

TSOLWANA LOCAL MUNICIPALITY (EC 132)



DRAFT

ANNUAL REPORT

2012/2013 FINANCIAL YEAR

VISION

“A municipality that provides access to basic services with emphasis on economic growth, rural development and agricultural sustainability”

Mission

To effectively deliver the municipal mandate within the context of our existing capacity and constraints while ensuring financial and administrative stability in the municipal operations and governance.

Value

In addition to the Batho Pele principles, our municipality commits itself to upholding the following set of values:

- Good governance
- Transparency
- Public participation
- Integrity and honesty
- Responsiveness to work ethic

TABLE OF CONTENTS.

PART 1: INTRODUCTION AND OVERVIEW

A. Foreword by the Mayor.....	7
B. The yearly programme priorities by the Municipal Manager.....	8
C. Overview of the municipality.....	10
1. Geographic profile.....	10
2. Demographic profile.....	11
3. Population spatial distribution.....	11
4. Population, gender and age distribution.....	12
D. Socio Economic Context.....	12
1. Gross development programme	12
2. Tress index.....	13
3. Location quotient.....	13
4. Poverty gaps.....	14
5. Household income distribution.....	14
6. Unemployment.....	15
7. Formal employment by sector.....	16
8. Human development index.....	17
9. General macro-level challenges of the local economy.....	17
E. Natural environment analysis.....	17
1. Topography	18
2. Geology and soils.....	18
3. Climate.....	18
4. Rainfall.....	18
5. Temperatures.....	18
6. Prevailing winds and evaporation.....	18
7. Vegetation.....	1

PART 2

CHAPTER 1: INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

1.1 Presentation of the organogram.....	19
1.2 Staff development initiative during the financial year.....	19
1.3 Key human resource statistics per functional area.....	19
1.4 Full-time staff complement per functional area.....	19
(a) Municipal Manager/section 56 and line managers.....	20

(b) Top structure: office of the Municipal Manager.....	20
(c) Corporate Services Department.....	21
(d) Budget and Treasury Department.....	21
(e) Community Services Department.....	22
(f) Technical Services Department.....	23
(g) Level of education.....	24
(h) Trends on total personnel expenditure.....	24
1.5 Senior official wages and benefits.....	24
1.6 Implementation of performance management system.....	26
1.7 Major challenges and remedial actions with regards to human resource and organizational management.....	28
1.7.1 Non functionality of the Local Labour Forum.....	28
1.7.2 Lack of programme for employee assistance.....	29

CHAPTER 2

BASIC SERVICE DELIVERY

2.1 Water services.....	30
(a) Water services delivery strategy and main role players.....	30
(b) Levels and standards of service.....	30
(c) Annual performance as per key performance indicators.....	30
(d) Major challenges in water services and remedial action.....	31
2.2 Electricity services.....	32
(a) Electricity services delivery strategy and main role players.....	32
(b) Level and standard of service in electricity services.....	32
(c) Annual performance as per Key Performance Indicator in electricity.....	32

(d) Major challenges in electricity services and remedial action.....33

2.3 SANITATION

(a) Sanitation services, delivery strategy and main role players.....34

(b) level and standard of service in sanitation services.....34

(c) Annual performance as per Key Performance Indicator.....34

(d) Major challenges in sanitation services and remedial actions.....35

2.2 Road maintenance

a) Road maintenance services, delivery strategy and main role players36

b) Level and standards in road maintenance services.....36

c) Annual performances as per key performance indicator in road maintenance services.....36

d) Major challenges in road maintenance services and remedial actions.....37

2.5 WASTE MANAGEMENT

a) Waste management services delivery strategy and main role-players.....38

b) Level and standards in waste management services.....38

c) Annual performance as per key performance indicator in waste management services.....39

d) Major challenges in waste management services and remedial actions.....39

2.6 HOUSING AND REMEDIAL ACTIONS

a) Housing and town planning services delivery strategy and main role-players.....40

b) Levels in standards and town planning services.....40

c) Annual performance as per key performance in housing and town planning.....41

d) Major challenges in housing and town planning services and remedial actions...42

2.7 SPATIAL PLANNING

a) Preparation and approval process of SDF43

b) Land use management.....43

c) Major challenges in spatial planning services and remedial actions.....43

CHAPTER-3

MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK (RPA)

3.1 Brief presentation of LED strategy/plan.....52

3.2 Progress towards achieving the LED key objectives.....52

a) Improve public and market confidence53

3.3 Annual performance as per key performance indicators in LED.....53

3.4 Challenges regarding LED strategy implementation.....54

Ch-4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

4.1 The audited financial statements.....55

4.2 Budget to actual comparison.....55

4.3 Grants and transfers spending.....55

4.4 Meeting of donors requirement in respect of conditional grants.....56

4.5 Long term contracts entered into by municipality.....56

CHAPTER 5

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

5.1 Overview of the executive and council functions.....57

5.2	Public participation and consultation.....	57
	(a) IDP Representative Forum.....	57
	(b) Use of ward committees.....	57
	(c) Public Hearings.....	57
	(d) Customer satisfaction survey.....	58
5.3	Establishment and functionality of ward committees.....	58
	(a) Attendance by ward committee members.....	58
	(b) Ward meetings minutes.....	58
	(c) Ward meetings minutes.....	58
	(d) Tabling of ward issues.....	58
	(e) Activity reports for ward committees.....	59
5.4	Community Development Workers (CDWs).....	59
	(a) Highlights on the achievements and support of the Community Development Workers with the municipality.....	59
5.5	Communication.....	61
	(a) Infrastructural resource available for communication activities.....	62
5.6	Anti-corruption strategy.....	62
5.7	Intergovernmental relations.....	62
5.8	Legal matters.....	63
	(a) Setting up of legal units	

(b) Management of litigation

(c) Management of legal risks

PART 3

FUNCTIONAL AREAS AND ANNEXURES

A	Functional areas of reporting.....	64
B	Debtor billing and collection details.....	67
C	Debtor age analysis as at 30 June 2013.....	67
D	Payment percentage for the year under review.....	69
E	Property rates.....	69
3.	Planning and development functions performance.....	71
4.	Community and social services functions performance.....	74
5.	Housing functions performance.....	75
6.	Waste management functions performance.....	79
7.	Waste Management.....	80
8.	Road maintenance functions performance.....	83
9.	Water distribution functions performance.....	85
10.	Electricity distribution functions performance.....	89

B. ANNEXURES

1. Full Auditor General's report
2. Plan of action of the municipality to address AG issues
3. Audit committees report
4. Approved organogram

5. Council resolution adopting annual report

6. Audited Annual Financial Statements

PART 1: Introduction and Overview

A.Foreword by the Mayor

Section 121(1) of the Municipal Finance Management Act No. 56 of 2003 requires that municipalities and municipal entities must, for each year, prepare an annual report in accordance with chapter 12 of the MFMA. Coupled to that, section 46(1) of the Municipal Systems Act 32 of 2000, demands of the municipalities to prepare, for each financial year, a performance report and such annual performance report must form part of the municipality's annual report.

It is in terms of the above pieces of legislation that I present the 2012/2013 financial year annual report.

We as the Tsolwana Local Municipality since our previous account 2011/12 have been consistent in delivering basic services to our people.

Limited resources for capital projects, staff turnover, capacity gaps and most importantly, our ability to sustain good governance did not divert us at all. Looking at the achievements during 2011/12, we are pleased to say that we have moved a step forward.

Our ability to work as a team with our administration and communities have encouraged us to do even more. Our focus has and will always be for delivering basic service delivery to all our people. We have noted and actioned our financial position informed of audit outcomes for the year under review and we are afraid to say "it was disappointing to have regressed from unqualified to qualified. However we all accepted the setback and we shared the fall but we all said "we can do it". Lastly, we would like to re-emphasise the issue that Tsolwana is small municipality with limited resources but performing well in critical areas:

- Focus on good governance
- Public participation
- Service delivery

We have pleasure in mentioning that the Auditor General has commended us for our dedication to do things the right way including other spheres of government. All the honours goes to councillors, management, staff and most importantly the residents of Tsolwana for their continued support and participation. We commit to service delivery and clean governance.

.....

K. Nqiqhi

Mayor

B.The yearly programme priorities statement by the Municipal Manager

The annual report is compiled in terms of chapter 12 of the Municipal Finance Management Act, Act 56 of 2003 and also takes into consideration provisions of section 46 of the Local Government: Municipal Systems Act 32 of 2000.

Tsolwana Local municipality strives to achieve excellence in all areas of operations and this report attempts to give a substantial insight into the workings of the municipality. The year under review, ending on the 30 June 2013, has not been an easy one given the size of the municipality compared to the resources at its disposal. **But be that that as it may, a number of achievements are worth mentioning. ??.**

Firstly, the municipality has, for the second year in succession, managed to compile its Annual Financial Statements (AFS) in-house. This is important given the complaint from AGSA on utilization of consultants by municipalities.

Secondly, the municipality has managed to improve in as far as financial discipline is concerned. Compared to last year's 116% over expenditure on the budget, the municipality stands at 95% expenditure as at the end of June 2013.

Of importance to note are following capital projects which were implemented during the financial year:

Project Name	Funder	Ward	Expenditure @ 30/06/2013
New Driving Testing Station	MIG	4 (all wards to benefit from income revenue)	R1 394 976.88
Matyhantya Electrification Phase 2	INEP	4	R1 910 354.01
Zola Township Sport Facility Phase 2	MIG	4	R1 6695 5273.37
Thembaletu Community Hall	MIG	3	R821 605.28
Hofmeyr Town Hall	MIG	5	R3 275 542.13

Thirdly, approximately 2266 full-time equivalent (work opportunities that lasted for at least 6 months) have been create during the year under review – i.e.

- Community Works Programme 1112
- Greening & Beautification 96
- Expanded Public Works Programme 58

This has contributed enormously in the local economy. We have also seen some improvement in the implementation of predetermined objective or annual targets from last year’s 69% to This was due mainly to the fact that we have a full complement at senior management level (as opposed to last year where the CFO and Technical Services department were without HODs) as well as cooperation and dedication from municipal staff.

Lastly, I wish to thank the management for hard work, dedication and ability to utilise limited resources optimally. Municipal staff discipline, dedication and willingness to go an extra mile. The Mayor and council for political stability and ability to give guidance in a professional manner.

Finally, I wish to express gratitude to the management team for hard work, dedication and ability to utilize limited resources optimally. Municipal staff discipline, dedication and willingness to go extra mile is commendable. The ability of the Honourable Mayor and council to provide guidance in a professional manner is also praiseworthy.

.....

Similo Dayi

Municipal Manager

C. Overview of the Municipality

(1) Geographic profile

Tsolwana Municipality is a category B municipality situated within Chris Hani District Municipality (CHDM) of Eastern Cape Province. It is bounded on the east by Inkwanca and Lukhanji Municipalities, on the west by Inxuba Yethemba Municipality, on the north by Joe Gqabi District Municipality and on the south by Amathole District Municipality. Tsolwana Municipality is an amalgamation of the following areas.

- Former Tarkastad TLC and TRC (Republic of South Africa)
- Former Hofmeyr TLC and TRC (Republic of South Africa)
- Former Ntabethemba TRC (Republic of Ciskei)

The figure below shows the locality of Tsolwana Local Municipality within Chris Hani District Municipal context. Tsolwana LM covers an area of approximately 6000 km² in extent with a density of about 6 people/ km². The extent of the local area of jurisdiction translates to about 17 % of Chris Hani District



As shown in figure 1 above, Tsolwana Municipality has two main urban nodes, Tarkastad and Hofmeyr, which are surrounded by commercial farmland in the former Tarkastad and Hofmeyr areas and about 11 rural villages scattered within the former Ntabethemba area, including Thornhill, Mitford, Rocklands, Tendergate, etc.). The Municipal seat is located in Tarkastad, along the Queenstown and Cradock R61 road. It is roughly 64km from Queenstown and 81km from Cradock. From the two major airports in the province, Tarkastad is 365km from Port Elizabeth and 257 from East London

(2) Demographic Profile

This section outlines the demographic profile of the Tsolwana municipality. In an attempt to improve and update statistical planning information various sources have been used and referenced to inform the analysis in this section.

(3) Population

According to the 2012 National Report on National Statistics South Africa the population of Tsolwana Municipality grew from about 32 537 in 2001 to an estimated total of 33 282 by 2011. Similarly the household population also grew from 7830 in 2001 to about 9494 by end 2011. The total population living in Tsolwana is estimated to be 30952 people and 8493 households (Census 2011, Statistics SA) . The average household size has slightly declined over the same period from an estimated 4.1 to just 3.5 by 2011. Noticeable trends reflect an outward migration pattern by the economically young and active population who migrate in search of employment opportunities within and outside the province of Eastern Cape.

(4) Population Spatial Distribution

Tsolwana Municipality is a largely rural municipality with the majority 57 % of its households residing in rural settlements. At least about 27% live in urban and peri-urban settlements. Another 16% are farm dwellers. The figure below illustrates this point further.

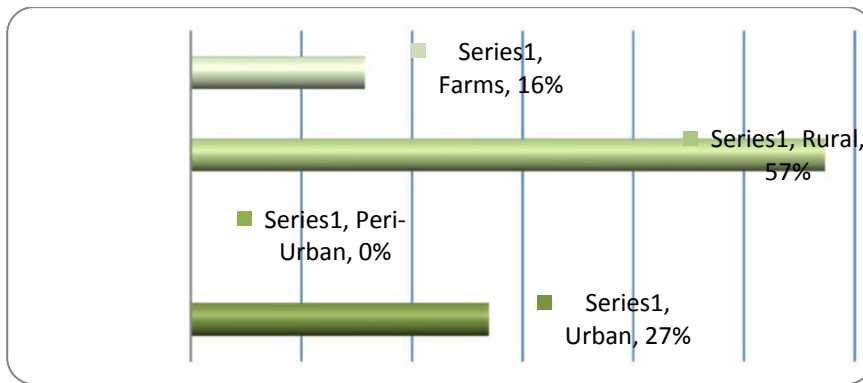


Figure 1: Household spatial distribution

(5) Population gender & age distribution

Tsolwana population make-up is similar to that experienced by the country with 48% males and 52% females. The majority of population are females (51%) compared to males (49%). The fact that females constitute the majority of population suggests that targeted strategies should be implemented to ensure effective participation of women in the processes of municipal planning and implementation. The following figure shows age distribution patterns within the Tsolwana population.

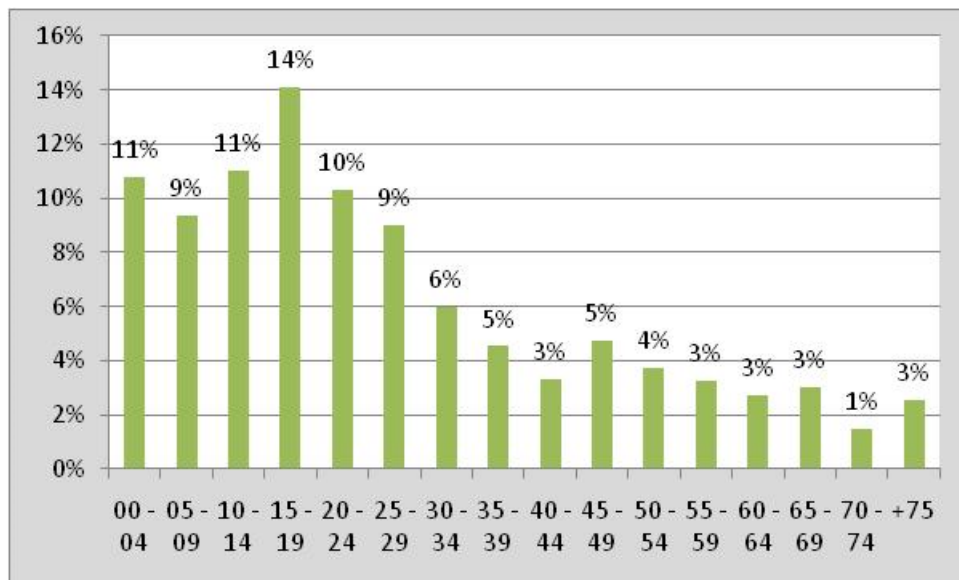


Figure 2: Population Age distribution (Global Insight: 2008)

The figure above shows that Tsolwana has a very youthful population. There are more people in the school leaving ages of 15 – 19 years. Since the majority of local

population is youth, the municipality will have to prioritise youth development programmes.

C. SOCIO-ECONOMIC CONTEXT

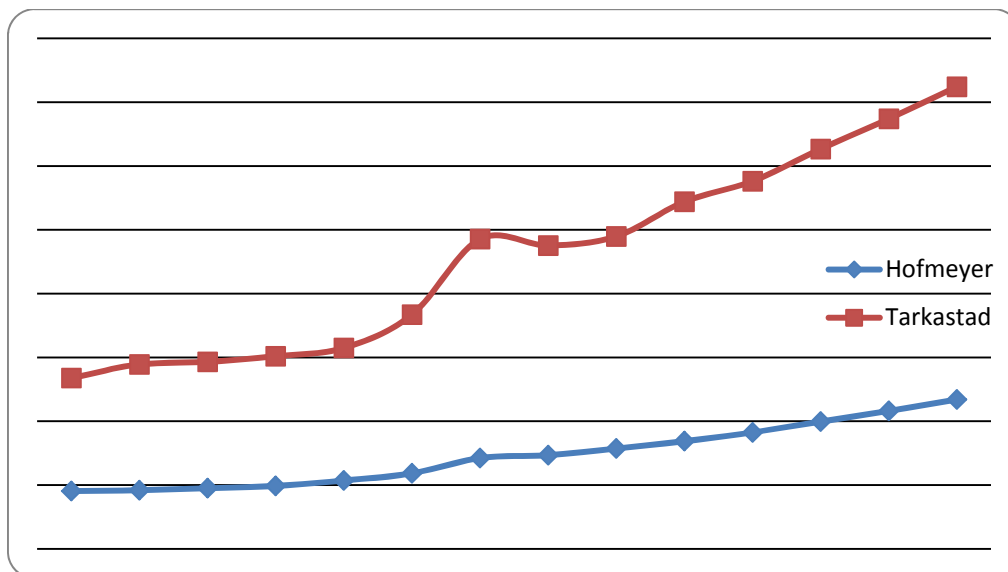
Overview of economic development in Tsolwana

Tsolwana has no clear LED strategy to guide its interventions. This is despite the fact that LED is identified as the second most important focus area for 2012/13. A project has been identified for the development and implementation of a LED strategy in 2011/12. Funding is being sort from sources such as DM, DPLG, ECDC, SEDA and DEDEA.

Economic Development Indicators

(1) Gross Development Product

The GDP of Tsolwana has steadily grown from about 72 million for the two towns of Tarkastad and Hofmeyr in 1996 to approximately 142 million by end of 2008 (Global Insight) and currently estimated at 191 million by end 2009. The following figure shows GDP growth trends over the last decade.



(2) Tress Index

Tress index is a useful indicator of progress and depth scale in an economy. The Tress index indicates the level of concentration or diversification in an economy. It is estimated by ranking the nine sectors according to their contributions to GVA or employment, adding the values cumulatively and indexing them. A tress index of zero represents a totally diversified economy, while a number closer to 100 indicates a high level of concentration.

Tsolwana economy is poorly diversified when compared to that of the Chris Hani region. The tress index for Tsolwana is 71.94 while that of Chris Hani remains 65.12.

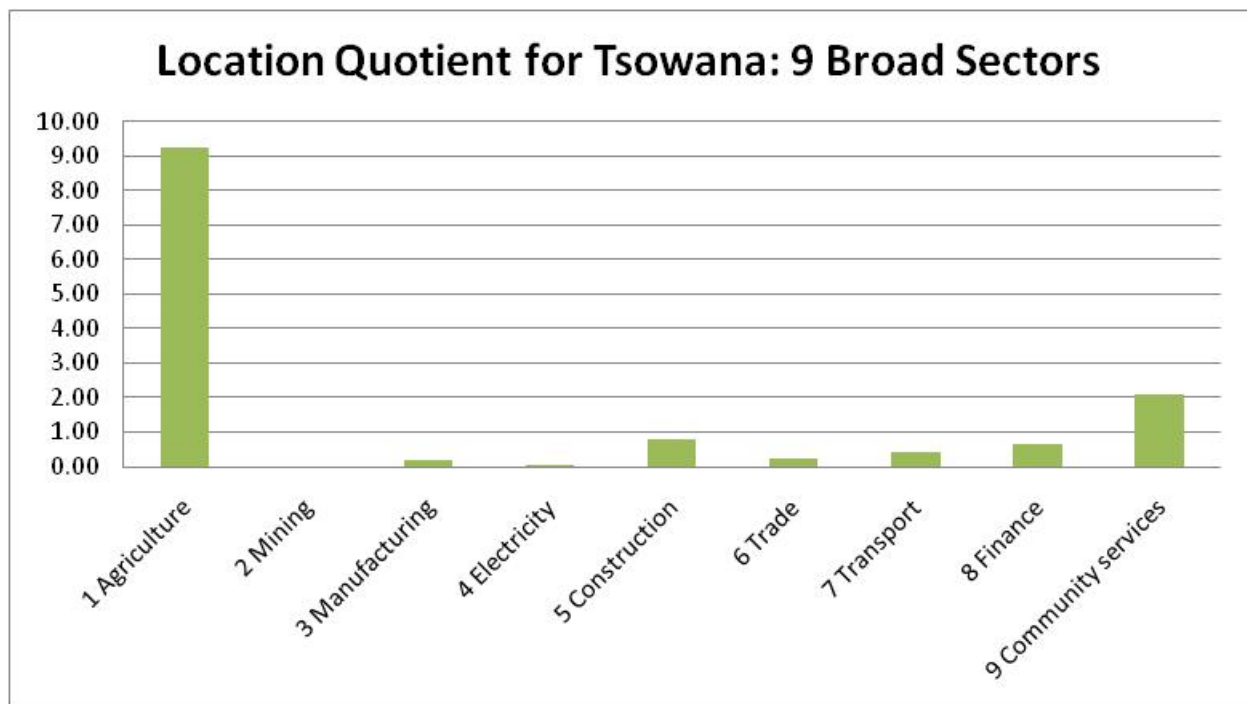
Based on the above figure it can be deduced that Tsolwana has a highly concentrated economy with Agriculture and community services being highly dominant contributors. This situation is unsustainable and needs to be reversed by increasing investments that will unleash the locked potential in other important local sectors like Manufacturing, Tourisms and informal sector.

(3) Location Quotient

In order for us to improve our economy it is important to consider improving our location quotient. Location quotient is an important indicator of the economy's competitive advantage. It indicates the extent to which an economy has a competitive advantage in a particular sector.

When comparing the nine broad economic sectors, Tsolwana can compete relatively better if the local economy can concentrate productivity on Agriculture and Community services. This is notwithstanding the need to diversify contributions of other underperforming sectors mentioned earlier.

The figure below shows that our economy can compete in two important sectors such as Agriculture and Community services.



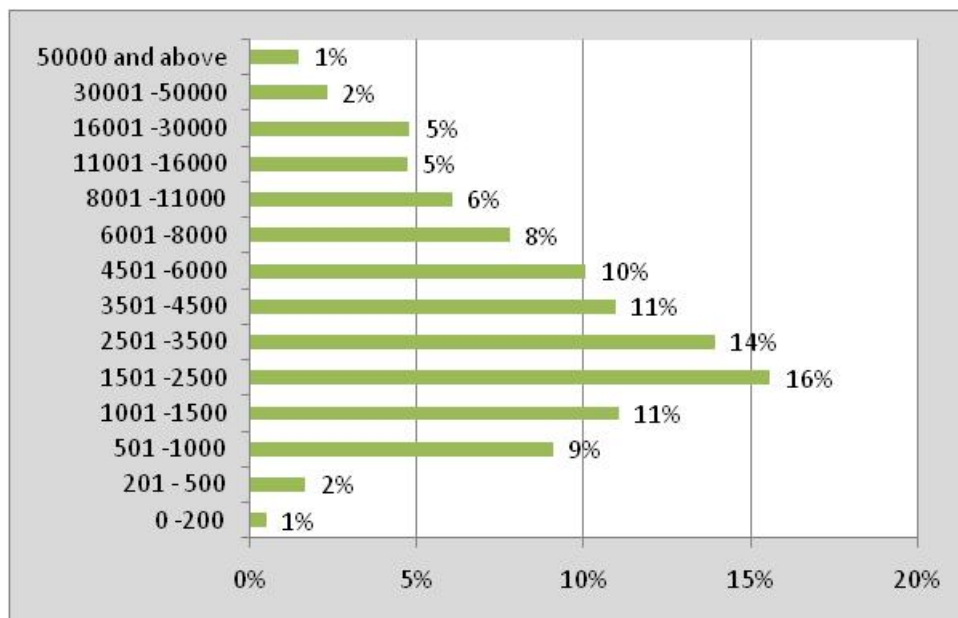
(4) Poverty GAP

The gini coefficient is a useful indicator of income inequality. It measures income inequality, and often varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the

income and other households earn nothing). In practice the coefficient is likely to vary from approximately 0,25 to 0,70. Tsolwana has a gini coefficient of 0.57 by 2008 (Global Insight)

(5) Household Income Distribution

Household income is a useful proxy for understanding levels of income poverty. Approximately 23% of households earn a gross income of no more than R1, 500 per month. Another 16% earn between R1500 and R2500 per month. This implies that nearly 40% of households could be deemed as indigent. That leaves the municipality with just about 60% of households that they can provide services to and expect to pay. Below is a figure illustrating a household income distribution pattern within Tsolwana municipality?



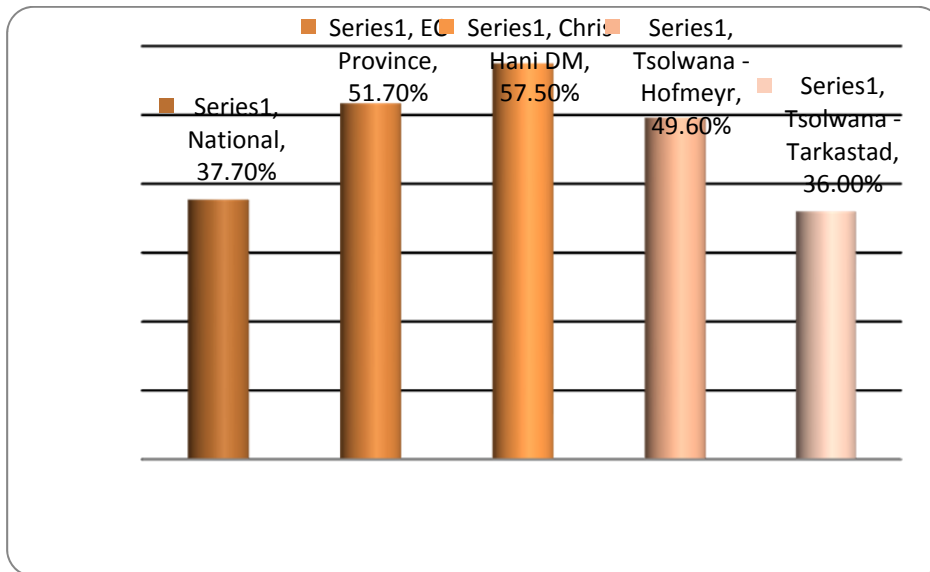
(6) Unemployment

Unemployment is a major development challenge in Tsolwana. According to research done by Global Insight, unemployment in Tsolwana is estimated to be higher than that of the country but lower than that of the district and EC Province respectively. It is estimated to be about 40% (using the official definition).

About 18% of the population in 2008 is economically active. The economically active population (EAP) is defined as the number of persons that are able and willing to work between the ages of 15 and 65. It includes both employed and unemployed persons.

In Tsolwana, the distribution of unemployment is largely concentrated in the Hofmeyr areas when comparing the two urban centres. The figure below gives a comparative

view of unemployment distribution within Tsolwana core urban centres as well as between Tsolwana and the district, province and country, respectively.



(7) Formal Employment by sectors

According to Global insight statistics of 2008, Community services have surpassed Agriculture as the main source of employment. It accounts for 50% while Agriculture contributes about 40% of employment opportunities.

Finance sector is the third largest employment industry in the local economy. It accounts for 14.1% of existing jobs. This situation is not sustainable and there is a need to develop as part of the LED strategy, dedicated strategies to diversify the economy and to boost growth in other important sectors that show potential. Tourism is one of those sectors.

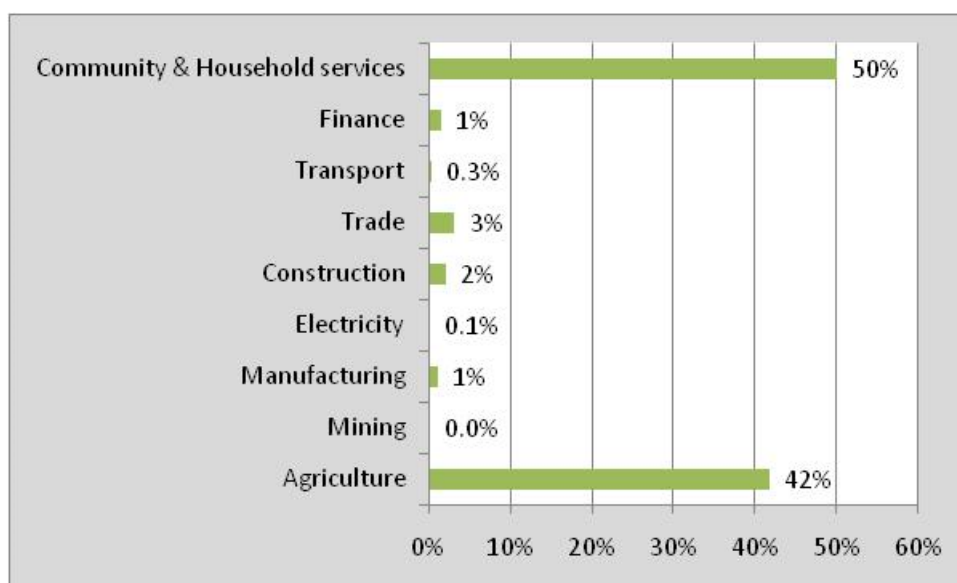
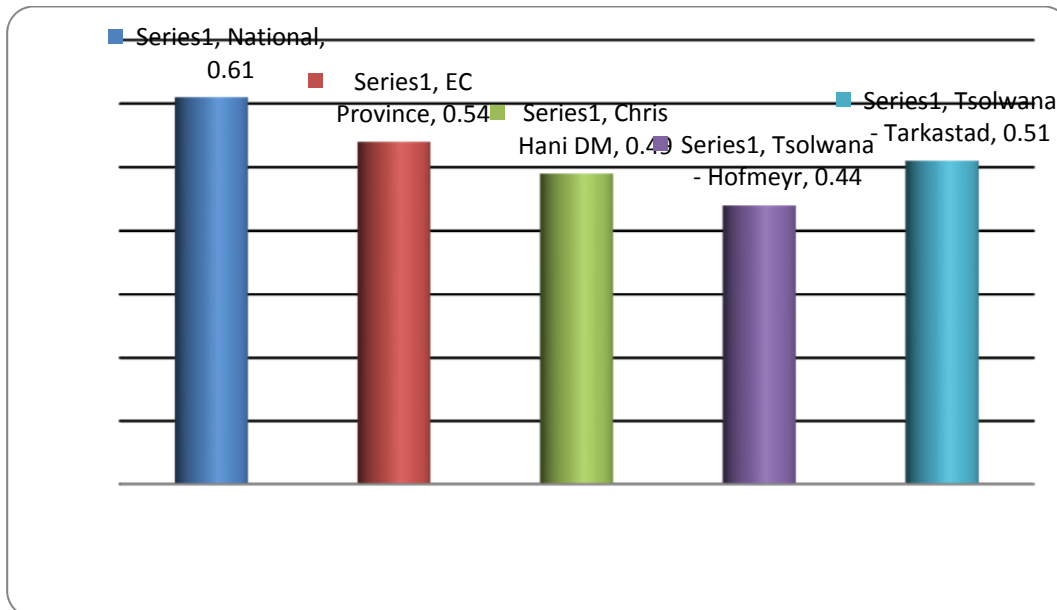


Figure 3: Formal employment by sectors

(8) Human Development Index

The human development index (HDI) is a useful mechanism to gauge the level of development of a local economy. The HDI is a composite, relative index that attempts to quantify the extent of human development of a municipality (area). It is based on measures of life expectancy, literacy and income.

The HDI is calculated as the average of indices of life expectancy at birth, adult literacy and per capita income. For a municipality to be well developed, it must achieve a HDI closer to 1. The closer the figure is to 1 the better the lifestyle. The figure below gives a comparative HDI for Tsolwana.



Tsolwana has a human development index of 0, 51 for Tarkastad and 0.44 for Hofmeyr. In comparison to the district as a whole Tarkastad enjoys better lifestyle than the average district areas while Hofmeyr lags behind the average area in the district. This point reinforces the view that there is higher concentration of poverty and declining lifestyle in Hoffmeyr than in the Tarkastad and surrounding areas. There is a need therefore to design targeted interventions for LED to alleviate this strife in Hoffmeyr areas.

(9) General macro-level challenges of the local economy

The Tsolwana economy is not growing at optimal levels and this must be thoroughly investigated and addressed as part of the planned process for establishing a comprehensive LED strategy.

D. Natural Environment Analysis

The natural environment provides the basis for the regional economy, especially the primary production, recreation and tourism. It is essential; therefore that the integrity of natural environment be considered if the municipality is destined to promote the welfare of the municipalities population.

(1) Topography

The study area is characterised by rolling and undulating and hilly to very steep areas within the valleys. Slope analysis reveals that a large portion of the area specifically north –eastern portions have slopes greater than 12 % while areas around Hofmeyer down Tarkastad and also areas around Mitford and Zola right down to Tendergate have slopes of less than 5 %.

(2) Geology and Soils

Tsolwana Municipality consists mainly of Beaufort sediments intruded by dolerite. These comprises of shale, mudstone and sandstone. The soils in the area are mainly derived from the Beaufort and Molteno series of the Karoo sequence. The soils are poorly developed, shallow and rocky and not suitable for crop production. Soil salinity is a major handicap in the irrigation areas of Tarkastad and Hofmeyer.

(3) Climate

The climate varies from arid to very cold high veld and falls mainly into two climatic zones according to the Agricultural Development Programme for Eastern Cape (1986), namely “Arid and semi- arid moderate midlands, and Arid and semi- arid cold high lying land “.

(4) Rainfall

The average annual precipitation is between 100mm in Hofmeyer and between 301mm and 600mm in the rest of the municipal area. Rainfall distribution is poor and spells are a frequent occurrence. The further to the west, the poorer the rainfall distribution with fairly numerous droughts. This is a summer rainfall area with 70 %-80 % of precipitation during the summer months and 20 %-30 % throughout the winter months.

(5) Temperatures

Temperatures are coolest in the northern section of the municipality becoming warmer to the south and east. Maximum temperatures in Tarkastad and Hofmeyer range from 19.3 o C to 25.3 o C while the average minimum ranges from 4.1 o c to 10.2 o C. In Wards one and two the maximum ranges from 22.3 o C to 23.2 o C and the minimum is up to 10.2 o C. Ward three has an average maximum temperature of 22.3 Oc and average minimum of up to 8.9 o C.

(6) Prevailing Winds and Evaporation

During the summer months, dominant wind direction in the study area is north-westerly (berg winds), whereas south easterly to south westerly winds prevail during the winter months. Evaporation is approximately 2 146 mm per annum, higher than the average annual rainfall.

(7) Vegetation

The area is covered by South- Eastern Mountain Grassland, Sub arid Thorn Bushveld, Eastern Mixed Nama Karoo and Moist Upland (Chris Hani District State of Environment Report 2004)

PART 2: KPA ACHIEVEMENT REPORT

Chapter 1: Institutional Transformation and Organisational Development (KPA 1)

1.1 Presentation of the Organizational Structure (Approved Organogram).

The municipality developed and adopted a new organogram which caters 167 posts. Of these posts 39 remain vacant and this accounts for 23.4%. However, a total of 128 posts have been filled. The municipality is gradually populating its organogram based on the need and availability of budget for a particular position. In this endeavour the municipality also strives to ensure that it takes into consideration its Employment Equity Plan.

In compliance with the Municipal Systems Act, all senior managers signed performance contracts which were submitted to the MEC for Local Government within the prescribed period of time. Signing and submission of these contracts was not only meant to comply with legislation but also to ensure that the municipality sets for itself clear targets which must be achieved at the end of the year.

1.2 Staff Development Initiatives during the financial year.

With the assistance of the district municipality, the municipality managed to review its Employment Equity Plan (EEP). The plan sets out targeted groups of people it hopes to recruit to specific positions. The aim is not only to comply with the law but also to ensure that its staff complement reflect the demographics of its population and achieves gender balance in its staff complement. The municipality is gradually implementing the plan even though there are some challenges.

A workplace skills plan which is aligned to the municipality's development objectives as set out in its IDP is developed and submitted on annual basis to the Local Government Seta. The WSP outlines training programme which the municipality will embark upon during that financial year. The major challenge in this regard is that due to the size of the municipality its contribution towards the skills development levy is also small and therefore grants are also small.

1.3 Key HR Statistics Per Functional Area.

1. Full Time Staff Complement per Functional Area

a .MM/Section 57 and Line Managers.

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Budgeted	Filled Posts	Vacant Posts
--	---	---	----------	-----------------	-----------------

1	Municipal Manager	1	Yes	1	0
2	Chief Finance Officer	1	Yes	1	0
3	Corporate Services Manager	1	Yes	1	0
4	Community Services Manager	1	Yes	1	0
5	Technical Services Manager	1	Yes	1	0
	Total	5		5	0

(b) Top Structure: Office Of The Municipal Manager

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Budgeted	Filled Posts	Vacant Posts
1	Personal Assistant	1	Yes	1	0
2	IDP Manager	1	Yes	0	1
3	Senior Internal auditor	1	Yes	1	0
4	Agricultural Development Officer	1	Yes	1	0
5	LED and Tourism Officer	1	Yes	1	0
6	SPU Coordinator	1	Yes	1	0
7	Communications and Marketing Officer	1	No	0	1
8	HIV/AIDS Coordinator	1	No	1	0
9	Spatial Planning Officer	1	No	0	1
10	Customer Care/Public Participation Practitioner	1	Yes	1	0
11	LED Assistant (seconded from DLG)	1	Yes	1	0
	Total	11	8	8	3

(c) Corporate Services Department

	Approved positions (e.g MM-S57 etc...)	Number of approved posts per position	Budgeted	Filled Posts	Vacant Posts
--	--	---------------------------------------	----------	--------------	--------------

1	Secretary	1	Yes	1	0
2	Manager: Human Resources	1	No	0	1
3	Human Resources Officer	1	Yes	1	0
4	Senior Admin Officer	1	No	0	1
5	OHS Officer	1	No	0	1
6	Labour Relations Officer	1	No	0	1
7	Skills Development and EE Officer	1	No	0	1
8	Human Resources Clerk	1	No	0	1
9	Records and Archives Clerk	1	Yes	1	0
10	Receptionist	1	Yes	1	0
11	Messenger/Driver	1	Yes	1	0
	Total	11		5	6

(d) Budget and Treasury Office

	Approved positions (e.g MM-S57 etc...)	Number of approved posts per position	Budgeted	Filled Posts	Vacant Posts
1	Budget and Treasury Officer	1	Yes	1	0
2	Secretary	1	No	0	1
3	Accountant: Budget & Treasury	1	No	0	1
4	Revenue Clerks	2	Yes	2	0
5	Snr Debtors Clerk	1	Yes	0	1
6	Cashiers	5	Yes	5	0
7	Free Basic Services Clerk	1	No	0	1
8	Meter Readers	4	Yes	3	1
9	SNR Accountant Expenditure & SCM	1	No	0	1
10	Accountant (Income)	1	Yes	1	0
11	Snr Clerk: Creditors	1	Yes	1	0
12	Snr Clerk : Salaries	1	No	0	1
13	Snr Clerk: Grants, Asset and Vat management	1	No	1	0
14	Clerk Creditors: Grants	1	Yes	1	0

15	Supply Chain Management Officer	1	Yes	1	0
16	Stores controller	1	No	0	1
17	SCM Clerk	1	Yes	1	0
18	Asset management clerk	1	Yes	1	0
	Total	26		18	8

(e) Community Services

	Approved positions (e.g MM-S57 etc...)	Number of approved posts per position	Budgeted	Filled posts	Vacant posts
1	Librarian	1	No	0	1
2	Library Assistants	2	Yes	2	0
3	Superintendent : waste management	1	No	0	1
4	Foreman : Community Services	2	Yes	2	0
5	Security Officers	4	No	0	4
6	Driver : supervisor	4	Yes	4	0
7	Caretaker: community halls	1	No	0	1
8	Cleaners : libraries	3	Yes	2	1
9	Pound Master	1	No	0	1
10	Cemeteries Inspector	1	No	0	1
11	General workers: refuse, parks & cemeteries	23	Yes	23	
12	Chief Traffic Officer	1	No	0	1
13	Administration Officer: eNatis	1	No	0	1
14	Cashier : eNatis	1	No	0	1
15	Traffic Officers: Law Enforcement	2	Yes	2	0
16	Traffic Officers: licence testing	2	Yes	2	0
17	Traffic Officers	1	No	0	1
18	Pit Assistant	1	No	0	1
	Total	52	5	37	15

(f) Staff Complement in the Technical Services

	Approved positions (e.g MM-S57 etc...)	Number of approved posts per position	Budgeted	Filled posts	Vacant posts
1	Area Manager: Water Services	1	Yes	1	0
2	Admin Clerk	1	No	0	1
3	SNR Financial Controller	1	Yes	1	0
4	Technician Civil	1	Yes	1	0
5	Technician : Electro Mechanical	1	Yes	1	0
6	Technician :Water Quality	1	Yes	1	0
7	Technician: Civil Eng Projects	1	Yes	1	0
8	Customer Care Practitioner	1	Yes	1	0
9	PMU Manager	1	Yes	0	1
10	Technician : Solid waste	1	No	0	1
11	Technician : Electricity	1	No	0	1
12	Roads Superintendent	1	No	0	1
13	Town Planner	1	No	0	1
14	Building Inspector	1	Yes	1	0
15	Land and Estates Officer	1	Yes	1	0
16	Driver/ plant operator	4	Yes	4	0
17	Handyman Electrical	1	Yes	0	1
18	General Workers	42	Yes	42	
	Total	62	13	55	7

2. Technical Staff Registered with Professional Bodies

Technical Service (e.g water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	1	0	4	4

3. Levels Of Education and Skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
131	66	32	18

A. Trends on Total Personnel Expenditure

1.4 Senior Official's wages and benefits (Even if included in the financial statements)

					2012/13			
26		EMPLOYEE RELATED COSTS						
		Bonus			745,176			
		Bargaining Council Levy			7,699			
		Contribution to Current Employee Benefits -			33,486			
		Contribution to Employee Benefits - Long Se			66,623			
		Housing subsidy			21,696			
		Medical Aid Contributions			401,603			
		Overtime			538,783			
		Pension Fund Contributions			2,263,879			
		Post Employment Health Contribution			397,312			
		Salaries and Wages			14,074,275			
		Standby allowance			16,145			
		Travel, motor car, telephone, assistance and			620,901			
		UIF Contributions			114,951			
					19,302,530			
		Less:	Employee Costs alloc		-			
		Total Employee Related Costs			19,302,530			
		KEY MANAGEMENT PERSONNEL						
		on a 5-year and all other						
		Directors on a 5-year fixed						
		REMUNERATION OF KEY MANAGEMENT PERSONNEL						
		<i>Remuneration of the Municipal Manager - Mr SJ Dayi</i>						
		Annual Remuneration			631,674			
		Performance Bonuses			-			
		Car Allowance			156,184			
		Telephone allowance			15,600			
		Contributions to UIF, Medical, Pension Func			137,271			
		Total			940,729			
		<i>Remuneration of the Director Technical Services - Mr MJ Mjamba</i>						
		Annual Remuneration			-			
		Performance Bonuses			-			
		Travelling Allowance			-			
		Telephone allowance			-			
		Contributions to UIF, Medical, Pension Func			-			
		Total			-			
		Director of Community Services						
		responsible for Technical						
		department for the 2011/2012						
		<i>Remuneration of the Director Technical Services - Ms NY Mqoqi - 01 July 2012</i>						
		Annual Remuneration			569,634			
		Performance Bonuses			-			
27		Travelling Allowance			52,800			
		Telephone allowance			10,560			
		Contributions to UIF, Medical, Pension Func			118,309			
		Total			751,303			
		<i>Remuneration of the Director Corporate Services - Mr M Siqaza</i>						
		Annual Remuneration			597,884			
		Performance Bonuses			-			

REMUNERATION FOR THE PERIOD UNDER REVIEW:	2012	2011
	R	R
Remuneration of the Municipal Manager - S Dayi		
Annual Remuneration	518 510	463 415
Car and other allowances	173 803	173 803
Performance Bonuses	93 367	76 166
Contributions to UIF, Medical and Pension Funds	120 897	114 994
Total	906 578	828 378
Remuneration of the Manager Technical Services - MJ Mjamba Vacant since September		
Annual Remuneration	107 460	429 840
Car and other allowances	12 000	57 600
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	19 024	76 097
Total	138 484	563 536
The position was vacant with Manager Corporate Service responsible for Technical department for the whole financial year. The previous manager was suspended and his contract expired 30 September 2012. The position was filled subsequent to year end.		
	2012	2011
	R	R
Remuneration of the Manager Corporate Service - M Siqaza		
Annual Remuneration	504 162	474 181
Car and other allowances	57 600	57 600
Performance Bonuses	64 237	33 236
Contributions to UIF, Medical and Pension Funds	85 283	78 728
Total	711 283	643 745
Remuneration of the Chief Financial Officer - Gerald de Jager - Vacant since May		
Annual Remuneration	470 641	488 938
Car and other allowances	43 000	51 600
Performance Bonuses	65 259	55 393
Contributions to UIF, Medical and Pension Funds	62 849	69 972
Total	641 748	665 903

1.5 Implementation of the Performance Management System (PMS):

Currently Performance Management is only applied to senior management and there has been problems cascading PMS to other staff levels. There has been engagement between management and unions around this matter and a memorandum of understanding was entered into but challenge has been on the implementation part of it.

1.6 Annual Performance as per Key Performance Indicators in Municipal Transformation and Organizational Development.

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;				
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	5	5		
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	4	4	100	
4	Percentage of Managers in Technical Services with a professional qualification	1	1	100	
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	n/a			
8	Percentage of staff that have undergone a skills audit (including competency profiles)	121	121	100	

	within the current 5 year term				
9	Percentage of councillors who attended a skill development training within the current 5 year term	5	4		
10	Percentage of staff complement with disability		0	0	PWD`s do not declare their status when they apply for positions and therefore not easy to recognise during shortlisting
11	Percentage of female employees	50	28	31.4	Municipality through its recruitment policy and EE Plan gives preference to females so as to achieve parity in gender figures.
12	Percentage of employees that are aged 35 or younger	50	34	37.4	

1.7 Major challenges and remedial actions with regard to human resource and organizational management

1.7.1. Non Functionality of Local Bargaining Structure.

For the past few years the municipality has been plagued by non-functionality of its bargaining structure namely the Local Labour Forum. There are various reasons that led to the demise of the forum, with the major one being inability of the parties to agree on the powers and functions of the forum. Ordinarily this is not supposed to happen as these are provided for in the act. The result of this is that issues that are supposed to be discussed therein end up having to be discussed in other forums.

In order to overcome this a refresher workshop on the functions and powers of the local labour forum needs to be convened and be conducted by an independent person.

1.7.2. Lack of Programmes for Employee Assistance.

The municipality has over a long period experienced problems with staff who either suffer from severe substance abuse problems and other chronic illnesses. As a solution to this the municipality developed a concept document that spells out programmes it needs to engage in so as to eliminate these problems. The programme involves counselling and professional advice for social problems.

Chapter 2: Basic Service delivery performance highlights (KPA 2)

2.1 Water services

a. Water services delivery strategy and main role-players:

Tsolwana Local Municipality is a Water Services Provider on behalf of the Water Services Authority, Chris Hani District Municipality. This was informed by the Section 78 assessment that was on the 1st of July 2008. Based on the above study, a service level agreement was signed between the two institutions so as to formalise the working relationship in this regard. As Water Service Provider, the municipality has a responsibility of making sure that the communities have access to portable water.

b. Levels and standards in water services:

Yard connections are regarded as the high level of service and the provision of communal standpipes being the low or basic level of service. In the urban areas, all the provision is a high level of service that is provided and in some parts of the rural areas a basic level of service is provided.

As required by the service level agreement, the WSP must take water samples every month for water quality test to any recognise laboratory. The results have proved positive on many instances except where there was a little contamination. In this case there was a need for an increase of dosing substances so as to be able to be in an acceptance standard with regard to water service quality. Customer Care Practitioner is updating the number of households for services yearly.

c. Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlog (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of	14024	0	0	0	100%

	households with access to potable water					
2	Percentage of indigent households with access to free basic potable water	>1965	–	–	–	–
4	Percentage of clinics with access to potable water	11	0	11	11	100%
5	Percentage of schools with access to potable water	35	6	29	29	82%
6	Percentage of households using buckets	680	804	680	0	0%

d. Major challenges in water services and remedial actions.

At Ntabethemba area, the pump stations were being vandalised and due to the said destructive activities community was unable to access water. The pump houses were not secured and were improper and the structures were poorly constructed.

The municipality has displayed commitment in addressing these challenges by reconstructing proper and secured structures .

In urban water schemes, Tarkastad and Hofmeyr, there was a theft of electricity cables from the pump stations which deprived the communities the right to have access to water. The municipality replaced electricity cables and the incident was then reported to the SAPS.

At Hofmeyr not all townships have consumer water meter and this leads to inability to quantify the water losses within the system. 800 consumer meters were procured and the project will commence in the next financial year as phase two.

At Ntabethemba most of bulk water meters are faulty and other pumps are not equipped with bulk water meters. This situation leads us to be unable to quantify the exact amount of water supplied to community. The water service authority CHDM is in process of implementing the installation of bulk meters in the villages.

2.2 Electricity services

a. Electricity services delivery strategy and main role-players.

Tsolwana Municipality is the registered licence holder for the supplying of electricity within Tarkastad and part of Hofmeyr towns. This service is being outsourced to a local electrical contractor for day to day maintenance as required from time to time.

The Department of Energy has approved an amount of R3m for the connection of 300 households in Matyhantya Township, Tarkastad. Capital expenditure at the end of June 2013 was R 1,910,510.48. The Municipality is in a process of doing a master plan to address the issues regarding electrical vandalism, theft, bridging and other unlawful activities, this will be implemented on the next financial year (2013/14)

The supply of electricity in the rural areas is done directly by ESKOM.

b. Level and standards in electricity services.

Tsolwana municipality is making every effort in order to confirm with the standards as required by ESKOM and eventually the South African Bureau of Standards

c. Annual performance as per key performance indicators in Electricity services.

	Indicator	Total number of	Estimat	Target	Number of	Percentag
--	-----------	-----------------	---------	--------	-----------	-----------

	name	household/customer expected to benefit	ed backlog s (actual number s)	set for the f. year under review (actual number s)	HH/customer reached during the FY	e of achievem ent during the year
1	Percentage of households with access to electricity services	14024	312	200	183	58%
2	Percentage of indigent households with access to basic electricity services	>2091	312	300	2091	14%
4	Percentage of indigent households with access to free alternative energy sources	2091	312	2091	2091	100%

d. Major challenges in electricity services and remedial actions:

The electrical services are being outsourced to a local subcontractor for the basic day to day maintenance. The challenge for the municipality is the ability to attract skilled and competent staff to the rural areas like Tsolwana Municipality. Furthermore

allocation of R2m from Department of Energy was not utilised in full due to houses that were vandalised in Matyhantya Township.

2.3 Sanitation

a. Sanitation services, delivery strategy and main role-players

Tsolwana Local Municipality is a Water Services Provider on behalf of the Water Services Authority, Chris Hani District. This was informed by the Section 78 assessment that was on the 1st of July 2008. Based on the above study, a service level agreement was signed between the two institutions so as to formalise the working relationship in this regard. This WSA/WSP contract includes sanitation services. Chris Hani DM has approved and implemented VIP toilets in the Ntabethemba areas.

Chris Hani DM has not been able to meet the National target of December 2008 for the eradication of buckets. This was due to non-performance by the contractors appointed. This is only applicable to the Tarkastad bucket eradication project. Chris Hani DM has appointed learner contractor to continue with the project, the project is progressing well as at 30 June 2013.

b. Level and standards in sanitation services.

The municipality remains committed in adhering to the required minimum standards regarding the sanitation services in the area. Customer Care Practitioner is updating the number of households for services yearly.

c. Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	14024	5199	5199		71%

2	Percentage of indigent households with access to free basic sanitation services	>2091	0	0	2091	100%
4	Percentage of clinics with access to sanitation services	11	0	11	11	100%
5	Percentage of schools with access to sanitation services	35	7	0	0	0%

d. Major challenges in sanitation services and remedial actions.

Dawn- Park area had 68 households without any sanitation and relying on the bush when the nature calls. Local emerging contractors for erf connections and house connections were appointed by the Department of Human Settlement and the project was completed as at 30 June 2013. A contractor was appointed for the installation of sewer main but the work has not yet commenced.

There are also households at Zola Township Extension 2 that are without sanitation. The sanitation backlog is still a challenge whereby the buckets are still used in some areas within the municipality. The sewer pump station at Zola has been overflowing several times causing health hazards to the residents of this areas. Efforts were done to empty it using honey sucker. The bucket eradication project is in progress.

2. 4 Road maintenance

a. Road maintenance services delivery strategy and main role-players.

The total length of internal road in the municipality is 234km. The conditions of roads within the municipality especially in the Ntabethemba are in a state of disrepair. The storm water channels are non-existent throughout the municipal area causing roads

to be eroded, especially during heavy rains. As 30 June 2013, a number of roads upgrading projects funded by Human Settlement to address the above issues in area such as Hofmeyr 13,5 Km have been completed, Tendergate 21,5Km, Rocklands 32.38, Becclessfarm 8 Km, Mitford 20 Km, Kwezi 15,9 Km all are gravel roads.

It is worth mentioning that Tsolwana Municipality and Department of Roads and Public Works EC signed Service Level Agreement (SLA) for upgrading of Tsolwana Roads. The scope of work will include road to Tsolwana Game Reserve, Tarkastad internal street, Hofmeyr Internal roads, Eluxolweni internal street and Zola Township internal roads. A Professional Service Provider has been appointed for implementation of the project as at 30 June 2013.

b. Level and standards in road maintenance services.

The municipality does not have a plant to maintain the roads. However, efforts are made with the limited resources to address issues related to road maintenance. Department of Roads and Public Works is playing a significant role by supporting the initiatives of the municipality in the roads maintenance. In addition Department of Human Settlement is construction internal roads for the new RDP housing units.

c. Annual performance as per key performance indicators in road maintenance services.

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	234km	124km	110km	110km	100%
2	Percentage of road infrastructure	71.3km	221km	23.3km	0km	0%

	ure requiring upgrade					
4	Percentage of planned new road infrastructure actually constructed	0km	234km	0km	0km	0%
5	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	25km	213km	0km	0km	0%

d. Major challenges in road maintenance services and remedial actions.

Although there is an SLA between Tsohwana Municipality and Department of Roads and Public Works to upgrade Tsohwana internal road but the challenge is funding. Another challenge is the non-existence of machinery to maintain the internal road.

2.5 Waste management

a. Waste management services delivery strategy and main role-players.

The municipality has the constitutional mandate to service its constituency in terms of service delivery of which waste management is one of the core functions of the municipality. The municipality has a mandate of keeping its environment clean for the betterment of living conditions of its communities. It is the duty of each local

authority or municipality to ensure that its constituency is not subjected to diseases that may emanate from the filthy conditions among communities.

The municipality has a very vibrant staff that is committed to the rendering of this service in both urban areas (Tarkastad and Hofmeyr). Tsolwana municipality has two landfill sites that are utilized to dispose the waste in both urban areas. The challenge that is encountered by the municipality about these sites is that they are both not registered. Feasibility study has been conducted and completed by **WSP consulting engineers** and the report is available.

Tsolwana municipality has also been in contact with the Department of Environmental Affairs to assist in the registration and licensing. Both sites were fenced but due to political instability in Hofmeyr, the fence was vandalised. We routinely collect refuse twice a week in both areas on Mondays and Tuesdays. The municipality collects approximately 45 tons of refuse annually and this includes both rubble and solid waste.

b. Level and standards in waste management services.

As indicated in the above section, the municipality's landfill sites are not registered. It is therefore common knowledge that the standard of our land field sites is very low and need a lot of improvement. Both solid and rubble waste generated at Tarkastad and Hofmeyr is disposed off at local landfill sites situated in close proximity to the two towns. Among the problems associated with these landfill sites is possible water contamination, air pollution, litter caused by wind blow, our dumping sites are highly accessible to local communities as we have improved during the 2012/13 financial year.

The municipality has sent three officials for the training on how to manage waste disposal sites. Signage has been developed in Tarkastad and a guard house has been erected for the purposes of having a dedicated person to control the tipping of the waste. In the rural areas there is no formal refuse disposal system and that is contributing to high levels of illegal dumping that impacts negatively on the environment.

In terms of the backlog, it has been estimated that approximately 15% (754) of the households are without municipal refuse removal services especially in the area of Kuwait in Tarkastad. R500 000 is needed to eradicate this backlog. In 2012/13 financial year the municipality received an amount of R1.5 million from the district municipality for the purpose of job creation and poverty alleviation where 260 beneficiaries were employed. This number included youth, women and disable people.

c. Annual performance as per key performance indicators in waste management services.

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	70%	754	20%	6441	20%

d. Major challenges in waste management services and remedial actions.

The main challenges that the municipality is facing are as follows: -

- ✓ Our landfill sites are not registered in line with NEMA.
- ✓ The municipality does not have a waste management plan in place,
- ✓ There is no full cooperation between the Department of Environment Affairs and the municipality in terms of registration and licensing of our land fill sites,
- ✓ Funding remains the biggest challenge that the LM is faced in terms of registration and the licencing of our landfill sites.
- ✓ The municipality is having a very limited machinery for waste management in both areas.
- ✓ The landfill site users do not pay for their refuse, rabble and solid waste disposal.

Remedial actions:

- The municipality has submitted a request for assistance from the Department of Environmental Affairs for the registration and licensing of landfill sites.
- CHMD, waste management section to avail an amount of R900 000 to eradicate the backlog

- Feasibility study has been conducted

2.6 Housing and town planning

a. Housing and town planning services delivery strategy and main role-players.

Tsolwana Municipality has identified the land and seek out beneficiaries to apply for houses. In the old housing projects i.e. Tarkastad 671, Tarkastad 1000, Hofmeyr 1000 and Thornhill 1400 the municipality is the Developer and Financial Accounting. The municipality appointed the BSZ as Principal Agent to assure quality assurance of the constructed houses. The Human Settlement Department is doing inspection to all the houses. The Housing Steering Committees have also been established so as to represent the beneficiaries. We have engaged Emerging Contractors to build the houses for our people.

The department of human settlement approved and constructed 3536 rural housing projects.

In the new housing projects at Ntabethemba Wards 2&3 namely:

- | | |
|----------------------------|------|
| • Becclesfarm & Rocklands | 688 |
| • Kwezi | 512 |
| • Springroove/Themba lethu | 635 |
| • Mitford | 700 |
| • Khayalethu & Tentergate | 1101 |

The Department of Human Settlement is the Developer and Financial Accounting. Tsolwana Municipality has assisted in the following, application of projects, provision of Layout plans, identification of beneficiaries, signing application forms of beneficiaries, establishment of projects steering committees and attending meetings to solve problems. The Khula Consulting has been engaged for Sales Administration of beneficiaries and sites allocation. The Lukhozi Consultants has been engaged for quality assurance. Three major contractors are engaged to construct houses namely:

- S C Contractor
- Montero Construction

b. Level and standards in Housing and town planning services.

The rate of population growth within Tsohwana municipality has a huge contribution to the demand of housing units. This is verified by the waiting list of housing applications from applicants who were not able to benefit in the existing housing projects.

The constructing of housing units for middle income earners is currently underway. Installation of civil services has just commenced.

c. Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlog s (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	5%	337	337	337	N/A
2	Percentage of informal settlements that have been provided with basic services	5%	n/a	N/A	5%	
3	Percentage of households in formal housing	71%	9000	4331	4669	

that conforms to the minimum building standards for residential houses					
--	--	--	--	--	--

d. Major challenges in housing and town planning services and remedial actions.

1. Capacity building of personnel

Remedial action: Department of Human Settlement to second personnel to the LM

2. Training of the existing officials

Remedial action: Department of Human Settlement to avail funds to train existing officials.

3. No professional Town Planner at the LM

Remedial action: LM to appoint Town Planner on a consultative bases

4. Non occupation of completed RDP Houses by beneficiaries

Remedial action: LM & DHS to consider the beneficiaries in the waiting list to occupy houses

5. Lack of Infrastructure at Barcelona inhibits approval of housing project

Remedial action: Department of Human Settlement to speed up the municipality's application for funds

6. Lack of new commonage at Tarkastad for any new housing project there is no land available.

Remedial action: Department of Land Affairs to buy Lustof Farm

2.7 Spatial planning

a. Preparation and approval process of SDF:

The development proposals form the bases for a Capital Investment Framework, wherein the focus will be laid on for

- Priority areas for strategic development & investment (e.g. to provide opportunities & strategies directed for private investment)
- Priority areas for services upgrading (e.g. to address services backlogs)

The CIF provides general guidance for both budgeting & implementation process whereas the following detailed Implementation Plan comprises of a prioritized list of all proposed developmental interventions (e.g. programmes & projects to implement the formulated strategies).

The proposed areas for new development will be specifically described in the Implementation Plan, including their location, size, land availability, ownership, budget estimates etc. in order to provide the Local Municipality and other role-players with the necessary information to put the intended development into effect.

Phasing in terms of different financial years and the responsibility for planning and implementation of the projects will be given throughout the Implementation Plan. The Capital Investment Framework and the Implementation Plan will be incorporated in the IDP of the Local Municipality during the next IDP review process.

b. Land use management:

The Council has approved sub-divisions submitted to it namely:

1. Farm 1102 Tarkastad
2. Farm 240 Delton, Tarkastad
3. Farm Rode Kuilslegte No. 4
4. Portion 1 of Farm Bloemplaats No. 41 Maraisburg

The municipality is doing all in its power in making sure that the land is used according to its purposes.

Bowes, McDougal were engaged in the Township establishment at Ward 1 i.e. Thornhill, Zola and Phakamisa.

a. Major challenges in spatial planning services and remedial actions

1. Funding to review SDF

- **Remedial actions** - Departments of Local Government and Traditional & Land Affairs to avail an amount of R300.000 in order for us to be able to review the SDF

2. Resources are so scarce in the implementation of priority projects

- **Remedial actions** – mobilisation of resources with the sector departments and the private sector is key in the implementation of priority projects.

3. Lack of capacity within the institution

- **Remedial actions** – propose that a training be organised for a departmental official or an official be seconded as the voice of the plan implementation.

Refuse removal						
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	5754	5754	17262	5754	5754	17262
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	75%	75%	100%	75%	75%	100%
Spending on new infrastructure to eliminate backlogs (R000)	R144 9323	R144 9323	R189 6889	R144 9323	R144 9323	R189 6889
Spending on renewal of existing infrastructure to eliminate backlog (R000)	R144 9323	R144 9323	R189 6889	R144 9323	R144 9323	R189 6889
Total spending to eliminate backlogs (R000)	R144 9323	R144 9323	R189 6889	R144 9323	R144 9323	R189 6889
Spending on maintenance to ensure no new backlogs (R000)	R240 5582	R240 5582	R240 5582	R240 5582	R240 5582	R240 5582
Housing and town planning						
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	1700	1700	7943	1700	1700	7943
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	5.74%	5.74%	100%	5.74%	5.74%	100%
Spending on new	R17	R62m	R17	R17	R62m	R17 225

infrastructure to eliminate backlogs (R000)	225 129		225 129	225 129		129
Spending on renewal of existing infrastructure to eliminate backlog (R000)	R17 225 129	R62m	R17 225 129	R17 225 129	R62m	R17 225 129 R17 225 129
Total spending to eliminate backlogs (R000)	R918 00000	R918 00000	N/A	R918 00000	R918 00000	N/A
Spending on maintenance to ensure no new backlogs (R000)	R918 00000	R918 00000	N/A	R918 00000	R918 00000	N/A

2.9 Overall service delivery backlogs

Basic service delivery area	30 June 2012/13			30 June 2013/14		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	0	0	0	0	0	0
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the	0	0	0	0	0	0

municipality						
Spending on new infrastructure to eliminate backlogs (R000)	0	0	0	0	0	0
Spending on renewal of existing infrastructure to eliminate backlog (R000)		22,365,000.00	11,663,480.87		30,024,000.00	
Total spending to eliminate backlogs (R000)			11,663,480.87			
Spending on maintenance to ensure no new backlogs (R000)		6,467,912.00	9,467,912.00		7,114,703.20	
Electricity backlogs (30KWH/month)						
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	325	2,000,000.00	1,910,510.48		3 000 000	300
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH)	56.3%	2,000,000.00	1,910,510.48			

in the municipality						
Spending on new infrastructure to eliminate backlogs (R000)	0	2,000,000.00	1,910,510.48		3,000,000.00	
Spending on renewal of existing infrastructure to eliminate backlog (R000)		2,000,000.00	1,910,510.48		3,000,000.00	
Total spending to eliminate backlogs (R000)			1,910,510.48			
Spending on maintenance to ensure no new backlogs (R000)		600,000.00	628,199.73		800 000.00	
Sanitation backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)		10 700 000	9 408 772		10 850 000	
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the	6,913(49 %)	10 700 000	9 408 772			

municipality						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)		10 700 000	9 408 772			
Total spending to eliminate backlogs (R000)			9 408 772			
Spending on maintenance to ensure no new backlogs (R000)						
Road maintenance backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	(14024 hh) 211 km	0	0			
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the	(211/234) 90.2%	0	0			

municipality						
Spending on new infrastructure to eliminate backlogs (R000)	0	0	0			
Spending on renewal of existing infrastructure to eliminate backlog (R000)	110 km		44,000,000.00			
Total spending to eliminate backlogs (R000)			44,000,000.00			
Spending on maintenance to ensure no new backlogs (R000)			44,000,000.00			
Refuse removal						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						

Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Housing and town planning						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						

Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						

Chapter 3: Municipal Local Economic Development Framework- (KPA 3)

3.1 Brief presentation of LED strategy/plan

The municipality has developed and adopted LED strategy in 2011/12 financial year.

The LED office unit has been established three officials are employed full time one has been seconded by the Department of Local Government and Traditional Affairs. Challenges are as follows:-

Funding Led infrastructure –Reliance on external funders – Capacity development.Tsolwana LED office has conducted several consultations around LED and there are so many activities that are LED related taking place in our communities.The municipality is planning to establish an LED to create a conducive environment to ensure maximum participation by the stakeholders in decision making initiatives planned by the municipality to stimulate economic development.

- **LED Strategy development -**

Revitalisation of irrigation schemes	Poverty Alleviation	R50 000	Community Services
Women cooperative		R250 000	Community Services

PROJECT TITLE	PROJECT DESCRIPTION	ALLOCATION	RESPONSIBLE PERSON	FUNDING AGENT
Dipping tank in ward 1	Dipping tank	R500 000	Community Services	Dept. of Agriculture
Tarkastad commonage farm	Fencing	R40 000	Community Services	Tsolwana local municipality
Food security program	Provision of seeds	R3000	Community Services	Tsolwana local municipality
Livestock improvement	Purchasing of Boer goats	R248 000	Community Services	CHDM
Livestock improvements Umgcunube	Food security Vaccination of livestock	R250 000	Community Services	CHDM

3.2 Progress towards achieving the LED key objectives

a. Improve public and market confidence

Tsolwana Municipality has developed both SDF and LUMS and has involved ward representatives in their developments. Community participation was prioritised as the municipality wanted communities to own these documents (bottom-up approach). A number of workshops were organised so as to get more information as possible from different role-players. The municipality was assisted by the department of Land Affairs and Rural Development in the process of reviewing the SDF.

Human resource department is responsible for the development of all municipal by-law. Therefore trading by-laws were developed and approved by the council in consultation with local communities. Road shows have been called in all the municipal wards so that communities can have an input on those by-laws.

Though infrastructural development and maintenance is part of Local Economic Development, our municipality has entirely shifted this responsibility to technical services department. The reason being that the municipality lacks the human capacity to undertake this responsibility. Infrastructure in most of our areas needs to be upgraded.

More funds are needed to improve the bad status of our internal roads and streets.

Disaster management is not the competence of the Local authorities, the municipality is obliged to have some measures and role to play when disasters strike. The municipality is suppose to have a disaster management plan in place for the mitigation of the impact of disasters, however, due to financial constraints, the municipality has not been able to fund the development of the plan. During 2012/13 financial year, Chis Hani District Municipality has approved 23 emergency houses that will be built in 2013/14 financial year.

3.3 Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities. (ref finance)	4	4	100%
2	Number of LED stakeholder forum held.	4	4	100%
3	Percentage of SMME that have benefited from a SMME support program (ref SCM/ no of caterers benefited)	13	10	90%
4	Number of job opportunities created through EPWP	92	41	45%
5	Number of job opportunities created through PPP	0	0	0

3.4 Challenges regarding LED strategy implementation

The challenges to the support of the LED within the municipality is funding resources for the LED. We believe that the municipality will never have a functional LED

without funding. The municipality has taken a conscious decision to set aside a 5% budget on MIG funding annually. The municipality must consider creating an independent LED unit that will have its focus on Local Economic Development and the creation of job opportunities. The other challenge that is that the municipality has weak LED forums. The municipality needs to go out and make awareness campaigns towards the significance of partaking in LED forums and the mobilisation of sector departments to participate in these forums.

Chapter 4: Municipal Financial Viability and Management (KPA 4)

4.1 The audited financial statements

Audited Annual financial statements for the period ending 30 June 2013:

Refer to annexure 2

4.2 Budget to actual comparison

Actual vs budget figures for the period ending 30 June 2013:

Refer to note 39 in the Annual financial statements – Annexure 2

4.3 Grants and transfers' spending

TSOLWANA LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2012	Correction of error	Balance 1 JULY 2012	Grants Received	Monies Returned	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2013
	R	R	R	R	R	R	R	R
UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS								
National Government Grants								
Equitable Share	-	-	-	24 741 419	-	24 741 419	-	-
NT - 1% Contribution Audit fees	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	-	-	-	1 500 000	-	1 500 000	-	-
Integrated National Electrification Programme (Eskom) Grant	134 004	-	134 004	2 000 000	-	-	1 953 768	180 236
- DME Projects	134 004	-	134 004	2 000 000	-	-	1 953 768	180 236
Municipal Infrastructure Grant	3 796 053	-	3 796 053	11 683 000	1 780 419	584 150	8 062 685	5 051 800
Municipal Systems Improvement Grant	0	-	0	800 000	-	800 000	-	0
EPWP	-	-	-	1 000 000	-	1 000 000	-	-
Total National Government Grants	3 930 057	-	3 930 057	41 724 419	-	28 625 569	10 016 453	5 232 036
Provincial Government Grants								
Project Library	-	-	-	439 000	-	439 000	-	-
Department of Raods - Internal roads	(1 717 830)	-	(1 717 830)	3 502 051	-	198 388	2 503 484	(917 651)
Other Housing monies	829 611	-	829 611	-	-	-	-	829 611
DPLG & Housing	-	-	-	-	-	-	-	-
1400 Thornhill Housing	63 264	-	63 264	-	-	4 200	-	59 064
671 Tarkastad Housing	129 446	-	129 446	-	-	129 446	-	(0)
1000 Tarkastad Housing	276 252	-	276 252	-	-	222 263	-	53 989
1000 Hofmeyer Housing	135 422	-	135 422	-	-	-	-	135 422
Total Provincial Government Grants	(283 835)	-	(283 835)	3 941 051	-	993 297	2 503 484	160 434
District Municipality Grants								
Rehabilitation of internal roads	109 274	-	109 274	-	-	-	-	109 274
Other - IDP	70 000	-	70 000	-	-	-	-	70 000
Tendergate Goat Project	8 411	-	8 411	30 000	-	-	-	38 411
Paving Project	-	-	-	2 000 000	-	-	-	2 000 000
Total District Municipality Grants	187 685	-	187 685	2 030 000	-	-	-	2 217 685
Other Grant Providers								
HIV assistance	-	-	-	-	-	-	-	-
Vuna award	40 000	-	40 000	-	-	-	-	40 000
IDP assistance	-	-	-	250 000	-	249 888	-	112
SETA	-	-	-	79 448	-	79 448	-	-
HR Related projects	-	-	-	-	-	-	-	-
Valuations	146 987	-	146 987	-	-	-	-	146 987
Mapping project	55 145	-	55 145	-	-	-	-	55 145
Schaapkraal project	112 697	-	112 697	-	-	-	-	112 697
LED project: Vlekpoort	-	-	-	-	-	-	-	-
LED project: Other	120 175	-	120 175	87 990	-	-	-	208 165
Voting station	83 495	-	83 495	-	-	-	-	83 495
EPWP grant	-	-	-	-	-	-	-	-
Total Other Grant Providers	558 500	-	558 500	417 438	-	329 336	-	646 602
Total	4 392 407	-	4 392 407	48 112 908	-	29 948 202	12 519 937	8 256 757

4.4 Meeting of Donors' requirements in respect of conditional grants

All expenditure incurred for the period 2012-2013 was in line with the conditions of the grants received. It should however be noted that an amount of R1.78m was returned to National Treasury during the financial year for MIG grant monies received in prior years that was unspent as at 1 July 2011.

4.5 Long term contracts entered into by the municipality

Tsolwana Municipality did not enter into any long term contracts during the year.

Chapter 5: Good Government and Public Participation – (KPA 5)

5.1 Overview of the Executive and Council functions

Tsolwana Municipality under this KPA will concentrate on the following, public participation, consultation, public hearings, communication, legal matters, functionality of CDW's and Ward Committees, Intergovernmental Relations.

The municipality is a planetary executive type of a municipality, composed of ten councillors. Five of the councillors are ward councillors and five are PR Councillors. Council resolutions are taken as a collective. As clearly specified by S'79 of the Municipal Structures Act 32 of 2000 , municipalities must establish committees that will enable the municipality to perform its tasks proficiently and exercise its powers. In compliance with the said section, the municipality has formally established the following two standing committees that are able to play a significant advisory role to the Council by convening meeting frequently. The committees are:

- Human Resources and Finance
- Infrastructure and Social Services

In addition, the audit committee convenes meetings quarterly to consider and review the functionality of the municipality and carefully consider audit matters.

5.2 Public Participation and Consultation

IDP Representative Forum: Different role players in the IDP review process are afforded an opportunity to contribute in the decision making process. Most importantly all the key stakeholders are able to engage sector departments for proper coordination and alignment. The said forum is utilized by the municipality effectively for this purpose to ensure maximum participation.

Use of Ward Committees: Ward committees have a monthly schedule for the meetings with the ward councillors in their respective wards. Issues affecting the community are tabled to council to consider through the Ward Councillor. The Ward Councillor has an obligation to provide feedback to the community and the constituencies. Ward committees also assist the municipality to mobilize the community during the IDP/ Budget Review process.

Public Hearings: The municipality is consulted the public during the IDP/ Budget 2013/14 review process in all five wards to review the ward based plans. The municipality created a conducive environment for the public to contribute in decision making processes of the development activities taking place in their respective wards.

Customer Satisfaction Survey:

In 2012 Customer Satisfaction Survey was conducted by the Public Participation Practitioner with full assistance from the CDW's and Ward Committees. The collected data was submitted to the DLGTA and the municipality is waiting for the outcome of data analysis. The said survey was conducted successfully in only four wards out of five wards. The team conducting the survey encountered some challenges in conducting the survey in Ward 5 due to unfavourably circumstances within the ward.

5.3 Establishment and Functionality of Ward Committees.

Tsolwana Municipality has established ward committees in all five wards. The committee of ten members accommodates different social groups within the jurisdiction of the municipality. The ward councillor is the chairperson of the Ward Committee. The committees convene their meetings following the schedule and submit reports to the municipality for the Council to consider

. The table below indicates the location of Ward Councillors :

Ward No.	Ward Councillor
01	Cllr. Mangcotywa
02	Cllr. Baleng
03	Cllr. Ngcefe
04	Cllr. Nqabisa
05	Cllr. Van Heerden

Attendance by Ward Committee Members: The Code of Conduct for Ward Committees is assisting the municipality to manage the Ward Committees efficiently. The general trend for attendance is satisfactory. Inability to attend the meetings is considered as a breach of Code of Conduct for Ward Committees.

Ward Meetings Minutes: Minutes compiled by Ward Secretaries are submitted to the municipality and form part of Portfolio of Evidence for the functionality of the system. The concerns for the Ward Committees range from issues of service delivery by both the municipality and sector departments in their respective wards.

Tabling Ward Issues to Council: Identified issues from the wards that need attention without a council resolution are listed and addressed immediately by the relevant party. Issues that seek council resolution are incorporated in the Council agenda for the council to take note.

Activity Reports for Ward Committees: Ward Committees are afforded the opportunity to incorporate identified areas of concern in the minutes. The activity reports therefore are informed by the minutes. The municipality has taken an initiative to develop an understandable template that will assist in monitoring the performance of ward committees

5.4 Community Development Worker’s (CDW’S).

On establishment, CDW's did not see the obligation to account to the Municipality as they are formally employed by the DLGTA. A Memorandum of Understanding between the DLGTA and the municipality was signed and this has a significant contribution on the improvement on the working relationship between the CDW's and the Municipality. Monthly round table meetings where different issues affecting the community are raised and discussed are convened as scheduled. They show up in municipal forums namely, IDP Representative Forum, IDP Roadshows, Social Services, LCF's and DCF's.

5.4.1. Highlights on the achievements and support of Community Development Workers with the Municipality. (2012/13)

Tsolwana municipality has five wards and four fully employed CDW's. They submit their monthly reports covering economic, social, justice, and labour, good governance cluster. The list of achievements for the financial year is indicated in the table below.

Achievements 2012	
1. Registration of Indigents	
2. Involvement in CWP activities and attending Reference Group Meetings.	
3. Renaming of the Police Station as “ <i>William Ngcepe</i> ”	

4. 12 IDP Applications, 8 ID distribution	2012
5. Distribution of Social Relief Distress for 21 families	
6. Facilitating the establishment of Cooperative Forum	
7. Door to door campaign to affected households as a build up to 16 Days of Activisms event	
Achievements 2013	
1.Assisting successfully a Gr 11 learner to get a second hand school uniform	
2.Donating School uniform to two learners (2 shirts, 2 uniforms, 1 pair of shoes)	
3.Assisted in CWP training and data capturing of housing needs	
4. Recruitment of eight unemployed graduates for registering indigents for Free Basic Services	
5. Distribution of internship programmes for DLGTA for unemployed graduates.	
6. Referring two students from	

Ikhala FET College for in-service training by the municipality.	
7. Awareness campaign at Mkhitha Primary School about hazardous areas due to road construction.	
8. Facilitating successfully an agreement for a business site between the office of the Traditional Council and business consultants for Rural Container City and Thornhill Hardware.	
8. Mobilizing communities and participating in the IDP/ Budget review process.	

5.5 Communication.

There is no unit for communication in the municipality .The municipality has started to consider the initiative of establishing this unit and centralize communication, however due to budgetary constraints it is difficult to implement the initiative. It is in the interest of the municipality to recognize communication as a strategic function in 2014-15 financial year.

The Manager Cooperate Services is the caretaker for all communication related issues. A communication strategy was developed by the municipality to guide the institution on how to communicate effectively with its key stakeholders, the public and strategic partners. The action plan of the said strategy is reviewed annually and tabled to council for adoption.

The idea of developing a quarterly newsletter is considered by the municipality. It is envisaged that the municipality will be able to enhance public participation through interaction with the community and provide them with information on development programmes/ projects in their respective communities.

Infrastructural Resource Available For Communication Activities:

The major barrier towards in establishing and equipping Communications Unit with adequate infrastructural resources is budget. Budget allocated for communication is therefore insufficient and the resources for communication are not enough.

5.6 Anti- corruption Strategy.

The municipality developed an anti – corruption strategy that was adopted by the council during the 2009/10 financial year. The municipality has also established an internal audit unit to assist in addressing all audit related matters.

5.7 Intergovernmental Relations.

The municipality does not have both the IGR Framework and an IGR Forum in place, however there are institutional arrangements to discuss all IGR related matters in every in IDP Representative Forums. The trends for attendance by Sector departments is generally unsatisfactory. There are four IDP Representative Forum /IGR meetings convened during the year under review as clearly specified in the table below.

Date	Type of Meeting	Venue
13 – September-2012	IDP Representative Forum	Municipal Council Chamber, Tarkastad
23- January - 2013	IDP Representative Forum	Municipal Council Chamber, Tarkastad
21- February - 2013	IDP Representative Forum	Municipal Council Chamber, Tarkastad

25- March - 2013	IDP Representative Forum	Municipal Council Chamber, Tarkastad
------------------	--------------------------	--------------------------------------

The municipality has approached the Department of Roads and Public works seeking support on issues of road maintenance. A formal agreement between the said department and Tsolwana Municipality was signed. The progress in the implementation of Tsolwana Housing Sector Plan by the Department of Human Settlements is progressing well.

5.8 Legal matters.

5.8.1 Setting up of Legal Units

The municipality does not have a legal unit. An institutional arrangement on legal matters is to consult and seek legal opinion from external legal practises registered in the municipal data base. Service providers are utilised according to their areas of specialisation. Legal firms that have so far been used are Bowes & Mcdougall and Kirchmann`s Incorporated.

Part 3- Functional Areas and Annexures

A: Functional Areas of Reporting

1. General information (population statistics)

Tsolwana Local Municipality GENERAL INFORMATION

Reporting Level	Detail	Total	
Overview:	Provide a general overview of municipality: this may include a short narrative of issues peculiar to the municipality and issues specific to the financial year being reported ()		
Information:	<Provide statistical information on (as a minimum):>		
1	Geography: Geographical area in square kilometres Note: Indicate source of information	6000 km	Global insight :2008
2	Demography: Total population Note: Indicate source of information	33 282	Census : 2011 Statistics SA
3	Indigent Population Note: Indicate source of information and define basis of indigent policy including definition of indigent	40%	Global insight
4	Total number of voters	16784	
5	Aged breakdown: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Note: Indicate source of information	11%	4400 4500
6	Household income: - over R3,499 per month - between R2,500 and R3,499 per month - between R1,100 and R2,499 per month - under R1,100 per month	2%	14% 16% 23%

Function:	Finance and Administration
Sub Function:	Finance

	Note: Indicate source of information	<i>Global insight: 2008</i>	
--	--------------------------------------	-----------------------------	--

2. Finance and Administration function's performance

A. Overview

The Financial Services Directorate is responsible for ensuring sound financial management, monitoring the budget expenditure and revenue management, timely reporting to Council, timely completion of annual financial statements for submission to the Auditor-General, perform bank reconciliation, payment of creditors and the general financial management of the municipality, asset management of the municipality and supply chain management

A. Description of the Activity

The Financial Services Directorate has the following divisions led by Divisional Heads (Accountants) who report directly to the Chief Financial Officer:

- Revenue Management (which includes Debt collection; Credit Control and Indigent; Rates and Valuation)
- Expenditure and Asset Management
- Supply Chain Management and Information technology
- Budget and Treasury officer

The Financial Services Directorate serves as a support function to all directorates of the municipality. Direct interaction with the public takes place at the following levels and division:

- consumer enquiries on municipal account,
- credit control,
- indigent assistance application and;
- Registration and supply chain management

A. Debtor billing and collection detail for the period under review:

BILLING SUMMARY FOR 2012/13						
RATES LEVY	O/B	1 364 776.79		SANITATION	O/B	3 154 708.77
Cash		-2 244.15		Cash		-366 817.48
Instalment		3 069.30		Instalment		686 229.85
Interest		135 062.45		Interest		224 008.75
Cur Jnl		-1 420.20		Cur Jnl		-29 093.05
RATES LEVY	C/B	1 499 244.19		Int Jnl		-133.65
				SANITATION	C/B	3 668 903.19
STREET LIGHTS	O/B	446 957.03		REFUSE	O/B	1 265 221.63
Cash		-5 184.64		Cash		-295 204.10
Instalment		52 007.00		Instalment		558 963.40
Interest		31 241.75		Interest		207 028.00
Cur Jnl		471.25		Cur Jnl		108 790.35
STREET LIGHTS	C/B	525 492.39		Int Jnl		-67.45
				REFUSE	C/B	1 844 731.83
RENTAL	O/B	93 385.99				
Cash		-29 867.25		SANITATION BUCKE' O/B		1 265 221.63
Instalment		32 893.80		Cash		-23 455.04
RENTAL	C/B	96 412.54		Instalment		161 982.10
				Interest		91 641.55
				Cur Jnl		-147.95
RATES	O/B	2 231 967.72		SANITATION BUCKE' C/B		1 495 242.29
Cash		-958 081.45				
Interest		231 317.70				
Cap Jnl		-				
Cur Jnl		21 097.45				
Instalm		-4 319.35				
Int Jnl		-148.70				
RATES	C/B	1 521 833.37				
ELECTRICITY	O/B	2 905 909.30				
Cash		-2 353 385.73				
Instalment		-12 523.20				
Interest		266 224.70				
Electricity billing		3 287 553.10				
Cur Jnl		-191 506.60				
Int Jnl		-98.45				
ELECTRICITY	C/B	3 902 173.12				
WATER	O/B	2 088 381.21				
Cash		-431 642.09				
Deposit		-				
Instalment		3 490.35				
Interest		179 320.25				
Water billing		919 018.95				
Cur Jnl		-16 168.70				
Int Jnl		-29.45				
WATER	C/B	2 742 370.52				

B. Debtor age analysis as at 30 June 2013:

AGEING OF DEBTORS - 30 JUNE 2013			
	<u>2012/13</u>	<u>2011/12</u>	<u>% Increase/(De crease)</u>
<u>(Rates): Ageing</u>			
Current (0 - 30 days)	44 677.9	29 965.0	
31 - 60 Days	70 180.1	78 866.6	
61 - 90 Days	72 718.2	118 128.6	
+ 90 Days	4 382 942.7	3 428 996.6	
Total	<u>4 570 518.9</u>	<u>3 655 956.7</u>	25%
<u>(Electricity): Ageing</u>			
Current (0 - 30 days)	370 692.3	297 594.8	
31 - 60 Days	211 354.1	150 470.2	
61 - 90 Days	163 908.3	137 957.5	
+ 90 Days	3 715 686.2	2 902 347.6	
Total	<u>4 461 640.8</u>	<u>3 488 370.0</u>	28%
<u>(Water): Ageing</u>			
Current (0 - 30 days)	85 114.8	75 578.7	
31 - 60 Days	83 846.8	55 447.9	
61 - 90 Days	78 804.3	54 675.7	
+ 90 Days	2 499 483.4	1 903 857.4	
Total	<u>2 747 249.3</u>	<u>2 089 559.6</u>	31%
<u>(Refuse): Ageing</u>			
Current (0 - 30 days)	72 806.1	59 404.3	
31 - 60 Days	58 103.2	49 314.9	
61 - 90 Days	54 070.9	46 836.9	
+ 90 Days	3 227 300.2	2 682 928.8	
Total	<u>3 412 280.3</u>	<u>2 838 484.9</u>	20%
<u>(Sewerage): Ageing</u>			
Current (0 - 30 days)	110 857.7	93 144.5	
31 - 60 Days	89 428.2	78 291.0	
61 - 90 Days	82 402.3	75 381.6	
+ 90 Days	4 900 832.2	4 177 162.9	
Total	<u>5 183 520.3</u>	<u>4 423 980.0</u>	17%
<u>(Other): Ageing</u>			
Current (0 - 30 days)	2 741.0	2 741.2	
31 - 60 Days	2 730.2	2 730.1	
61 - 90 Days	2 729.9	2 729.9	
+ 90 Days	87 943.3	916 273.9	
Total	<u>96 144.4</u>	<u>924 475.0</u>	-90%

The ageing above do not include the bad debts to be written of as at 30 June 2013. We do experience challenges in ensuring effective credit control and we are still in process of establishing a proper credit control division.

C. Payment percentage for the year under review:

	<u>Total billed</u>	<u>Payments received</u>	<u>%</u>
Rates levy	136 711.55	2 244.15	2%
Streetlights	83 720.00	5 184.64	6%
Rental	32 893.80	29 867.25	91%
Rates	1 736 952.00	958 081.45	55%
Electricity	3 349 649.55	2 353 385.73	70%
Water	1 085 631.40	431 642.09	40%
Sanitation	881 011.90	366 817.48	42%
Refuse	874 714.30	295 204.10	34%
Sanitation - Buckets	253 475.70	23 455.04	9%
	<u>8 434 760.20</u>	<u>4 465 881.93</u>	<u>53%</u>

D. Property Rates:

		<u>Valuroll</u>		<u>Valuation</u>	
				<u>PC16</u>	<u>Difference</u>
1000	RESIDENTIAL	106 922 500.00		106 922 500.00	-
1001	RESIDENTIAL MUNIC	95 346 000.00		21 558 500.00	73 787 500.00
1002	RDP HOUSES	10 312 200.00		4 185 500.00	6 126 700.00
2000	COMMERCIAL	22 329 500.00		22 329 500.00	-
3003	GOVERNMENT	20 100 500.00		20 100 500.00	-
4000	MUNICIPALITY	53 776 800.00		7 021 000.00	46 755 800.00
5000	PUBLIC BENEFIT OR	10 122 000.00		10 122 000.00	-
6000	AGRICULTURE	852 627 750.00		852 627 750.00	-
6005	AGRICULTURE REBAT	200 859 510.00		200 859 510.00	-
		<u>1 372 396 760.00</u>		<u>1 245 726 760.00</u>	126 670 000.00
## Differences marked in Valuroll					

		<u>Recalculation billing</u>			<u>PC16 (system billing)</u>
		<u>Rates</u>	<u>Rebate</u>	<u>Total</u>	<u>Total</u>
1000	RESIDENTIAL	609 458.25	113 991.45	495 466.80	495 467.02
1001	RESIDENTIAL MUNIC	-	-	-	-
1002	RDP HOUSES	-	-	-	-
2000	COMMERCIAL	254 556.30	-	254 556.30	254 556.30
3003	GOVERNMENT	28 743.72	-	28 743.72	28 743.71
4000	MUNICIPALITY	-	-	-	-
5000	PUBLIC BENEFIT OR	13 664.70	-	13 664.70	13 664.69
6000	AGRICULTURE	1 219 257.68	609 628.84	609 628.84	609 628.96
6005	AGRICULTURE REBAT	287 229.10	179 518.19	107 710.91	107 710.92
		<u>2 412 909.75</u>	<u>903 138.48</u>	<u>1 509 771.27</u>	<u>1 509 771.60</u>

Function: Finance and Administration
Sub Function: Finance

Reporting Level	Detail	Total																																		
a)	Property valuation: - Year of last valuation - Regularity of valuation Tsolwana Municipality received an exemption and the next property valuation date will be 1 July 2013 effective 1 July 2014.	2008 4 years																																		
b)	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)	1639																																		
c)	Creditors – 5 Highest as at 30 June 2012:	R (000s) n/a	n/a																																	
	<table border="1"> <thead> <tr> <th>SUPPLIER</th> <th>60 days</th> <th>90 days</th> </tr> </thead> <tbody> <tr> <td></td> <td>1 717</td> <td></td> </tr> <tr> <td>GOBA PTY</td> <td>930.03</td> <td>-</td> </tr> <tr> <td></td> <td>367</td> <td></td> </tr> <tr> <td>PWC</td> <td>291.28</td> <td>-</td> </tr> <tr> <td>AUDITOR GENERAL</td> <td>119 267.26</td> <td>-</td> </tr> <tr> <td>SCOTT'S GARAGE</td> <td>33 032.36</td> <td>68 196.18</td> </tr> <tr> <td></td> <td>65</td> <td></td> </tr> <tr> <td>SEBATA</td> <td>945.58</td> <td>-</td> </tr> <tr> <td></td> <td>2 303</td> <td></td> </tr> <tr> <td></td> <td><u>466.51</u></td> <td><u>68 196.18</u></td> </tr> </tbody> </table>	SUPPLIER	60 days	90 days		1 717		GOBA PTY	930.03	-		367		PWC	291.28	-	AUDITOR GENERAL	119 267.26	-	SCOTT'S GARAGE	33 032.36	68 196.18		65		SEBATA	945.58	-		2 303			<u>466.51</u>	<u>68 196.18</u>		
SUPPLIER	60 days	90 days																																		
	1 717																																			
GOBA PTY	930.03	-																																		
	367																																			
PWC	291.28	-																																		
AUDITOR GENERAL	119 267.26	-																																		
SCOTT'S GARAGE	33 032.36	68 196.18																																		
	65																																			
SEBATA	945.58	-																																		
	2 303																																			
	<u>466.51</u>	<u>68 196.18</u>																																		
d)	External Loans: Tsolwana Municipality did not enter into any external loans for the period under review.	R (000s) n/a	R (000s) n/a																																	

3. Planning and Development function's performance

Function:	Planning and Development		
Sub Function:	Economic Development		

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with economic development initiatives		
Description of the Activity:	The function of economic planning / development within the municipality is administered as follows and includes:		
	<i><List administration of each function here: The municipality in consultation with all stakeholders does plan and implement led activities.></i>		
	>		
	These services extend to include <i><function/area></i> , but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to:		
	<i><Mandate to plan and implement led projects.></i>		
	The strategic objectives of this function are to:		
	<i><To create conditions conducive for economic development to take place.></i>		
	The key issues for 2011/12 are:		
	<i><Budgeting for LED, implementation plan and monitoring></i>		
Analysis of the Function:	<i><Provide statistical information on (as a minimum):></i>		
	1 Number and cost to employer of all economic development personnel:		R (000s)
	- Professional (Directors / Managers)	<1>	<483000>
	- Non-professional (Clerical / Administrative)	<1>	<67000>
	- Temporary	<1>	<12000>
	2 - Contract	<1>	<67000>
	3 Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
Detail and cost of incentives for business investment:		R (000s)	

4	<list details>		<n/a>
	Note: list incentives by project, with total actual cost to municipality for year		
5	Detail and cost of other urban renewal strategies:		R (000s)
	<list details>		<n/a>
6	Note: list strategies by project, with total actual cost to municipality for year		
	Detail and cost of other rural development strategies:		R (000s)
	<list details>		<n/a>
6	Note: list strategies by project, with total actual cost to municipality for year		
	Number of people employed through job creation schemes:		
	- Short-term employment	<n/a>	
	- Long-term employment	<n/a>	
	Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives		
	Number and cost to employer of all Building Inspectors employed:		R (000s)
	- Number of Building Inspectors	1	<18000>
	- Temporary		
	- Contract		
	Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package		
	Details of building plans:		
	- Number of building plans approved	<12>	
	- Value of building plans approved	<3800000>	
Reporting Level	Detail	Total	
	Note: Figures should be aggregated over year to include building plan approvals only		
7	Type and number of grants and subsidies received:		R (000s)
	<list each grant or subsidy separately>	<n/a>	<value>
	Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		

4. Community and social services function's performance

Function:	Community and Social Services
Sub Function:	All inclusive

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p><i>The municipality is administering the implementation of social services within its area of jurisdictions.</i></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><i>To maintain and monitor the provisioning of social services.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To monitor and provide social services</i></p> <p>The key issues for 2011/12 are:</p> <p><i>Cleaning of parks, cleaning of streets both in town and township.</i></p>		
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <p>1 Nature and extent of facilities provided:</p> <ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care (including creches etc) - Aged care (including aged homes, home help) - Schools - Sporting facilities (specify) - Parks <p>Note: the facilities figure should agree with the</p>	<p><i>no of facilities:</i></p> <p><3></p> <p><n/a></p> <p><15></p> <p><n/a></p> <p><19></p> <p><1></p> <p><24></p> <p><15></p> <p>< 500sq km></p>	<p><i>no of users:</i></p> <p><125000></p> <p><n/a></p> <p><35000></p> <p><n/a></p> <p><8000></p> <p><45></p> <p><960></p> <p><85000></p> <p><7000></p>

	assets register		
2	Number and cost to employer of all personnel associated with each community services function: - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care - Aged care - Schools - Sporting facilities - Parks Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	<3> <n/a> <15> <n/a> <19> <1> <24> <15> <1>	R(000s) <648000> <cost> <27000000> <n/a> <76000> <45000> <8600000> <24000000> <7000>
6	Total operating cost of community and social services function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<ul style="list-style-type: none"> Approved HIV/AIDS strategy; Approved Disaster management policy frameworks and plans (Metro and DM) 	<p>< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. The municipality has appointed a Hiv coordinator and is working close with the department and CHDM.</p>		

5. Housing function's performance

Function:	Housing
Sub Function:	N/A

Reporting Level	Detail	Total

Overview:	Includes all activities associated with provision of housing		
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <p><i><List administration of each function here: this should detail what is offered, and how it is offered to the community></i></p> <ol style="list-style-type: none"> 1. <i>Administering the housing functions – sales admin</i> 2. <i>Preparing Deeds of Sales – before signed by MM</i> 3. <i>Updating housing files – as per beneficiaries requests</i> 4. <i>Updating Housing Needs Forms</i> 5. <p>These services extend to include <i><function/area></i>, but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to:</p> <p><i><List here></i></p> <ol style="list-style-type: none"> 1. <i>Identify the land for housing needs</i> 2. <i>Identify beneficiaries</i> 3. <i>Apply for housing projects to DofHS</i> 4. <i>Assist the DHS of any information they need</i> <p>The strategic objectives of this function are to:</p> <p><i><List here></i></p> <ol style="list-style-type: none"> 1. <i>To give shelter to our people</i> <p>The key issues for 2012/13 are:</p> <p><i><List here></i></p> <ol style="list-style-type: none"> 1. <i>To apply for Batch 4 Housing Project with DHS</i> 		
Analysis of the Function:	<p><i><Provide statistical information on (as a minimum):></i></p> <ol style="list-style-type: none"> 1. 		
1	<p>Number and cost of all personnel associated with provision of municipal housing:</p> <ul style="list-style-type: none"> - Professional (Architects/Consultants) – - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside 	<p><i><N/A></i></p> <p><i><N/A></i></p> <p><i><1></i></p> <p><i><N/A></i></p>	<p><i>R (17000)</i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><R13000></i></p> <p><i><cost></i></p>

	workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.	<N/A> <1>	<cost> <R4000>
2	Number and total value of housing projects planned and current: - Current (financial year after year reported on) - Planned (future years) 1. Zola Village 300 2. Phakamisa Village 150 3. Thornhill Village 700 4. Mitford Village 500 5. Rocklands Village 300 6. Baccles Farm 300 7. Tendergate Village 700 8. Khayaletu Village 200 9. Springroove Village 300 1. Thembalethu Village 150 11. Tarkastad 41 Note: provide total project and project value as per initial or revised budget	<3641> <2>	R (000s) <value> <value>
3	Total type, number and value of housing provided: <list details by type of dwelling, see below> RDP Houses 40sqm 1. Mitford 700 2. Tendergate/Khayaletu 1101 3. Kwezi 512 4. Springroove/Thembalethu 535 5. Baccles Farm/Rocklands 688 Note: total number and total value of housing provided during financial year	<3536>	R (36.6m) <R36.6m>
4	Total number and value of rent received from municipal owned rental units <list details, including number of units handed over to residents> N/A	<342>	R (000s) <2565000>
5	Estimated backlog in number of (and costs to build) housing: <list details by type of dwelling, see below> Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	<n/a>	R (000s) <n/a>

6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet	<8432> <290> <n/a> <n/a> <n/a> <n/a>	
Reporting Level	Detail	Total 8000	
7	Type and number of grants and subsidies received: <list each grant or subsidy separately> S Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		R (000s)
		<3493>	<20259400>
8	Total operating cost of housing function N/A	N/A	R (89000)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the 2012/13 budget here>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year. 1. More than 3530 people got new RDP houses 2. Application for 3991 has been submitted to DHS 3. Good working relations with DHS 4. Staff shortage 5. No budget		

6. Waste management function's performance

Function: Waste Management

Sub Function: Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	<p>The refuse collection functions of the municipality are administered as follows and include:</p> <p><i>The municipality is managing solid waste and is collecting it twice in both urban town.</i></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><i>Cleaning of towns</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To make sure that all towns are clean and the environment is clean.</i></p> <p>The key issues for 2011/12 are:</p> <p><i>Registration of solid waste, cleaning of towns.</i></p>		
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <p>1 Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>2 Number of households receiving regular refuse removal services, and frequency and cost of service:</p> <ul style="list-style-type: none"> - Removed by municipality at least once a week 		<p>R (000s)</p> <p><1> <874000></p> <p><1> <98000></p> <p><1> <68000></p> <p><n/a> <cost></p> <p><25> <2666400></p> <p><1> <64000></p> <p>R (000s)</p> <p><8> <78000></p>

	<ul style="list-style-type: none"> - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal <p>Note: if other intervals of services are available, please provide details</p>	n/a> <n/a> <n/a> <n/a>	<n/a> <n/a>
3	<p>Total and projected tonnage of all refuse disposed:</p> <ul style="list-style-type: none"> - Domestic/Commercial - Garden <p>Note: provide total tonnage for current and future years activity</p>	<470> <545>	<780> <1230>
4	<p>Total number, capacity and life expectancy of refuse disposal sites:</p> <ul style="list-style-type: none"> - Domestic/Commercial (number) - Garden (number) <p>Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period</p>	<100> <100>	<5> <5>
Reporting Level	Detail	Total 3850420	
5	<p>Anticipated expansion of refuse removal service:</p> <ul style="list-style-type: none"> - Domestic/Commercial - Garden <p>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality</p>	300square> <n/a>	R (000s) 1.8m> n/a>
6	<p>Free Basic Service Provision:</p> <ul style="list-style-type: none"> - Quantity (number of households affected) - Quantum (value to each household) <p>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.</p>	8546> <5740>	
7	Total operating cost of solid waste management function		R (1.8m)

7. Waste Water Management

Function:	Waste Water Management
Sub Function:	Sewerage etc

Reporting Level	Detail	Total	Cost
-----------------	--------	-------	------

Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <p><i><List administration of each function here: this should detail what is offered, and how it is offered to the community></i></p> <ul style="list-style-type: none"> - Bucket system: Buckets are collected by Sanitation tractor twice a week in each household. - Flushed toilets with septic tanks: Septic tanks are being emptied by Honey sucker once a month. - Flushed toilets connected to sewerage system. - Pit ventilated latrines. <p>These services extend to include <i><function/area></i>, but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to:</p> <p><i>Tsolwana Local Municipality is a Water Services Provider on behalf of the Water Services Authority, Chris Hani District. This was informed by the Section 78 assessment that was on the 1st of July 2008. Based on the above study, a service level agreement was signed between the two institutions so as to formalise the working relationship in this regard.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>The municipality is trying all its best to adhere to the required minimum standards regarding the sanitation services in the area. Customer Care Practitioner is updating the number of households for services yearly.</i></p> <p>The key issues for 2012/13 are:</p> <p><i>The sewer system in Hofmeyr is in need of refurbishment if it is to deliver a reliable service. Many households have septic tanks and a project to eradicate the bucket system in Hofmeyr, through an upgrade to the Bulk</i></p>		

	<p><i>Sewer System, is currently at the tender stage.</i></p> <p><i>Tarkastad has a water-borne sewerage system. The night soil ponds have been upgraded to oxidation ponds, but these ponds are also in need of refurbishment. The sludge in the ponds is in need of removal.</i></p>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	<p>Number and cost to employer of all personnel associated with sewerage functions:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<p><i>R (000s)</i></p> <p>7 1065556.16</p> <p>2 110167.41</p> <p>1 127991.79</p> <p>18 1720850.15</p> <p>4 110167.41</p> <p>0 0</p>	
2	<p>Number of households with sewerage services, and type and cost of service:</p> <ul style="list-style-type: none"> - Flush toilet (connected to sewerage system) - Flush toilet (with septic tank) - Chemical toilet - Pit latrine with ventilation - Pit latrine without ventilation - Bucket latrine - No toilet provision <p>Note: if other types of services are available, please provide details</p>	<p><i>R (000s)</i></p> <p>1256 15 531 576</p> <p>6</p> <p>349 431 364</p> <p>0 0</p> <p>5842 185 785 825</p> <p>0 0</p> <p>776 620 366</p> <p>245 0</p>	
3	<p>Anticipated expansion of sewerage:</p> <ul style="list-style-type: none"> - Flush/chemical toilet - Pit latrine - Bucket latrine - No toilet provision <p>Note: provide total number of households anticipated to benefit and total additional</p>	<p><i>R (000s)</i></p> <p>1021 1 200 000</p> <p>- 8 500 000</p> <p>0 0</p> <p>0 0</p>	

4	operating cost per year to the municipality		
	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	1965 <value>	
Reporting Level	Detail	Total	Cost
5	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
	Total operating cost of sewerage function		R (000s)

8. Road maintenance's function's performance

Function:	Road Transport
Sub Function:	Roads

Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	<p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <p><i><List administration of each function here: this should detail what is offered, and how it is offered to the community></i></p> <ul style="list-style-type: none"> - Gravel Roads - Paved Roads - Stormwater Facilities e.g channels, drains - Bridges - Walkways - Roads and street maintenance - Stormwater Maintenance <p>These services extend to include <i><function/area></i>, but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a</p>		

	mandate to:		
	<i>The Municipality has a mandate to Maintain all Local roads under the roads demarcation for local internal roads and stormwater. Roads construction is done through MIG funding allocated to the Municipality.</i>		
	The strategic objectives of this function are to:		
	<ul style="list-style-type: none"> - Gravel Roads - Paved Roads - Stormwater Facilities e.g channels, drains - Bridges - Walkways - Roads and street maintenance - Stormwater Maintenance 		
	The key issues for 200X/0Y are:		
	<ul style="list-style-type: none"> - There are no plant for maintenance - There is no fully flagged Maintenance Department under the Municipality. 		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with road maintenance and construction:		R (000s)
	- Professional (Engineers/Consultants)	0	0
	- Field (Supervisors/Foremen)	0	0
	- Office (Clerical/Administration)	0	0
	- Non-professional (blue collar, outside workforce)	0	0
	- Temporary	0	0
	- Contract	0	0
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
2	Total number, kilometres and total value of road projects planned and current:		R (000s)
	- New bituminised (number)	0	0
	- Existing re-tarred (number)	12	0
	- New gravel (number)	110	R 44,000,000.00
	- Existing re-sheeted (number)	0	0
	Note: if other types of road projects, please		

3	provide details		
	Total kilometres and maintenance cost associated with existing roads provided		R (000s)
	- Tar	1	178,942.43
	- Gravel	1	0
	Note: if other types of road provided, please provide details		
4	Average frequency and cost of re-tarring, re-sheeting roads		R (000s)
	- Tar	1(km)	1,900,000.00
	- Gravel	1(km)	400,000.00
	Note: based on maintenance records		
5	Estimated backlog in number of roads, showing kilometres and capital cost		R (000s)
	- Tar	211	533 848 990
	- Gravel		
Reporting Level	Detail	Total	Cost
6	Note: total number should appear in IDP, and cost in future budgeted road construction programme		
	Type and number of grants and subsidies received:		R (000s)
	<list each grant or subsidy separately> MIG	1	0
	Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
7	Total operating cost of road construction and maintenance function		0

9. Water distribution function's performance

Function:	Water
Sub Function:	Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the	The water purchase and distribution functions of the municipality are administered as follows		

Activity:

and include:

<List administration of each function here: this should detail what is offered, and how it is offered to the community>

- *Piped water inside dwelling:*
- *Piped water inside yard:*
- *Communal taps: People are accessing drinking with RDP standard.*
- *Jojo tanks: Drinking water are delivered by our Water trucks.*

These services extend to include *<function/area>*, but do not take account of *<function/area>* which sits within the jurisdiction of *<national/provincial/other private sector>* government. The municipality has a mandate to:

Tsolwana Local Municipality is a Water Services Provider on behalf of the Water Services Authority, Chris Hani District Municipality. This was informed by the Section 78 assessment that was on the 1st of July 2008. Based on the above study, a service level agreement was signed between the two institutions so as to formalise the working relationship in this regard.

The strategic objectives of this function are to:

As Water Service Provider, the municipality has a responsibility of making sure that the communities have access to portable water.

The key issues for 2012/13 are:

At Ntabethemba area the pump stations were being vandalised and resulted on community not to have water. The pump houses were not secured and were improper structures. Proper structures were reconstructed.

In urban water schemes, Tarkastad and Hofmeyr, there was a theft of electricity cables from the pump stations which resulted the communities not to have water. We replaced and buried electricity cables then reported the incident to the SAPS.

At Hofmeyr all townships are have consumer water meter and this leads to unable to quantify the water losses within the system. 800 consumer meters were procured and the project will commence next financial year as a

phase two.
 At Ntabethemba most of bulk water meters are faulty and other pumps are not equipped with bulk water meters. This situation leads us to unable to quantify the exact amount of water supplied to community. The water service authority CHDM is in process of implementing the installation of bulk meters in the villages.

	<Provide statistical information on (as a minimum):>																														
1	Number and cost to employer of all personnel associated with the water distribution function: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.	7 3 1 20 4 30	R (000s) 1065556.16 165251.12 127991.79 1 889 840.73 103 931.52 336 180.00																												
2	Percentage of total water usage per month <table border="1"> <thead> <tr> <th>Month</th> <th>Water Usage /kl</th> </tr> </thead> <tbody> <tr><td>July 2012</td><td>31908</td></tr> <tr><td>August 2012</td><td>34166</td></tr> <tr><td>September 2012</td><td>44029</td></tr> <tr><td>October 2012</td><td>36844</td></tr> <tr><td>November 2012</td><td>48146</td></tr> <tr><td>December 2012</td><td>49871</td></tr> <tr><td>January 2013</td><td>58665</td></tr> <tr><td>February 2013</td><td>60669</td></tr> <tr><td>March 2013</td><td>73144</td></tr> <tr><td>April 2013</td><td>74014</td></tr> <tr><td>May 2013</td><td>69222</td></tr> <tr><td>June 2013</td><td>87580</td></tr> <tr><td>Total</td><td>668258</td></tr> </tbody> </table>	Month	Water Usage /kl	July 2012	31908	August 2012	34166	September 2012	44029	October 2012	36844	November 2012	48146	December 2012	49871	January 2013	58665	February 2013	60669	March 2013	73144	April 2013	74014	May 2013	69222	June 2013	87580	Total	668258	668,258kl	
Month	Water Usage /kl																														
July 2012	31908																														
August 2012	34166																														
September 2012	44029																														
October 2012	36844																														
November 2012	48146																														
December 2012	49871																														
January 2013	58665																														
February 2013	60669																														
March 2013	73144																														
April 2013	74014																														
May 2013	69222																														
June 2013	87580																														
Total	668258																														
3	Note: this will therefore highlight percentage of total water stock used per month Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer - Category 1 <insert here> - Category 2 <insert here> - Category 3 <insert here>	6636 <volume> <volume>	R (000s) R 83 318.59 <cost> <cost>																												

	- Category 4 <insert here>	<volume>	<cost>
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:		R (000s)
	- Category 1 <insert here> (total number of households)	0	0
	- Category 2 <insert here> (total number of households)	<volume>	<cost>
	- Category 3 <insert here> (total number of households)	<volume>	<cost>
	- Category 4 <insert here> (total number of households)	<volume>	<cost>
5	Total year-to-date water losses in kilolitres and rand		R (000s)
	The Municipality is formulating the measures to check and stop water loss	<volume>	<cost>
Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service:		R (000s)
	- Piped water inside dwelling	7981	4 788 600
	- Piped water inside yard	2513	1 005 200
	- Piped water on community stand: distance < 200m from dwelling	3 867	1 653 869.72
	- Piped water on community stand: distance > 200m from dwelling	2014	132 000
	- Borehole		
	- Spring		
	- Rain-water tank		
	Note: if other types of services are available, please provide details		
7	Number and cost of new connections:		R (000s)
	<detail total>	0	0
8	Number and cost of disconnections and reconnections:		R (000s)
	<detail total>	0	0
9	Number and total value of water projects planned and current:		R (000s)
	- Current (financial year after year reported on)	13	6 170 000.00
	- Planned (future years)		
	Note: provide total project and project value as per initial or revised budget		
10	Anticipated expansion of water service:		R (000s)
	- Piped water inside dwelling	<total>	<cost>
	- Piped water inside yard	<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling	26	220 000
	- Piped water on community stand: distance >	<total>	<cost>

11	200m from dwelling		
	- Borehole	<total>	<cost>
	- Spring	<total>	<cost>
	- Rain-water tank	<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
12	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	- Piped water inside dwelling	<total>	<cost>
	- Piped water inside yard	<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling	<total>	<cost>
	- Piped water on community stand: distance > 200m from dwelling	<total>	<cost>
	- Borehole	<total>	<cost>
	- Spring	<total>	<cost>
	- Rain-water tank	<total>	<cost>
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
13	Free Basic Service Provision:		
	- Quantity (number of households affected)	<total>	
	- Quantum (value to each household)	<value>	
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
14	Type and number of grants and subsidies received:		R (000s)
	<i>WSP equitable share</i>	1	9,467,912.00
	Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
14	Total operating cost of water distribution function		R (000s)

10. Electricity distribution function's performance

Function:	Electricity
Sub Function:	Electricity Distribution

Reporting	Detail	Total	Cost
-----------	--------	-------	------

Level			
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include: Tsolwana Municipality is the registered licence holder for supplying of electricity within the Tarkastad and part of Hofmeyer towns. The supply of electricity in the rural areas is done directly by ESKOM.</p> <p><i><List administration of each function here: this should detail what is offered, and how it is offered to the community> The municipality is supplying urban areas Tarkastad and Hofmeyer, maintenance of electricity is being outsourced to a local electrical contractor for day to day maintenance as required from time to time</i></p> <p>These services extend to include <i><function/area></i>, but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to:</p> <p><i>Tsolwana Municipality is the registered licence holder for supplying of electricity within the Tarkastad and part of Hofmeyer towns</i></p> <p>The strategic objectives of this function are to: Connect electricity to all households and provide alternative energy.+-</p> <p><i>The municipality is supplying urban areas Tarkastad and Hofmeyer, maintenance of electricity is being outsourced to a local electrical contractor for day to day maintenance as required from time to time</i></p> <p>The key issues for 200X/0Y are:</p> <ol style="list-style-type: none"> <i>1. Old Network that exist in both towns, Tarkastad and Hofmeyr needs an upgrade, the Municipality has had many break downs</i> <i>2. Electrical bridging and theft in all the</i> 		

	<i>areas that are under the Municipality have led to revenue losses.</i>		
Analysis of the Function:	<i><Provide statistical information on (as a minimum):></i>		
1	<p>Number and cost to employer of all personnel associated with the electricity distribution function:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>
2	<p>Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer</p> <ul style="list-style-type: none"> - Residential - Commercial - Industrial - Mining - Agriculture - Other 	<p>176023518(k Wh)</p> <p>Not classified properly (refer to the above)</p> <p>Eskom</p> <p>Not applicable</p> <p>Eskom</p> <p>Eskom</p>	<p>R (000s)</p> <p>7,689,493.53</p> <p>Added to the above</p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p>
3	<p>Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:</p> <ul style="list-style-type: none"> - Household - Commercial - Industrial - Mining - Agriculture - Other 	<p>1KWh</p> <p>1KWh</p> <p><volume></p> <p><volume></p> <p><volume></p> <p><volume></p>	<p>R (000s)</p> <p>R 0.80</p> <p>R 0.80</p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p>
4	<p>Total year-to-date electricity losses in kilowatt hours and rand</p> <p><i>Electrical audit study will be done to identify the loss</i></p>	<p><volume></p>	<p>R (000s)</p> <p><cost></p>

5	Number of households with electricity access, and type and cost of service:		R (000s)
Reporting Level	Detail	Total	Cost
	- Electrified areas	<i>All 5 wards</i>	7,689,493.53
	- Municipal	0	0
	- Eskom		
	- Alternate energy source		
	- Gas	0	0
	- Paraffin	0	0
	- Solar	0	0
	- Wood	0	0
	- Non electrified	Not applicable	Not applicable
	Note: if other types of services are available, please provide details		
6	Number and cost of new connections:		R (000s)
	183 connections	183 (units)	
7	Number and cost of disconnections and reconnections		R (000s)
	<i>It is estimated that there are more than 68 disconnection that were made last year and about 10 reconnection</i>	<volume>	<cost>
8	Number and total value of electrification projects planned and current:		R (000s)
	- Current (financial year after year reported on)	(300 units)	3000000
	- Planned (future years)		
	Note: provide total project and project value as per initial or revised budget		
9	Anticipated expansion of electricity service:		R (000s)
	Eskom	<total>	50,000,000
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
10	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	This item is in the IDP of the Municipality for 2012 -17 under Eskom	516	516000000
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
11	Free Basic Service Provision:		
	- Quantity (number of households affected)	2091	
	- Quantum (value to each household)		
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in		

	detail the level of Free Basic Services provided.		
12	Type and number of grants and subsidies received: CAPEX		<i>R (000s)</i>
		<i>INEP</i>	<i>2000000</i>
		<i>MIG</i>	<i>11683000</i>
		<i>EPWP</i>	<i>1000000</i>
	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
13	Total operating cost of electricity distribution function		<i>9349733.89</i>

B: ANNEXURE

The annexure is made up of the following documents arranged in the sequence below:

1. Full AG reports;
2. Plan of action of the municipality to address findings of the AG report;
3. Tsolwana Municipality Audit committee report
4. Approved Municipal Structure (Staff establishment);
5. Audited Financial Statements
6. Council resolutions adopting the Annual Report

