESTMENTS

Money not immediately required been invested within a timeframe of 1 month to 12 Months.

The investment policy is in writing and give effect to regulations

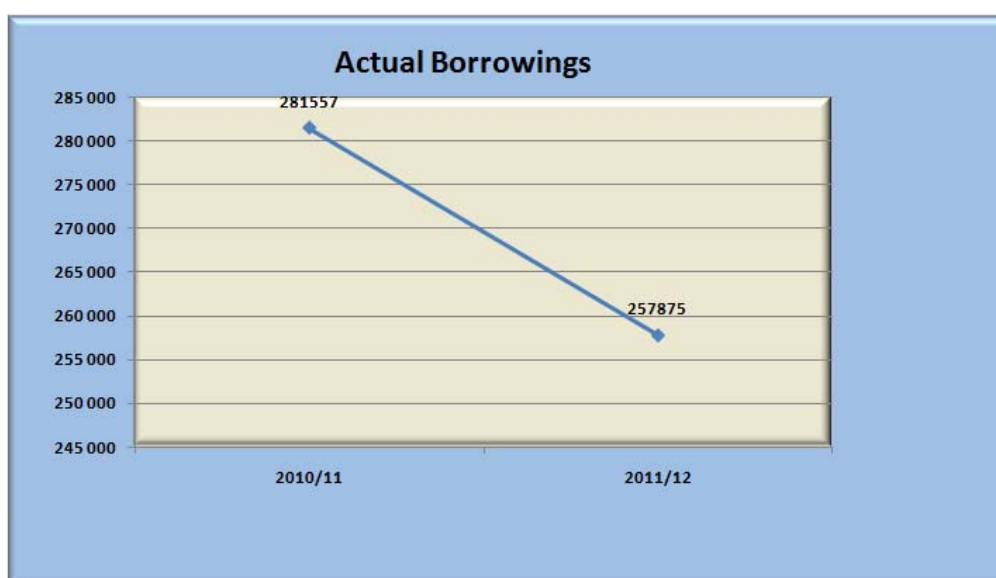
Monthly reporting and monitoring

#### 5.13.1 ACTUAL BORROWINGS

Instrument	2010/11	2011-12
	R'000	
Long-Term Loans (annuity/reducing balance)	281 557	257 875
Long-Term Loans (non-annuity)	0	0
Local registered stock	0	0
Instalment Credit	0	0
Financial Leases	0	0
PPP liabilities	0	0
Finance Granted By Cap Equipment Supplier	0	0
Marketable Bonds	0	0
Non-Marketable Bonds	0	0
Bankers Acceptances	0	0
Financial derivatives	0	0
Other Securities	0	0
<b>Municipality Total</b>	<b>281 557</b>	<b>257 875</b>

*Table 252: Actual Borrowings*

The following graph shows the municipal actual borrowings for the past two years:



Graph 31: Actual Borrowings

### 5.13.2 MUNICIPAL INVESTMENTS

Investment* type	2010/11	2011-12
	R'000	
Securities - National Government	0	0
Listed Corporate Bonds	0	0
Deposits - Bank	90 000	35 000
Deposits - Public Investment Commissioners	0	0
Deposits - Corporation for Public Deposits	0	0
Bankers Acceptance Certificates	0	0
Negotiable Certificates of Deposit - Banks	0	0
Guaranteed Endowment Policies (sinking)	0	0
Repurchase Agreements - Banks	0	0
Municipal Bonds	0	0
Other	0	0
<b>Municipality Total</b>	<b>90 000</b>	<b>35 000</b>

Table 253: Municipal Investments

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The table below indicates the declaration of loans and grants made by the municipality for the 2011-12 financial year:

All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Value 2011-12	Total Amount committed over previous and future years
	R'000	R'000
<b>Grants paid to:</b>		
SA Arts Association	22	43
Steenvliet Crèche	10	0
Kleinberg Dienssentrum	10	0
Lukhanyo Home Educare	10	0
Masikhule Pre-School	10	12
ACVV Xolani Crèche	10	12
Masiqhubeke crèche	10	5
Zanokhanyo Pre-School crèche	10	0
Worcester House of Hope	7	0
Breed Valley Association for	10	0
Eden Skool L.D.E.N	10	0
Boland Hospice	10	0
Masiqhubeke educare centre	10	12
Sikhulule Zanokhanyo	10	0
Houmoed Dienssentrum	0	0
Riverside Gholf-club	0	33
<b>Total:</b>	<b>149</b>	<b>117</b>

**Table 254: Declaration of Loans and Grants**

*Note: Appendix R*

## **COMPONENT D: OTHER FINANCIAL MATTERS**

### **5.15 SUPPLY CHAIN MANAGEMENT**

The municipality does have policies and practices that comply with the guidelines set by the Supply Chain Management regulations of 2005. The Breede valley has a fully operational Supply Chain Management Committee System and no councillor is a part of the Supply Chain Management process or committee system. The Breede valley are also very much focusing on the effective functioning of the supply chain management officials and did enrolled the supply chain management Manager and heads and also accountants for the Municipal Minimum Competency training of which some will complete before January 2013 and some that are registered as special merit cases will complete after the required timeframe.

### **5.16 GRAP COMPLIANCE**

GRAP 1: Presentation of Financial Statements  
GRAP 2: Cash flow statement  
GRAP 3: Accounting policies, changes in accounting estimates and errors  
GRAP 4: The effects of changes in foreign exchanges rates  
GRAP 5: Borrowing costs  
GRAP 6: Consolidated and separate financial statements  
GRAP 7: Investments in associates  
GRAP 8: Interests in joint ventures  
GRAP 9: Revenue from exchanges transactions  
GRAP 10: Financial reporting in hyperinflationary economies  
GRAP 11: Contraction contracts  
GRAP 12: Inventories  
GRAP 13: Leases  
GRAP 14: Events after the reporting date  
GRAP 16: Investment property  
GRAP 17: Property, plant and equipment  
GRAP 19: Provisions, contingent liabilities and contingent assets  
GRAP 100: Non-current assets held for sale and discontinued operations  
GRAP 101: Agriculture  
GRAP 102: Intangible assets



## *BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12*

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Follow the above with information on progress with GRAP compliance at your municipality. Detail any instances where the municipality has deviated from the GRAP standards currently applicable.

# Chapter 6: Auditor General Audit Findings



## CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION 2010/11

#### 6.1 AUDITOR GENERAL REPORTS 2010/11

Auditor-General Report on Financial Performance 2010/11	
<b>Audit Report Status:</b>	<b>Unqualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
All actions will be included in a comprehensive plan under the MGRO (Municipal Governance Review Outlook) initiative.	
<u>Budgets</u>	
The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved budget, in contravention of section 15 of the MFMA.	Budget adjusted on 30 January 2012
The total unforeseen and unavoidable expenditure incurred for which no provision was made in the approved budget, exceeded R15 million in contravention of regulation 72(c) of the Municipal Budget and Reporting Regulation, 2009.	Budget adjusted on 30 January 2012
The mayor did not submit three out of the four quarterly reports to council on the implementation of the budget and the financial state of affairs of the municipality within 30 days after the end of each quarter, as required by section 52(d) of the MFMA	The mayor submitted all 4 quarterly reports to council for 2011-12
<u>Audit Committee</u>	
The audit committee, which also serves as the performance audit committee, did not function during the first nine months of the financial year, as required by section 166 of the MFMA and by regulation 14(3)(a) and 14(4)(a) of the Municipal Planning and Performance Management Regulations, 2001, in that it did not advise the council, the accounting officer and/or the management staff of the municipality on matters relating to internal financial control and internal audits, risk management, accounting policies, performance management, effective governance, compliance with applicable legislation and performance evaluation for the first nine months of the year. It also did not respond to the council on any issues raised by the Auditor-General in the audit report, review the quarterly reports of the internal auditors on their audits of the performance measurements of the municipality and review the municipality's performance management system. The audit committee further did not make recommendations to the council of the municipality and submit a report to the council regarding the performance management system at least twice during the financial year.	Audit committee has met as per legislative requirements
<u>Internal Audit</u>	
The internal audit unit did not function, as required by section 165(2) of the MFMA, in that internal audit did not report to the audit committee on matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management and loss control during the first nine months of the financial year	A new Chief Internal Auditor has been appointed and processes are improving. Audit committee has met as per legislative requirements
Internal audit did not, during the first nine months of the	Audit committee has met as per legislative requirements

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

<b>Auditor-General Report on Financial Performance 2010/11</b>	
financial year, report to the audit committee on matters relating to compliance with the MFMA, the DoRA and other applicable legislation, as required by section 165(2)(b) of the MFMA	
The internal audit processes and procedures did not include assessments of the functionality of the municipality's performance management system and whether the system complied with the requirements of the Municipal Systems Act, 2000 (Act No. 32 of 2000) as required by regulation 14(1)(b)(i) and 14(1)(b)(ii) of the Local Government: Municipal Planning and Performance Management Regulations, 2001, <i>General Notice R. 796, issued in Government Gazette 22605 of 24 August 2001</i>	A new Chief Internal Auditor has been appointed and processes are improving. The audit of the PMS has however not been complied with although it has started
The internal audit processes and procedures did not include assessments of the extent to which the municipality's performance measurements were reliable in measuring the performance of the municipality on key as well as general performance indicators as required by regulation 14(1)(b)(iii) of the Municipal Planning and Performance Management Regulations, 2001.	A new Chief Internal Auditor has been appointed and processes are improving. The audit of the PMS has however not been complied with although it has started
The internal auditors of the municipality did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager and the performance audit committee as required by the Municipal Planning and Performance Management Regulations, 2001	A new Chief Internal Auditor has been appointed and processes are improving. The audit of the PMS has however not been complied with although it has started
<b><u>Procurement and contract management</u></b>	
Awards were made to providers who are persons in service of other state institutions or whose directors/ principal shareholders are persons in service of other state institutions in contravention of the requirements of the Municipal Supply Chain Management (SCM) Regulations (GNR. 868 of 30 May 2005), regulations 44. Furthermore, the providers failed to declare that they were in the service of the state, as required by SCM regulation 13(c).	Repeat findings were reported on people in the service of the state. Progress made and in process to be addressed
<b><u>Expenditure management</u></b>	
The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA	Repeat findings were reported

**Table 255: AG Report on Financial Performance 2010/11**

<b>Auditor-General Report on Service Delivery Performance: 2010/11</b>	
<b>Audit Report Status:</b>	<b>Unqualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
The accounting officer of the municipality did not by 25 January 2011 assess the performance of the municipality during the first half of the financial year, taking into account the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan as required by section 72(1)(a)(ii) of the MFMA.	The Midyear report of the BVM has been dealt with by the Accounting Officer to the Mayor and has been forwarded to all relevant parties.
The accounting officer of the municipality did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the mayor of the municipality and the provincial treasury as required by section 72(1)(b) of the MFMA	Process plans for the municipal IDP and Budget processes were developed and is being implemented. Calendar Program for Organisational Performance Management is an integral part of the Performance management program. Support mechanisms include the Budget Steering Committee, Internal IDP Rep Forum & External IDP Rep Forum and Performance Audit Committee in support of the latter. The oversight role were fully perform by the Audit & Performance Committees

**Table 256: AG Report on Service Delivery Performance 2010/11**

## COMPONENT B: AUDITOR-GENERAL OPINION 2011-12

### 6.2 AUDITOR GENERAL REPORTS 2011-12

Auditor-General Report on Service Delivery Performance: 2011-12*	
Status of audit report:	Unqualified
Non-Compliance Issues	Remedial Action Taken
<b>Internal Audit</b>	
The internal audit did not audit the results of performance measurements, as required by section 45(1)(a) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and Municipal Planning and Performance Management Regulation 14(1)(a) (GNR.796 of 24 August 2001).	The Internal audit component already started off with their compliance responsibility during the 2011 financial year and although not yet finish they were also users of the system and the facilitators of the Performance Audit Committee meeting with the Chief Internal Auditors in full attendance when meetings were held,
The internal audit unit did not assess the functionality of the performance management system, whether the performance management system complied with the requirements of the Municipal Systems Act or the extent to which the performance measurements were reliable in measuring the performance of the municipality on key and general performance indicators, as required by the Municipal Planning and Performance Management Regulation 14(1)(b)(i), (ii) and (iii).	The Internal audit component already started off with their compliance responsibility during the 2011 financial year and although not yet finish they were also users of the system and the facilitators of the Performance Audit Committee meeting with the Chief Internal Auditors in full attendance when meetings were held,
The internal audit unit did not audit the performance measurements on a continuous basis and/or submitted quarterly reports on their audits to the municipal manager and the performance audit committee, as required by Municipal Planning and Performance Management Regulation 14(1)(c).	The Internal audit component already started off with their compliance responsibility during the 2011 financial year and although not yet finish they were also users of the system and the facilitators of the Performance Audit Committee meeting with the Chief Internal Auditors in full attendance when meetings were held,

Table 257: AG Report on Financial Performance 2011-12

Auditor-General Report on Financial Performance 2011-12*	
Status of audit report:	Unqualified
Non-Compliance Issues	Remedial Action Taken
<b>Expenditure Management</b>	
The accounting officer did not take reasonable steps to prevent irregular expenditure as required by section 62(1)(d) of the MFMA	Repeat audit finding

Table 258: AG Report on Service Delivery Performance 2011-12

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

The following table provides the details on the audit outcomes for the past two financial years with the correctives steps implemented:

2010/11	
Issue raised	Corrective step implemented
<b><u>Emphasis of matter:</u></b>	
<b><u>Significant uncertainties</u></b>	
As disclosed in note 40 to the financial statements, the municipality is a defendant in one lawsuit, 136 public liability claims and 16 claims for damages. The outcome of these matters cannot presently be determined.	Claims are being received and attended to on a continuous basis the claims from the previous year has been focussed on and are in progress to be sorted out . Miscellaneous claims are also being reported on to the Mayor through the section 71 report monthly. Only 44 claims still in progress from last year's 166 claims
<b><u>Contingent Assets</u></b>	
As disclosed in note 40 to the financial statements, the municipality holds a claim on the reimbursement of legal fees and the recovery of funds from former employees. Furthermore, the municipality lodged a dispute with the South African Revenue Service on the assessment of the municipality's value-added tax (VAT) resulting from the outcome of an audit conducted by SARS on the municipality's VAT account	Dispute raised with SARS regarding VAT assessment. Attorney/Advocate appointed to assist with recovery of VAT from SARS.
<b><u>Restatement of corresponding figures</u></b>	
As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during the 2010-11 financial year in the financial statements of the Breede Valley Municipality at, and for the year ended 30 June 2010	The amendments have been made and a proper basis has been set for more accurate Annual Financial Statements for the next financial year. The municipality hopes to compliment the current capacity of staff in order to constructively deal with the challenges of GRAP in future
<b><u>Emphasis of matter:</u></b>	
<b><u>Material losses</u></b>	
As disclosed in appendix E to the financial statements, the municipality incurred water losses amounting to R15,9 million (4 949 987 kilolitre or 32,65% of the units supplied) during the financial year.	<p>Different aspects have been implemented to address the water losses such as: pipe replacement programme.</p> <ul style="list-style-type: none"> <li>• Water meter replacement programme.</li> <li>• Billing of municipal water consumption (i.e. fire services, testing of hydrants, irrigation of parks, etc.).</li> <li>• Billing of informal settlement's water consumption.</li> <li>• Influx control policy.</li> <li>• Increase the confidence level of the monthly water meter readings municipality also implemented a proper recording system to address acknowledgement and recording of non revenue water that may impact vastly on the current percentage determined for losses.</li> </ul>
<b><u>Emphasis of matter:</u></b>	
<b><u>Subsequent event</u></b>	
As disclosed in note 48 to the financial statements the services of the municipal manager was terminated during September 2011	New MM appointed from 1 March 2012

**Table 259: 2010/11 Detail on audit outcomes**

2011-12	
Issue raised	Corrective step implemented
<b><u>Emphasis of matter:</u></b>	

## BREED VALLEY MUNICIPALITY ANNUAL REPORT 2011/12

2011-12	
Issue raised	Corrective step implemented
<b><u>Restatement of corresponding figures</u></b>	
As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of an error discovered during 2011-12 in the financial statements of the Breede Valley Municipality at, and for the year ended, 30 June 2011.	The amendments have been made and a proper basis has been set for more accurate Annual Financial Statements for the next financial year. The municipality hopes to compliment the current capacity of staff in order to constructively deal with the challenges of GRAP in future
<b><u>Emphasis of matter:</u></b>	
<b><u>Material losses</u></b>	
The municipality incurred water losses of 3 329 214 KI (21.5%) (2010-11: 4 949 987 KI or 32.6%) during the year under review.	Still in progress for further improvement although already within the requested norm
<b><u>Emphasis of matter:</u></b>	
<b><u>Impairments</u></b>	
As disclosed in note 11 to the financial statements the provision for bad debt for consumer debtors amounts to R13.8 million (2010-11: R18.8 million).	The debtor collection period and bad debts written off indicate efficient management of debtors when compared to the ratios of another municipality
The net provision for bad debts for long term debts, as disclosed in note 7 and including the short term portion thereof, amounts to R24.3 million (2010-11: R20.7 million). Of this R21.5 million (2010-11: R17.6 million) relates to arrangements.	The debtor collection period and bad debts written off indicate efficient management of debtors when compared to the ratios of another municipality
<b><u>Emphasis of matter:</u></b>	
<b><u>Material under spending of the capital budget</u></b>	
A disclosed in note 53 to the financial statements the Breede Valley Municipality has materially under spent its capital budget by R64 million. The capital budget was under spent as a result of the delay in the delivery of electrical equipment.	The municipality substantially under spent its capital budget. This was mainly as a result of the delay in the delivery of electrical transformers and switchgear, as well as the late appointment of a contractor as a result of the objection lodged by an unsuccessful supplier. The unspent funds have been rolled over to 2012-13 for the completion of the specific projects.

**Table 260: 2011-12 Detail on audit outcomes**



## **LIST OF ABBREVIATIONS**

<b>AG</b>	Auditor-General
<b>BVM</b>	Breed Valley Municipality
<b>CAPEX</b>	Capital Expenditure
<b>CBP</b>	Community Based Planning
<b>CFO</b>	Chief Financial Officer
<b>DPLG</b>	Department of Provincial and Local Government
<b>DWAF</b>	Department of Water Affairs and Forestry
<b>EE</b>	Employment Equity
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HR</b>	Human Resources
<b>IDP</b>	Integrated Development Plan
<b>IFRS</b>	International Financial Reporting Standards
<b>IMFO</b>	Institute for Municipal Finance Officers
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>MAYCO</b>	Executive Mayoral Committee
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>MMC</b>	Member of the Mayoral Committee
<b>MIG</b>	Municipal Infrastructure Grant
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of Mayoral Committee
<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>MTECH</b>	Medium Term Expenditure Committee
<b>NGO</b>	Non-governmental organisation
<b>NT</b>	National Treasury

<b>OPEX</b>	Operating expenditure
<b>PMS</b>	Performance Management System
<b>PT</b>	Provincial Treasury
<b>SALGA</b>	South African Local Government Organisation
<b>SAMDI</b>	South African Management Development Institute
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>PPP</b>	Public Private Partnership
<b>EPWP</b>	Extended Public Works Programmes

**ANNEXURE A: FINANCIAL STATEMENTS**

DRAFT

## ANNEXURE B: REPORT OF THE AUDITOR GENERAL

### REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON BREED VALLEY MUNICIPALITY

#### REPORT ON THE FINANCIAL STATEMENTS

##### Introduction

1. I have audited the financial statements of the Breede Valley Municipality, set out on pages 7 to 56, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

##### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Breede Valley Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

### **Emphasis of matters**

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Material losses**

8. The municipality incurred water losses of 3 329 214 Kl (21.5%) (2010-11: 4 949 987 Kl or 32.6%) during the year under review.

### **Material impairments**

9. As disclosed in note 11 to the financial statements the provision for bad debt for consumer debtors amounts to R13.8 million (2010-11: R18.8 million).
10. The net provision for bad debts for long term debts, as disclosed in note 7 and including the short term portion thereof, amounts to R24.3 million (2010-11: R20.7 million). Of this R21.5 million (2010-11: R17.6 million) relates to arrangements.

### **Material under spending of the budget**

11. As disclosed in note 53 to the financial statements the Breede Valley Municipality has materially under spent its capital budget by R64 million. The capital budget was under spent as a result of the delay in the delivery of electrical equipment.

### **Restatement of corresponding figures**

12. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of an error discovered during 2011-12 in the financial statements of the Breede Valley Municipality at, and for the year ended, 30 June 2011.

### **Additional matter**

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### **Unaudited supplementary schedules**

14. The supplementary information set out on pages 57 to 73 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

15. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### **Predetermined objectives**

16. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 85 to 106 of the annual report.
17. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.
18. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
19. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

### **Additional matters**

20. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matters below.

### **Achievement of planned targets**

21. Of the total number of 95 targets planned for the year, 25 targets were not achieved during the year under review. This represents 26% (>20%) of total planned targets that were not achieved during the year under review.
22. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.
23. Furthermore, 49 of the total number of targets set for the year are in respect of objectives that

are considered to be qualitatively material. Of these targets, 26.5% (13) were not achieved during the year under review.

### **Material adjustments to the annual performance report**

24. Material audit adjustments in the annual performance report were identified during the audit, of which 75% of those relating to inaccurate actual results were corrected by management. Corrections were also processed to a number of corrective measures as narrated in the document.

### **Compliance with laws and regulations**

25. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

### **Internal audit**

26. The internal audit did not audit the results of performance measurements, as required by section 45(1)(a) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and Municipal Planning and Performance Management Regulation 14(1)(a) (GNR.796 of 24 August 2001).
27. The internal audit unit did not assess the functionality of the performance management system, whether the performance management system complied with the requirements of the Municipal Systems Act or the extent to which the performance measurements were reliable in measuring the performance of the municipality on key and general performance indicators, as required by the Municipal Planning and Performance Management Regulation 14(1)(b)(i), (ii) and (iii).
28. The internal audit unit did not audit the performance measurements on a continuous basis and/or submitted quarterly reports on their audits to the municipal manager and the performance audit committee, as required by Municipal Planning and Performance Management Regulation 14(1)(c).

### **Expenditure management**

29. The accounting officer did not take reasonable steps to prevent irregular expenditure as required by section 62(1)(d) of the MFMA.

### **Internal control**

30. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

### **Leadership**

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31. The systems implemented by the accounting officer were not sufficient to prevent the incurrance of irregular expenditure. The irregular expenditure resulted from the same non-compliance to the process as was made in the prior financial year, namely transactions were concluded prior to obtaining official orders.

### **Governance**

32. Internal audit did not meet its responsibilities as required relating to the performance management system (PMS). Although internal audits on the PMS was included in the internal audit plan for the 2011-12 financial year and system descriptions, for the building of proof of evidence for the actual results for each indicator, were produced by internal audit the audits required by the MSA did not materialise and thus also was not reported on as required.

### **OTHER REPORTS**

#### **Investigations completed during the financial year**

33. Two investigations into the alleged irregular and unlawful conduct relating to the theft of monies in the previous financial years were completed in the year under review. The investigations were conducted based on the allegation of possible irregular and unlawful conduct relating to the theft of monies amounting to approximately R347 620 during the period from 2 January 2008 to 7 September 2010 and amounting to approximately R49 387 during the period from December 2010 to July 2011. The stolen funds will be recovered from the officials.

*Auditor-General*

Cape Town

30 November 2012



**AUDITOR - GENERAL**  
**SOUTH AFRICA**

*Auditing to build public confidence*



**ANNEXURE C: REPORT OF THE PERFORMANCE AUDIT COMMITTEE**

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