

# Final Annual Report 2013-2014



# Preface

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## Component A: Honourable Mayor's foreword

### Vision

By 2020 the Kopanong Local municipality should be a vibrant, sustainable, and successful municipality which provides quality services.

This will be achieved through promoting working relationship with stakeholders and communities by ensuring sound financial management and increasing revenue base.

### Key policy developments

Our IDP 2013/2014 is aligned to the budget. The SDBIP was developed and signed by the Mayor within the prescribed timelines of the Municipal Finance Management Act (MFMA). All other budget related policies were reviewed and approved by Council on time.

### Key Service Delivery Improvements

On the aspects of basic service delivery, despite the numerous challenges faced by the municipality, we stand with pride to say that we were able to deliver quality services to our communities. The municipality wanted to do more to fulfil the needs of all citizens, but because of the financial constraints we did not manage. Amongst our achievements was the completion of 95 household connections of electricity in Trompsburg, 2km paved access road at Philippolis, 2km paved access road in Edenburg, upgrading of sports facility in Fauresmith, Phase 2 Jagersfontein-Fauresmith water treatment works, Jagersfontein-Fauresmith Phase 2: 11.2km bulk pipeline, Bethulie: 3.5 km paved access road with speed humps and signage.

The municipality has received a Qualified Audit Report from the Auditor General (AGSA) for the financial year 2013/2014.

This opinion was obtained through efforts made by Council, Management, Staff and assistance from other stakeholders.

Other interventions that were taken are appointment of skilled personnel; implementation of internal controls; monitoring of corrective action plans; compliance with laws and regulations and implementation of performance management systems

### Public participation and good governance.

The IDP/Budget public participation was conducted in the whole municipality. The Mayoral Imbizo and Patala ditshebeletso ('Pay your services') meetings remain the priorities in our municipality.

### Future Actions

#### Reddersburg:

Rehabilitation of landfill site

Upgrading of sports facility

**Edenburg:**

Rehabilitation of landfill site (Transfer station)

**Trompsburg:**

Construction of concrete 3MGL reservoir

**Phillipolis:**

Construction of a 2km pipeline and upgrading of the pump station

**Springfontein:**

Upgrading of a 3km pipeline and pump station

**Bethany:**

Drilling and equipping of boreholes

**EPWP:**

Cleaning of landfill sites in Springfontein

Cleaning of landfill sites in Trompsburg

Cleaning of landfill sites in Reddersburg

Cleaning of water channels in Trompsburg

Updating of indigent register and title deeds

Fencing of graveyard in Fauresmith

**Conclusion**

In conclusion, my sincere thanks and gratitude to the Speaker, Exco members, Councillors, Municipal Manager, staff members and the community at large. I have confidence that together we will achieve high level of success for our municipality and our people.

.....

**Cllr. X T Matwa**

**Mayor**

## Component B: Executive summary

### 1.1 Municipal Manager- overview

According to the Municipal structures act, Act No. 117, 1998 the primary purpose of the municipality are the following:

1. A municipal council must strive within its capacity to achieve the objectives set out in section 152 of the Constitution,
2. A municipal council must annually review
  - (a) *The needs of the community;*
  - (b) *Its priorities to meet those needs;*
  - (c) *its process for involving the community;*
  - (d) *its organizational and delivery mechanisms for meeting the needs of the community; and*
  - (e) *its overall performance in achieving the objectives referred to in subsection (1)*
3. A municipal council must develop mechanisms to consult the community and organizations in performing its functions and exercising its powers;

Emanating from the municipal strategic planning session, we concluded strategic priorities accompanied with quarterly service delivery targets to be achieved; which are aligned with the resources at our disposal and it is believed that all these targets can be realized only if our municipality is getting total support from the community through enhanced revenue collection and effective public participation. We have also made our communities aware that a process of revising the municipal vision and mission was completed during that municipal strategic planning session and is incorporated in the IDP.

Besides, the developmental role that local government is called to play, we are also expected to maintain existing infrastructure which, in most cases, is aged and in a state of ill repair, The IDP therefore needs to reflect a balancing act between providing access to basic services to new recipients and the maintenance of existing infrastructure to avoid power cuts, water leaks, pot holes, etc.

Underpinning successful service delivery will be availability of funds to do so. Whilst a substantial amount of funding is made available through national and provincial fiscus through conditional grants such as the Municipal Infrastructure Grant (MIG) and others, the only way that the municipality will realize service delivery to its fullest potential is by ensuring optimal revenue generation by collecting payment due for services rendered by the municipality. In addition to debt collection, the municipality has developed a revenue enhancement strategy that will increase our reserves to enable us to plan and implement capital projects beyond the provision of grant funding.

The municipality approved the Local Economic Development (LED) strategy in March 2013. This assisted the municipality to attack service delivery challenges, strengthening our local economic muscle and development, promoting emergence of cooperatives, entrepreneurs and public-private partnership

We are continually implementing the turn-around strategy driven by the inter-governmental organs of state which will through the IDP address the social and development agenda for change.

The development and implementation of corrective action plans is put at the forefront by administration to ensure

that we address and clear issues raised by the Auditor General, this has assisted the municipality to track and monitor issues of non-compliance, financial controls, timely and accurate reporting and performance management system on a monthly and quarterly basis.

Kopanong local municipality compiled the financial statements in-house, but further appointed consultants to perform a high level review of the financial statements. We have also retained the consultants that were appointed the previous financial year to address all findings by the AG that are related to unbundling of assets and GRAP asset register. There are continuous meetings amongst the Mayor, the Municipal Manager and Chief Financial Officer (CFO) to ensure the smooth running of the municipality and also to see to it that systems and internal controls are in place. There is also the whippy meeting that sits on a weekly basis to address issues relating to the audit.

There are also weekly management meetings where operational issues are discussed and addressed, and if there are any challenges, they are addressed on time.

The above mentioned processes have assisted the municipality to obtain a Qualified audit opinion for 2013/2014 financial year.

I would like to extend my heartfelt appreciation to the political leadership and staff of the municipality for their hard work and dedication, which culminated in the progress made by the institution during 2013/2014 financial year.

I thank you!

.....

Me. L Y Moletsane

Municipal Manager (MM)

## **1.2 Municipal functions, population and environmental overview**

### **Introduction to background data**

The latest available statistics by STATS SA indicating that for our municipal area there was a decrease of population from 56079 to 49171 according to STATS SA .

### **Water**

96.5% of population in Kopanong have access to water, 3.5% don't have access to water except people who are residing in informal settlement.

### **Electricity**

95% of our population have access to electricity 5% is people who are residing in farms and informal settlement.

### **Sanitation and refuse**

100% of our population have access to sanitation and refuse.

## **Bucket Systems**

1.60% is using bucket system

## **Housing**

### **Bethulie**

Bethulie was allocated 110 houses,

### **Gariep Dam**

66 houses are completed.

### **Springfontein**

.Springfontein was allocated 250 houses.

### **Jagersfontein**

150 Hlasela houses allocated

## **Population Details**

**Population `49 171**

<b>Age</b>	<b>1996</b>			<b>2001</b>			<b>2011</b>		
	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Age: 0 - 4	2514	2485	4999	2550	2629	5179	2654	2643	5297
Age: 5 - 9	2770	2877	5647	2992	2986	5978	2513	2529	5042
Age: 10 - 19	5646	5583	11224	6313	6281	12594	4346	4311	8657
Age: 20 - 29	4048	4312	8360	4381	4507	8888	4578	4229	8807
Age: 30 - 39	2987	3190	6177	3684	3910	7594	3288	3250	6538
Age: 40 - 49	2321	2581	4902	2808	3076	5884	2660	2914	5574
Age: 50 - 59	1605	1961	3566	2008	1049	3057	1973	2239	4212
Age: 60 - 69	1097	1493	2560	1349	1807	3156	1255	1623	2878
Age: 70+	871	1374	2245	840	1550	2390	817	1348	2165
<b>Total</b>	<b>23859</b>	<b>25856</b>	<b>49715</b>	<b>26925</b>	<b>27795</b>	<b>54720</b>	<b>24084</b>	<b>25086</b>	<b>49171</b>

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people
Year 13/14	8192	-	-	-	-	-
Year 12/13	7668	27%	2775	N/A	-	13.4%
Year 11/12	8500	33.6%	15703	15529	-	-

#### Overview of neighbourhoods Within Kopanong local municipality

Settlement Type	Households	Population
<b>Towns</b>		
Fauresmith	1565	2768
Philippolis	1793	4408
Jagersfontein	2622	9892
Bethulie	3288	11318
Springfontein	1872	2523
Trompsburg	2383	5757
Edenburg	2483	5368
Reddersburg	2112	4745
Gariep Dam	738	855
<b>Sub-Total</b>	<b>18856</b>	<b>47 634</b>
<b>Townships</b>	0	0
None	-	-
Sub-Total	-	-
<b>Rural settlements</b>	0	0
None	-	-
Sub-Total	-	-
<b>Informal settlements</b>		
Bethulie	24	12
Edenburg	-	12
Gariep Dam	0	-
Fauresmith	40	12
Jagersfontein	0	-

Philippolis	0	-
Reddersburg	500	1364
Springfontein	-	96
Trompsburg	-	53
Sub-Total	564	1537
<b>Total</b>	<b>15 643</b>	<b>49 171</b>

<b>Natural resource</b>	
<b>Major natural resource</b>	<b>Relevance to community</b>
Jagersfontein- Mine	Employment and social economic services to the community of Jagersfontein
Gariiep Dam	Employment and tourism services to the community of Gariiep Dam
Exploration of Uranium mine	Currently busy with feasibility study, employment, and social economic services to the community of Edenburg.
Flatland for Energy Solar Hub	Springfontein & Bethulie

**Key challenges and opportunities for the municipality arising from the data provided in this demographic section.**

The energy solar hub is popular in terms of tourist attraction.  
The Jagersfontein mine and Uranium mine is going to help with employment and development of area.

**Relevance of the 5 major resources and the ways in which your municipality is trying to improve the positive impact they have on the local community.**

Job opportunities  
Attracting investors' e.g. Koreans attracted to Energy Solar Hub.  
Alleviation of poverty  
Economic Growth.

**Job opportunities was created on the following towns**

**Edenburg**

No job opportunities were created,

**Jagersfontein mine**

100 jobs were created and students were allocated bursaries to enrol for Hospitality courses and tracking.  
Attracting investors' e.g. De Beers mine attracted to Energy Solar Hub.  
Alleviation of poverty

**Flatland for Energy solar hub**

No job opportunity was created,

## 1.3 Service delivery overview

### **Achievements**

a) There are 18856 households with access to water in formalised sites:

1. Bethulie =	3288
2. Edenburg =	2483
3. Fauresmith =	1565
4. Gariep-Dam =	738
5. Jagersfontein =	2622
6. Philip polis =	1793
7. Reddersburg =	2112
8. Springfontein =	1872
9. Trompsburg =	2383

(b) Phase 1 of bulk water supply project is completed and it supplies Jagersfontein, and Phase 2 of the pipeline project was completed in November 2013 and the remaining works is the reservoir in Fauresmith and the water treatment works in Jagersfontein` to be completed in December 2014.

(c) The water pipeline from the reservoir in Reddersburg is upgraded for the supply of the entire area.

(d) There is an approval of funding from DWA for the upgrading of the water pipeline from the reservoir and the pump station in Philippolis. The contractor has already been appointed.

(e) Detailed investigations of all ageing water infrastructure were completed technical Reports and business plans has been done and submitted for funding for the upgrading of the network.

### **Access to sanitation.**

a) There are 18856 households with access to waterborne in formalised sites:

1. Bethulie =	3288
2. Edenburg =	2483
3. Fauresmith =	1565
4. Gariep Dam=	738
5. Jagersfontein =	2622
6. Philippolis =	1793
7. Reddersburg=	2112
8. Springfontein =	1872

9. Trompsburg = 2383

- a) 18 process controllers are trained for the maintenance of the sewerage pump station
- (b) The service provider is appointed on a contract of one year to assist in routine maintenance.
- (c) The technical reports have been compiled and business plans have been submitted for funding the provision of sewerage network, pump station and installation of grids to the following towns:  
Reddersburg, Springfontein, Philippolis, Gariep Dam, Bethulie, Edenburg, Jagersfontein, Trompsburg, Fauresmith

### **Challenges for access to water**

- (a) There are 564 households without water on sites in formalised areas
- (b) Ageing and decaying water infrastructure which is beyond its expected life span which also affect water quality.
- (c) There are some areas whereby the municipality experience low water pressure due to small capacity of the network and sometimes pipe burst which result at water losses.
- (d) There are households with leaking water meters and some without water meters.

### **Access to sanitation**

- (a) There are 564 households without waterborne sanitation on sites in formalised areas.
- (b) The current sewerage network and pump stations can no longer withstand the current population growth.
- (c) Foreign material entering and damaging the sewerage pumps.
- (d) Constant blockages of the sewerage lines which results in sewerage overflow and spillages.

### **Access to electricity:**

- (a) There are 907 households without access to electricity

Bethulie	336
Edenburg	132
Gariep-Dam	76
Jagersfontein	56
Springfontein	260
Philippolis	23

### **Access to housing**

- (a) 8192 households without houses (waiting list)

Bethulie	2679
Edenburg	1300

Gariep Dam	319
Fauresmith	781
Jagersfontein	684
Philippolis	619
Reddersburg	807
Springfontein	572
Trompsburg	431

## **Access to basic services**

### **Electricity connections**

(a) 18856 households have access to electricity and 907 do not have access to electricity. Most of the beneficiaries who are allocated sites have the tendency of delaying to occupy their sites which also has an impact during the verifications for allocation of funds, and also causes delays for the implementation as well as the completion of the projects.

#### **2. Water available within 200 m from dwelling:**

(b) 18856 households have access to water and 564 households without water on site in formalised areas. The ageing old asbestos and small capacity of water network is the major cause of pipe bursts and leakages and these results to low pressure and shortage of water. There are 564 informal sites that are illegally occupied and have no basic services; however the communal taps are installed for water.

#### **3. Sanitation- households with at least VIP service**

(c) 18856 households have access to waterborne sanitation and 564 households without waterborne sanitation on site in formalised areas. The conditions of the sewerage pump stations and the infiltration of the foreign substances into the sewerage network is also the major course of the sewerage spillages and manholes overflow. There are 564 informal sites that are illegally occupied and have no basic services, however the municipality provides buckets sanitation, and there are no VIP's.

#### **4. Waste collection- Kerbside collection twice per week:**

(d) 19420 households have access to refuse removal and collection is done twice per week. The fleet is beyond its expected life span and retard daily operations with regard to waste removal, however there are weekly programmes for waste collections.

	13/14	12/13	11/12
Electricity service connections	18856	16005	15905
Water - available within 200 m from dwelling	18856	15248	15000
Sanitation - Households with at least VIP service	0	0	0
Waste collection - kerbside collection once a week	19240	15643	15000

## 1.4 Financial health overview

The municipality's biggest challenge is cash flow. In rural areas such as ours it is very difficult to collect income due to high poverty rate. The municipality started an in-house debt collection which will assist in increasing our cash flow to attain the 2020 goal which is, to deliver service to the best of its ability.

<b>Financial overview: 2013/2014</b>			
			<b>R' 000</b>
<b>Details</b>	<b>Original budget</b>	<b>Adjustment budget</b>	<b>Actual</b>
Income:			
Grants	140367	140367	131000
Taxes, Levies and tariffs	99374	93964	113292
Other	16647	16647	29973
Sub Total	256388	250978	229495
Less: Expenditure	298619	328719	321866
Net Total*	42231	77741	(55471)
<b>Operating ratios 2013/2014</b>			
<b>Detail</b>		<b>%</b>	
Employee cost		27%	
Repairs & maintenance		2%	
Finance charges & Impairment		28%	
<b>Total capital expenditure: 2013/2014</b>			
<b>Detail</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>R'000</b>
Original Budget	51490	53330	51271
Adjustment Budget	51240	30021	51271
Actual	26578	41964	37509

### **Variations between actual, original and adjustment budgets**

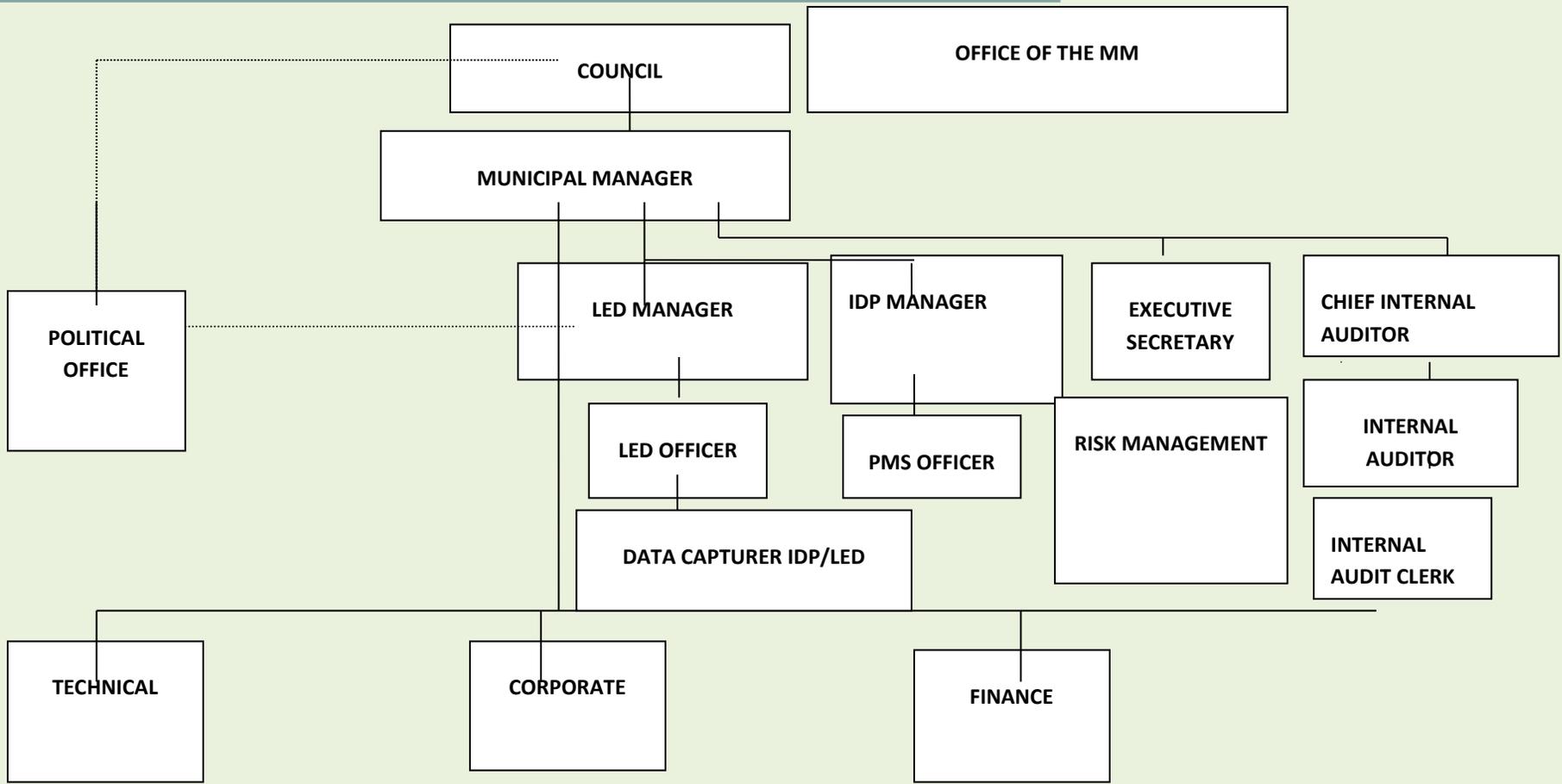
Original budget is the first time when you baseline the budget, the municipality did that by inviting all heads of the department to allocate budget. The budget adjustment (BA) document is used to record income and expense transactions not processed through other documents, against an existing budget. It can be used to modify a base budget and current budget.

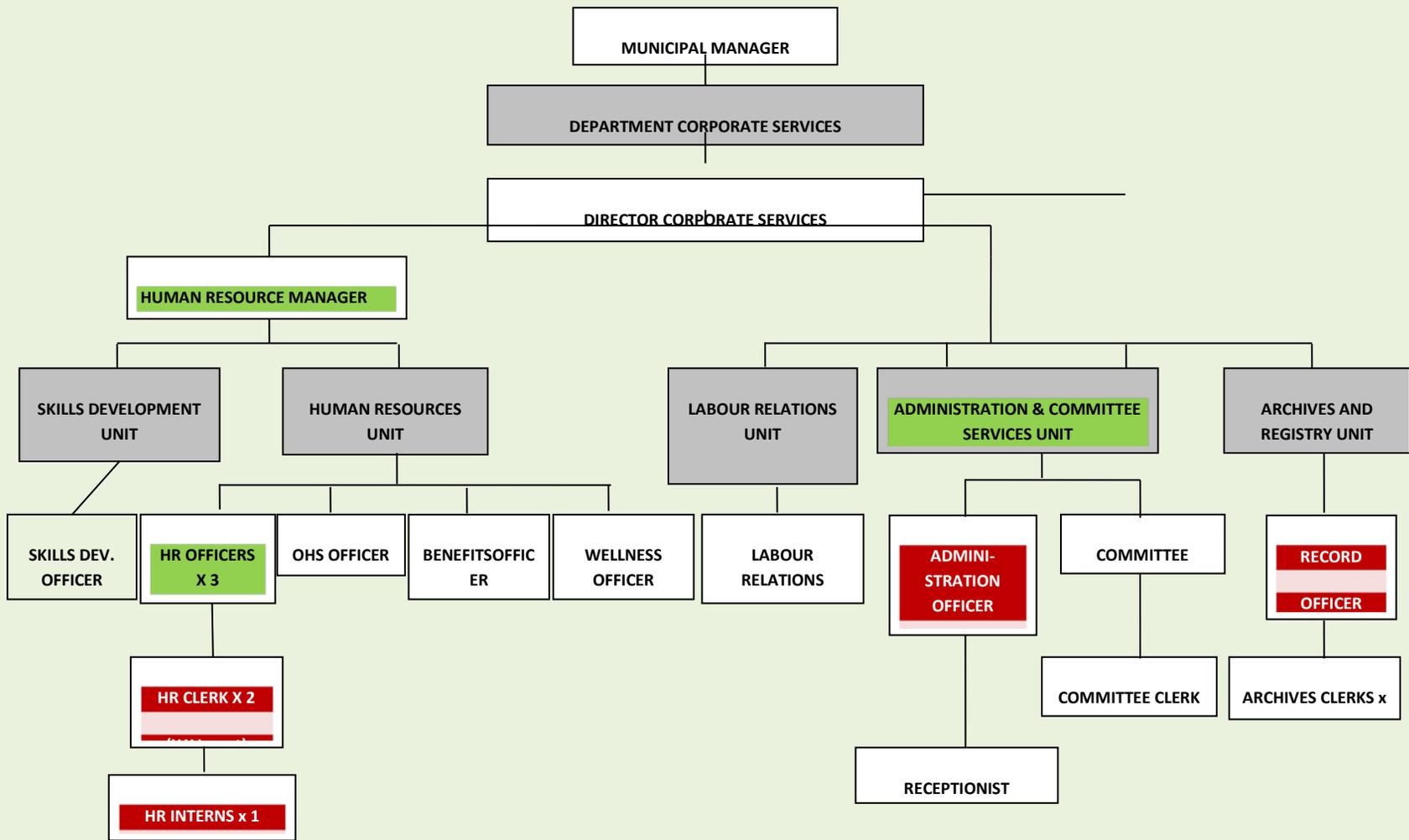
## **1.5 Organisational development overview**

Development issues are covered within the workplace skills plan document of the municipality. Needs are identified through a skills audit. There were trainings happening in the form of an apprenticeship for electrical engineering which is a three year project and currently invitations have gone out where service providers are invited to make proposals for the second intake for electrical engineering as well as for civil engineering which will also be done over a period of three years.

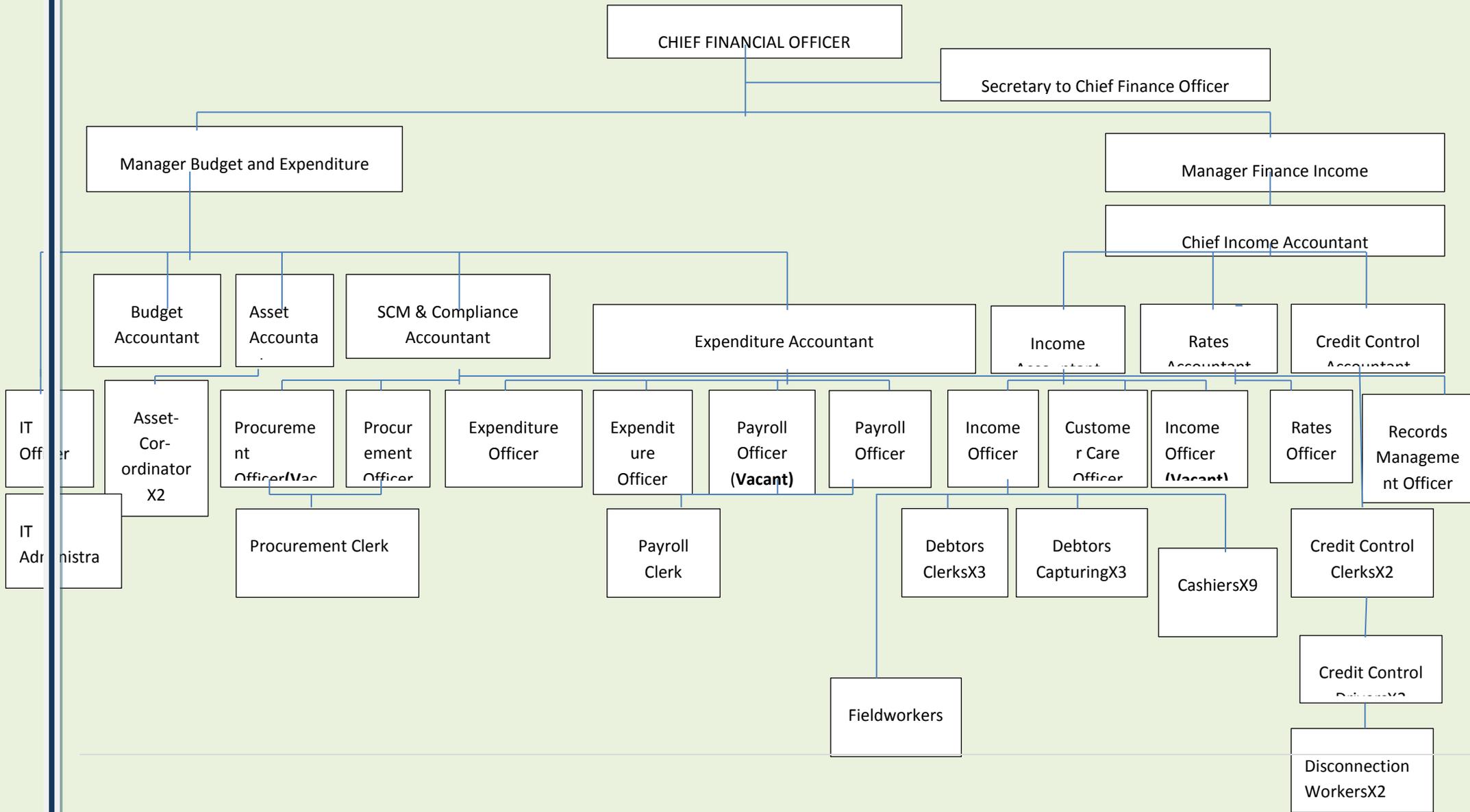
The municipality currently does not have a performance management system in place, but in the interim we have developed the framework that is approved by council and currently the municipality has procured the performance management system from Sebata and training of all users will take place on the 28-29 August 2014 after-which data cleansing/purification as well as the take-on will be done.

The municipality is having an organizational structure in place that was approved by council. The organogram comprises of the office of the MM, Finance, Corporate services, Technical Services and community services departments respectively.

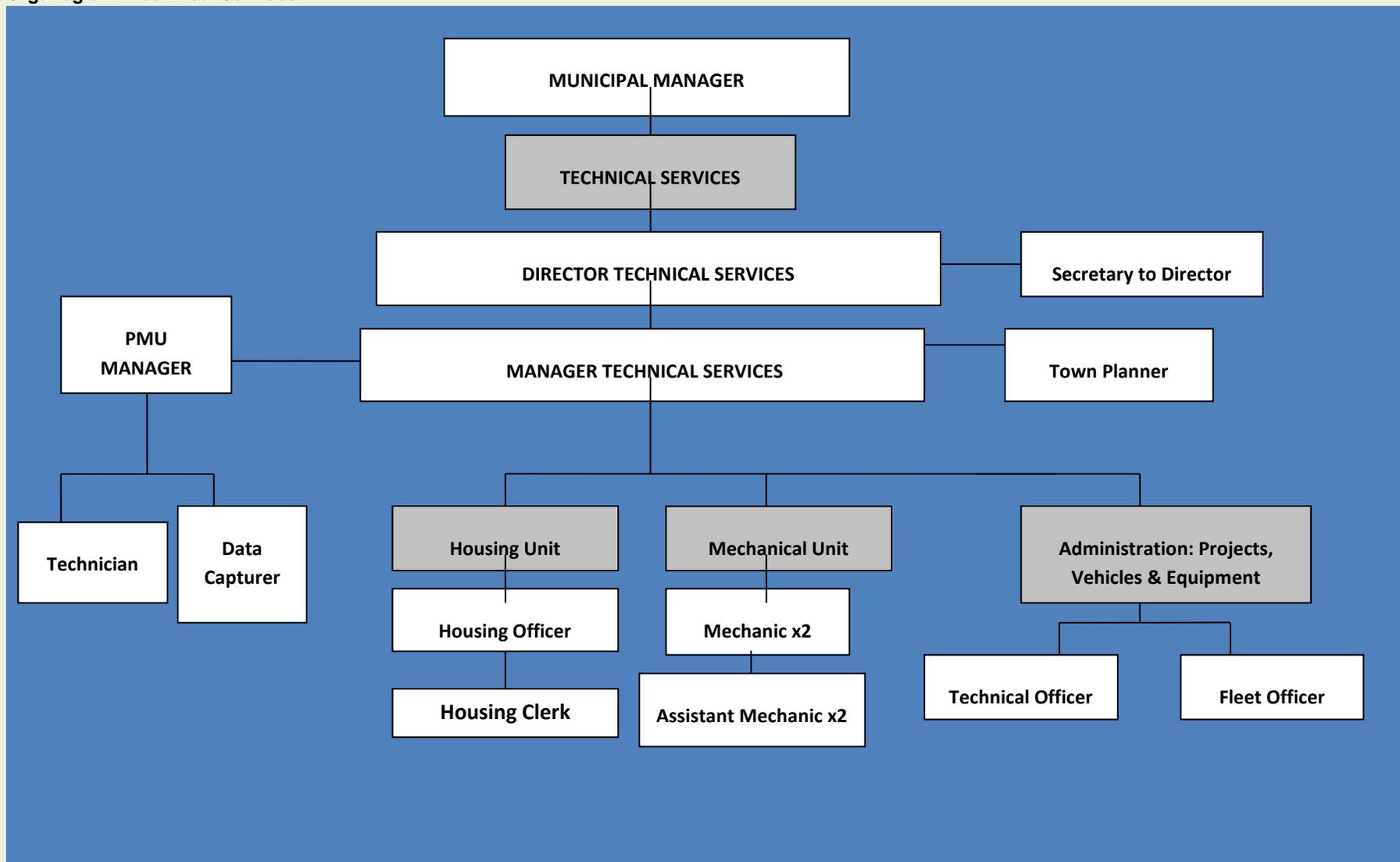




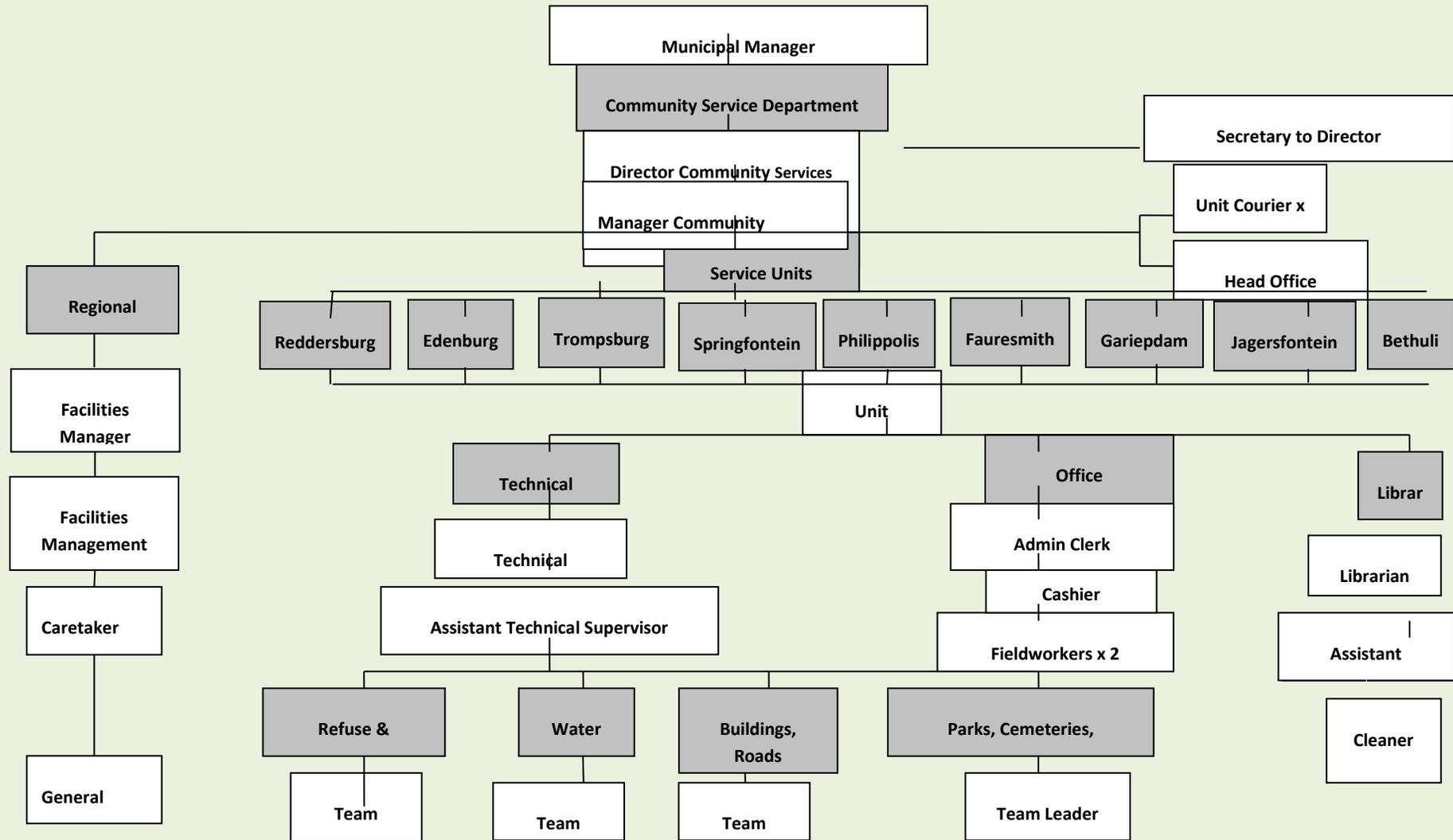
**Budget and Treasury Office Organogram**



**Organogram: Technical Services**



Department of Community Services





## **1.6 Statutory annual reporting processes**

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	30/08 2013
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	01/09 2013
3	Submit draft year 2013/14 Annual Report to Internal Audit and Auditor-General	30/08/2013
4	Municipal entities submit draft annual reports to MM	N/A
5	Audit/Performance committee considers draft Annual Report of municipality.	N/A
6	Mayor tables the unaudited Annual Report	31/01/2014
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	31/08/2013
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP analysis phase.	30/08/2013
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and performance data	31/08/2013
10	Municipalities receive and start to address the Auditor General's comments	01/08/2013
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	31/01/2014
12	Audited Annual Report is made public and representation is invited	06/02/2014
13	Oversight Committee assesses Annual Report	04/03/2014
14	Council adopts Oversight report	27/03/2014
15	Oversight report is made public	02/04/2014
16	Oversight report is submitted to relevant provincial councils	02/04/2014
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	31/03/2014

### **Comment on the Annual report process**

The process is posing administrative challenges in terms of the compilation and completion of the report. This observation is based on the regulatory mandate that the municipality must comply with in terms of the Annual Report contents and deadlines for submission and tabling of annual report to council. Nevertheless the municipality managed to comply with the legislation.

### **Importance of alignment between the IDP, Budget, and PMS**

The IDP, budget, and performance management processes must be seamlessly integrated. IDP fulfils the planning stage of performance management; performance management in turn fulfils the implementation management, monitoring, and evaluation of the IDP. The performance of an organisation is integrally linked to that of Section 54 and 56 managers. If employees do not perform the organisation will not achieve its intended objectives, and seemingly the municipality cannot plan without the budget.

## B. Chapter 2 – Governance

### Introduction to governance

Political governance is governed by the Honorable Mayor, administration is governed by the MM, IGR is a forum used by the municipality to interact with other organs ,the district, State owned enterprise`s(SOE`S) ,province and national to address issues of support and assistance that we can provide to the municipality in terms of turnaround strategies.

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### Administrative governance

The municipality has a shared audit and performance committee in place, consisting of four (4) members and it is established in terms of Section 166 of the Municipal Finance Management Act (MFMA). The committee fulfils its oversight responsibility for the financial reporting, the system of internal controls, performance management, the audit process, and monitoring compliance with laws and regulations and the code of conduct. The committee sit and report quarterly to council about its activities, issues, and related recommendations.

The council appointed an oversight committee on the 31 January 2014, comprising of 5 members, a Councillor as a chairperson of oversight committee, 1 member of the audit committee, 1 community member and 2 which are non –executive councillors. The oversight committee made a recommendation to council to adopt an annual report without reservations and the oversight report was publicised on the 02 April 2014. Copies of the oversight report and minutes were forwarded to COGTA, Auditor General, and Provincial Treasury and they were also publicised

on the website, units and libraries as per legislation. The municipal public accounts committee (MPAC) was established and approved by council on the 9th May 2013.

## 2.1 POLITICAL GOVERNANCE

### Introduction to political governance.

Kopanong municipality has several portfolio committees of which the council, executive committee (Exco) and the oversight committee provide opinions and recommendations on financial processes and performance.

The oversight committee on the annual report was appointed by council on the 31 January 2014.

Kopanong council constitutes of 15 councillors comprising of Mayor and the Speaker.

Councillor	Committee allocations
Chairperson as the Mayor and 2 Council members	Executive Committee
Mayor as the Chairperson and 2	Finance & LED

Council members	
4 Councillors	Institutional Transformation
3 Councillors	Infrastructure and Rural Development

Councillors are elected by the local registered voters in their respective wards and represent their respective constituents in local council.

Kopanong municipality has a total of 15 seats, eight (8) of those are allocated to ward councillors who are elected by wards they are representing. The other 7 seats are allocated to political parties in proportion to the number of votes cast for them.

### **Political decisions- taking**

The decisions of the council are taken following the rules and procedures of the council and all other questions before the council shall be decided by a majority votes. All resolutions are distributed to relevant departments. Currently there are no outstanding resolutions

### **Honourable Mayor**

Cllr X T Matwa



**Speaker**  
Cllr. M Masana



**Chief Whip**  
Cllr. K L Dlomo



**MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE**

Mayor X T Matwa  
Cllr L Dlomo  
Cllr B Smit

**COUNCILLORS**

<b>Name and initials</b>	<b>PR/ward</b>	<b>Party represented</b>
Cllr X.T Matwa/Mayor	PR Councillor(KLM)	ANC
Cllr M.E/Speaker	PR Councillor(KLM)	ANC
Cllr L.K Dlomo	PR Councillor(KLM)	ANC
Cllr B Smit/ Exco member	PR Councillor(KLM)	DA
Cllr H.M Hageman	PR Councillor(KLM)	DA
Cllr H.Shebe	PR Councillor (KLM)	DA
Cllr L.A Rigala	PR Councillor(KLM)	COPE
Cllr T.Koyana	Ward Councillor 1	ANC
Cllr M.D Matseo	Ward Councilor 8	ANC
Cllr N.J Stuurman	Ward Councilor 4	ANC
Cllr N.C Spogter	Ward Councilor 3	ANC

Cllr T.A Phafudi	Ward Councilor 2	ANC
Cllr L.A Sola	Ward Councillor 5	ANC
Cllr D Phepeng	Ward Councillor 7	ANC
Cllr P.D Basholo	Ward Councillor 6	INDEPENDENT

### **POLITICAL DECISION-TAKING**

Political decisions are taken during council meetings, all council resolutions taken are implemented one hundred percent (100%). Implementation of council resolutions is measured through compilation of the action list where all council resolutions are summarized and it also indicates whether resolutions have been executed or not.

## **2.2. ADMINISTRATIVE GOVERNANCE**

### **INTRODUCTION TO ADMINISTRATIVE GOVERNANCE**

Overall, the MM is the Accounting Officer of the municipality, she is the head of the administration, and one of her roles is to ensure that budget, and IDP, SDBIP, annual report and mid- year budget and performance assessment report and financial statement of the municipality are carried out. She has to ensure that compliance matters are adhered to, and to delegate strategic decisions to her directors for implementation.

#### **Roles of Directors**

Directors are heads of the departments, they have to ensure that all strategic matters are adhered to and implemented. Chief Financial officer has to ensure budget, supply chain management, credit control, annual financial statements (AFS) assets unbundling are executed. He is also accountable to the Municipal Manager who delegates some of her financial responsibilities to him.

The MM is working with a team of directors, by holding management meetings, service delivery meetings, when the MM is absent she appoints one of her directors as the acting MM. Matters of compliance such as the performance agreements have been signed and submitted to the department of Cooperative Governance and Traditional Affairs (COGTA), Kopanong Local municipality is a member of the Integrated Governmental Relations (IGR) and sits as per schedule. The SDBIP has been signed by the Mayor and has been submitted to Province, National Treasury and COGTA. IDP and budget were approved on the 31 May 2013 by Council.

Work Skills Plan (WSP) has been completed and it was submitted to LGSETA on the 30th April 2013. Oversight report has been adopted and it has been publicized to the units, libraries and the websites on the 02 April 2014. Copies of SDBIP were forwarded to COGTA, AG and Provincial Treasury.

**Major structural changes made or structural reviews commenced during the year.**

The Director Community services position assumed his duties on the 01<sup>st</sup> April 2014.

**Top administrative structure**

**Municipal manager**  
**Me Lebohang Yvonne Moletsane**



**Chief financial officer**  
**Mr. Molahlehi Jan Mekhoe**



**Director Corporate Services**

**Me. Cecilia Kedisaletse Pitso**



**Director Technical Services**

**Mr Sibongile Hololoshe**



**Director Community Services  
Mr Sidwell James**



## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

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

Provincially, COGTA is playing a monitoring and evaluation role on issues of PMS, Provincial Government Local Turn-Around Strategy (PGLTAS), IDP. The municipality then identified 5 Key Performance Areas (KPA's) to report on and to see to it that the municipality complies in terms of supply chain management. The district municipality also plays a supporting role on issues of environmental affairs and disaster management.

District technical IGR and coordinating forum meets and sits on a quarterly basis, at the IGR meetings the municipality report on service delivery issues, expenditure on the Municipal infrastructure grant (MIG), the district coordinating forum(DCF) of the Xhariep District Municipality(XDM) emphasized that issues of IDP and clean audit becomes the standing items in all IGR meetings.

There are other Intergovernmental forums that are existing like MM'S, Energy and IDP manager's forums.

### **2.3 Intergovernmental Relations.**

#### **National intergovernmental structure**

From the Department of Co-operative Governance and Traditional Affairs (COGTA) there is a national body that focuses mainly on monitoring, evaluation and service delivery, more especially on municipal turnaround strategy, which addresses key issues within the municipality that focuses mainly on service delivery issues e.g. Fighting of corruption; basic services, local economic development, clean audit and institutional arrangements.

National treasury has assigned an official to Kopanong municipality to assist the municipality on financial related matters and Provincial COGTA has assigned an intern as well.

### **Provincial intergovernmental structure**

On IGR quarterly meetings, the municipality is submitting reports on, **IDP, Clean Audit** and fighting corruption issues.

Human settlement has assisted the municipality in appointing service provider to complete those Reconstruction Development Program (RDP) houses, Department of Water Affairs (DWA) is funding the project for Bulk water supply between Fauresmith and Jagersfontein.

COGTA has assisted with JOJO tanks and to review commonage policies of the municipality. MIG provided funding for paving of roads in Edenburg and Philippolis DWA is assisting with refurbishment of works in Gariep Dam.

### **Relationships with municipal entities**

The municipality does not have any entities.

### **District intergovernmental structures**

The district through its three phases of intergovernmental structures being the monitoring and evaluation, district technical IGR and the district coordinating forum produces a quarterly report that encompasses all the reports from sub-forums of the IGR forum.

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

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

The municipality is communicating with the public through Mayoral Imbizo`s, media, radio stations, public notices, IDP engagements, budget processes and using four languages that are dominating: English, Sotho, Xhosa and Afrikaans.

### **2.4 Public meetings**

<b>Nature and purpose of meeting</b>	<b>Date of events</b>	<b>Number of Participating Municipal Councillors</b>	<b>Number of Participating Municipal Administrators</b>	<b>Number of Community members attending</b>
Ward 5	06 March 2014	2	1	91Community
	14 April 2014			7 (WCM)
	09 July 2014			8

	12 July 2014 11 November 2014			187(households) 9 (WCM)
Ward 4	04 January 2014 08 January 2014 04 February 2014 04 April 2014 28 April 2014 04 May 2014 08 June 2014 10 July 2014 04 August 2014 07 December 2014 08 December 2014	1	1	3 WCM 4 WCM and 4 Sectors 4 WCM 4 WCM 4 WCM 2 WCM and 4 Sectors 4 WCM 4 WCM 4 WCM 12 Households 4 WCM and 3 Sectors
Ward 3	04 March 2014 27 June 2014 16 October 2014 12 December 2014	2	1	21 Community 8 WCM 9 WCM 9 WCM
Ward 2/ordinary community meeting	07 February 2014 11 March 2014 20 June 2014 15 July 2014 18 July 2014 11 December 2014	1	1	69 Community 6 WCM and 45 Community 5 WCM 5 WCM Mandela day (Activity) 5 CWM
Ward 6	07 October 2014	1	1	46 Community
Ward 8	27 February 2014	1	1	No attendance

	12 March 2014 23 April 2014 23 July 2014 11 December 2014			register 10 WCM 8 WCM 8 WCM 6 WCM
Ward 7/ ordinary community Meeting	07 January 2014 12 January 2014 16 January 2014 28 January 2014 07 February 2014 11 March 2014 08 July 2014 14 July 2014 30 September 2014	2	1	10 WCM 112 30 Farmers 49 Community 7 WCM 4 WCM and 14 Community 47 Community 14 WCM 15 Beneficiaries and 1 Contractor
Ward 1/ Presentation of sites	11 February 2014 11 March 2014 19 March 2014 10 April 2014 22 July 2014 12 Aug 2014 08 December 2017	1	1	10 WCM 6 WCM 162 Community Community Profiling 8 WCM 211 7 WCM

**Comment on the effectiveness of the public meetings held:**

During IDP meetings, communities owned the process. Community inputs during IDP and Budget processes are very important. Engagements are included into the documents and are made available and accessible to the communities e.g. IDP, Budget, SDBIP. Mid -year budget and performance assessment report .oversight report and annual report publication and the identification of projects per wards. Community is afforded an ample opportunity to make comments/ make objections or appeals on these documents.

**2.5 IDP participation and alignment**

**Communication, participation and forums**

IDP and budget process plans, had to run concurrently and were adopted by council in 30 August 2013.

The IDP processes consists of 2 committees, IDP steering committee and the representative forum. The IDP processes unfolded from September 2013 to June 2014. The municipality is using the Mayoral Izimbizo, ward committees members, radio`s and newspaper as a medium of communications. The municipality's website is regularly populated with relevant legislated documents. Opinion surveys were conducted; they were distributed in all 9 units and were completed by residents.

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

*\* Section 26 Municipal Systems Act 2000*

## COMPONENT D: CORPORATE GOVERNANCE

### Overview of corporate governance

The Section 80 committees, executive committees and council meetings are sitting on a quarterly basis, the Mayor and the Municipal manager are meeting daily to discuss issues of governance.

The municipal Whippery committee consists of the Mayor, Speaker, Chief Whip of the ruling party and they are holding weekly meetings with the MM, CFO and CIA and PA to the Mayor to discuss issues of revenue enhancement strategy, audit action plan as a way of improving the municipality's audit outcome.

### 2.6 Risk management

#### The need for risk management (See MFMA Section 62 (1) (c) (i))

Risk management is a continuous, pro-active, and systematic process implemented by the municipality's council, management and other personnel, applied in strategic planning and across the municipality, designed to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance level, to provide reasonable assurance regarding the achievements of municipality objectives. Risk management committee is in place and functional. The committee had two meetings in 2013/14 financial year

#### The benefits of having an effective risk management:

1. Support efficient use of resources,
2. Promoting continuous improvement,
3. Minimize surprises,
4. Reassure the stakeholders,
5. Helps internal audit to comply with internal audit framework and standards
6. Continuity of services delivery.

#### An effective risk management

1. Improve accountability by ensuring that risks are explicitly stated and understood by all parties, that the management of risks is monitored and reported on, and that action is taken based on the results.
2. Focus on planning to deal with factors that may impact on the objectives of the municipality and provide an early warning signal
3. Ensure opportunities are not missed and surprise costs don't arise

#### Service department role:

1. Develop risk management implementation plan of the municipality.
2. Works with senior management to develop risk management vision, strategy, and policy as well as risk appetite and tolerance level.
3. Conducting workshops on risk management and fraud awareness.
4. Coordinating risk assessment within the municipality.
5. Assisting management in developing and implementing risk responses for each identified material risk.
6. Reporting quarterly to the Risk Management Committee.

Risk management awareness workshop was conducted on the 28<sup>th</sup> March 2014.

Risk assessment was conducted in July 2013

**Top five risks to the municipality:**

1. Uncontrolled water demand
2. Non-compliance to GRAP standards
3. Irregular expenditure
4. Unsafe conditions at landfill sites.
5. Audit queries not being resolved.

**2.7 FRAUD AND ANTI –CORRUPTION STRATEGY**

**FRAUD AND ANTI- CORRUPTION STRATEGY**

The municipality reviewed an anti-fraud and corruption strategy on the 23<sup>rd</sup> July 2013. Fraud awareness workshop was conducted on the 30<sup>th</sup> June 2014. The municipality has a shared audit and performance committees, is fully functional and councilors are not part of the committee.

**2.8 SUPPLY CHAIN MANAGEMENT**

Section 110-119 of the MFMA; the Supply Chain Management (SCM) Regulations 2005; and relevant MFMA circulars issued by National Treasury require processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

To comply with legislation and circulars mentioned above, Kopanong Council has adopted the Supply Chain Management Policy and is implemented.

Procurements plans were developed and implemented to assist the departments to achieve their service delivery mandates and to meet their service delivery requirements without any SCM processes delays and this formed the integral component of the entire process to ensure effective, efficient and economical SCM processes.

Thresholds as per the regulation 12 of the SCM regulations has been set and complied with throughout the year. Bid documentation were compiled and as far as possible aligned with circular 25 and 62.

Bid Committee structures were also established and implemented with the exception of a Bid adjudication committee wherein it was not constituted appropriately from July to December 2013, but a fourth director became part of the committee from January 2014 and the matter has since been resolved. This led to irregular expenditure being incurred.

SCM implementation checklist is completed on a quarterly basis to ensure that the Municipality is complying with the Act and Regulations

## **2.9 BY- LAWS**

### **By-laws Introduced during year 2013/2014**

#### **Comment on by- laws**

Municipal by-laws were identified and adopted by council in 30th May 2014. Council identified another set of necessary and important by-laws applicable to the municipality in 2013/2014 financial year.

The following are the new by-laws adopted by council.

- (a) Standard cemeteries and crematoria
- (b) Standard delegation of powers
- (c) Standard fences and fencing
- (d) Standard informal settlements
- (e) Standard property rates
- (f) Standard sporting facilities

- (g) Standard ward committee
- (h) Standard waste management
- (i) Standard indigent support
- (j) Standard advertising by law
- (k) Publication of these by-laws and invitations for public participation and comments will be advertised in the newspapers and these consultations are planned to take place from the 9-11<sup>th</sup> September 2014

## **2.10 Websites**

### **Municipal Website: Content and Currency of Material**

<b>Documents published on the municipality s website</b>	<b>Yes/No</b>	<b>Publishing Date</b>
1. Current annual and adjustment budgets and all budget-related documents	Yes	
2. All current budget-related policies	Yes	
3. The previous annual report (Year 2012/2013)	Yes	
4. The annual report (Year 2012/2013) to be published	Yes	31Jan 2014
5. All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act(MSA) year 2012/2013) and resulting scorecards	Yes	
6. All service delivery agreements (year 2012/2013)	Yes	
7. All long-term borrowing contracts (year 2012/2013)	Yes	

8. All SCM contracts above a prescribed value (give value) for year 2013/2014.	Yes	
9. An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during year 2013/2014	No	
10. Contracts agreed in year 2013/2014 which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
13. Public-private partnership agreements referred to in section 120 made in year 2013/2014.	N/A	
14. All quarterly reports tabled in the council in terms of section 52(d) during year 2013/2014	No	

## **1. MFMA**

75. (1) The AO of a municipality must place on the website referred to in section 21A of the MSA the following documents of the municipality:

- (a) The annual and adjustments budgets and all budget-related documents;
- (b) all budget-related policies;
- (c) the annual report
- (d) all performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act;
- (e) all service delivery agreements;
- (f) all long-term borrowing contracts;
- (g) all SCM contracts above a prescribed value
- (h) an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the previous quarter:
- (i) contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;
- (j) public-private partnership agreements referred to in section 120;
- (k) all quarterly reports tabled in the council in terms of section 52(d);
- (l) any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.

(2) a document referred to in subsection (i) must be placed on the website not later than five days after its tabling to council or on the date on which it must be made public, whichever occurs first.

### **Shortfall:**

The department is receiving information slowly from the departments and this result in a delay for timeous publication in terms of the legislation.

All libraries have a computer with internet access.

## **2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

There is no information available

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

### COMPONENT A: BASIC SERVICES

#### 3.1 INTRODUCTION TO WATER PROVISION

There are **18856** households with access to water in formalised sites. Phase 1 of Bulk water supply project is completed and it supplies Jagersfontein, and Phase 2 of the pipeline project was completed in November 2013. This project will supply Fauresmith. Fauresmith currently depends on boreholes for water supply which are also drying out, however there is provision of Jojo tanks as contingency measures.

There are some areas whereby the municipality experiences low water pressure due to small capacity of network and sometimes pipe burst which result at water losses due to old asbestos pipes. Detailed investigations of all ageing water infrastructure with technical reports and business plans has been submitted for funding for the upgrading of the network.

There was an approval of funding from DWA for the upgrading of water pipeline from the reservoir and the pump station in Philippolis, the first phase of the project is anticipated to commence in March 2014, and will address water pressure challenge especially at Rowlfontein.

The water pipeline from the reservoir in Reddersburg is upgraded for the supply of the entire area. Water samples are taken every month for tests and we are at 68% with regard to blue drop compliance.

Some of the households have illegally occupied sites without water infrastructure, however communal taps and Jojo tanks are provided.

Households –Water service delivery levels below the minimum						
Description	Households					
	2013-2014	2012/2013	2011/2012	2013/2014		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>	-	-	-	-	-	-
Total households	<b>18856</b>	15643	17527	-	-	-
Households below minimum service level( erf without connections)	907	1410	1510	R1.0 ml	R1.0 ml	R1.0 ml
Proportion of households below minimum service level	5%	9%	8.6%	-	-	-
<b>Informal Settlements</b>						
Total households	564	373	456	0	0	0

Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0
<b>Employees: Water services</b>						
<b>Year 12/13</b>	<b>Year 13/14</b>					
<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>		
<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>		
All Grades	76	76	0	0%		

<b>Financial Performance Year 2013/2014: Water Services</b>				
				<b>R'000</b>
<b>Details</b>	<b>2012/2013</b>	<b>Financial year 1 July 2013 to 30 June 2014</b>		
	<b>Actual</b>	<b>Final Budget as per the adjustment budget approved by council</b>	<b>Actual</b>	<b>Variance to Budget</b>
Total Operational Revenue	51523	60004	55070	4934
Total Operational Expenditure	37184	38551	34407	4144
Net Operational Expenditure	14339	21453	20663	790

<b>Capital Expenditure Year 2013/2014 Water Services</b>					
					<b>R' 000</b>
<b>Capital Projects</b>	<b>2013/2014</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Total All	24900	24900	21760	14.43%	
Jagersfontein and Fauresmith Bulk Water Project	24900	24900	21760	14.43%	

**Comment on water services performance overall:**

1 There are 564 households without water supply on formalized sites, however the municipality ensured that backlog is eradicated with the budget eradication programme.

2. There are 1 419 surveyed formalized sites without basic infrastructure. The technical reports have been compiled and the business plans submitted for the provision of water.

Bethulie-260

Gariiep Dam-314

Philippolis-200

Reddersburg-77

Springfontein-568

4. There is ageing and decaying water infrastructure which is beyond its expected life span as well as low water pressure due to small water pipe capacity. The technical reports and the business plans have been submitted to DWA and COGTA for the upgrading of water network as capital projects.

5. The water pipe line from the reservoir in Reddersburg is upgraded to increase water pressure.

6. There is an approval of R 5000 000.00 by DWA from MWIG for the upgrading of the water pipeline from the reservoir and the pump station in Philippolis. The first phase for the upgrading of the pipeline and contractor is appointed.

7. Refurbishment of water treatment plant in Gariep Dam.

8. The municipality does not have specific employee responsible for water, it is utilizing the general workers. However they were sent for process controllers training and they were placed as from 01 July 2013.

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

#### **INTRODUCTION TO SANITATION PROVISION**

1. There are households with access to waterborne sanitation in formalized sites.

2. The current sewerage network and the sewerage pump stations capacity can no longer withstand the current population growth. Foreign material is entering and damaging the sewerage pumps, and there are constant blockages of the sewerage lines which results in sewerage overflow and spillages.

3. The sewerage overflow and spillages are attended to as soon as they are discovered.

4. There is a service provider who is appointed for routine maintenance, and also 16 trained process controllers for the maintenance of the sewerage pump stations.

5. The technical reports have been compiled and business plans submitted for the upgrading of the sewerage network, pumps and installation of the grids.

<b>households - Sanitation service delivery levels below the minimum households</b>						
<b>Description</b>	<b>2013/14</b>	<b>2012/2013</b>	<b>2011/2012</b>	<b>2009/2010</b>		
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Original budget</b>	<b>Adjusted budget</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b>Formal Settlements</b>	-	-	-	-		
	18856					
<b>Total households</b>		15 643	17 527	Comparable information not available		

<b>households - Sanitation service delivery levels below the minimum households</b>				
Households below minimum service level	564	573	573	Comparable information not available
Proportion of households below minimum service level	2%	3.7%	3.3%	Comparable information not available
<b>Informal Settlements</b>				Comparable information not available
Total households	564	373	456	Comparable information not available
Households that below minimum service level	564	373	456	Comparable information not available
Proportion of households below minimum service level	564	373	456	Comparable information not available
Our municipality is aware of the status of the sanitation needs that are mainly in the informal settlements. Council is working with other stakeholders to address the situation.				

<b>Employees: Sanitation services</b>				
<b>Year 12/13</b>	<b>Year 13/14</b>			
<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
39	39	39	39	0%

<b>Financial Performance Year 2013/2014: Sanitation services</b>				
<b>R'000</b>				
<b>Details</b>	<b>2012/2013</b>	<b>Financial year 1 July 2013 to 30 June 2014</b>		
	<b>Actual</b>	<b>Final Budget as per the adjustment budget approved by council</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	26191	25662	25323	339
<b>Total Operational Expenditure</b>	8246	11598	9652	1946
<b>Net Operational Expenditure</b>	17945	14064	15671	-1607

**Capital expenditure 2013/2014: Sanitation services**

R' 000

Capital projects	Year 2013/2014				Total project value
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	
Total All	6258	6258	5379	-16.34%	
MIG Gariiep Dam/ Philippolis	6258	6258	5379	-16.34%	

1. There are 564 households without access to waterborne sanitation on site in formalized areas however the municipality purchased pipes and connectors to install household's connections.
2. There are 1 419 surveyed formalized sites without basic infrastructure. The technical reports have been compiled and the business plans submitted for the provision of waterborne sanitation.
3. Upgrading of waste water treatment plant in Gariepdam

### **3.3 Electricity**

#### **Introduction to electricity**

There are 18856 households with access to electricity, and 907 do not have access to electricity. Most of the beneficiaries who are allocated sites have the tendencies of delaying to occupy their sites which also have a negative impact during the verifications for allocation of funds, and it causes delays for the implementation as well as for the completion of the projects.

There are 95 households electrification connections completed for 2013 / 2014 financial year. The application for the electrification of 907 households has been submitted to Department of Energy(DOE).

<b>Households - Electricity service delivery levels below the minimum</b>						
	<b>Households</b>					
<b>Description</b>	<b>2012-2013</b>	<b>2012-2011</b>	<b>2013-14</b>	<b>Year 2012/2013</b>		
	<b>actual no.</b>	<b>actual no.</b>	<b>actual no.</b>	<b>original budget no.</b>	<b>adjusted budget no.</b>	<b>actual no.</b>
<b>Formal settlements</b>						
Total households	15643	15643	18856	R4.0m	R4.0m	R4.0m
Households below minimum service level	1010	1410	1419	-	-	-
Proportion of households below minimum service level	6.5%	9%	8.6%	-	-	-
<b>Informal settlements</b>						
Total households	496	373	564	0	0	496
Households below minimum service level	496	373	456	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0

## EMPLOYEES: ELECTRICITY SERVICES

(The municipality is utilising general workers)

### **Comment on electricity services performance overall:**

1. 18856 households have access to electricity
2. There are 95 households electrification connections completed during 2013 / 2014 financial year which amounted to R 1000 000.00.
3. There are 907 households without access to electricity, and the applications have been submitted to DOE

## **3.4 WASTE MANAGEMENT**

### **INTRODUCTION TO WASTE MANAGEMENT**

Community services provide acceptable, affordable and sustainable waste collection services to all residents. Frequency of collection is once a week for households and twice a week for businesses and once a week for illegal dumping. Every unit/town is assigned to clean streets as reflected to its weekly program, and there are no official recycling groups. The municipality is having challenges of equipment and refuse trucks. There is an indigent policy in places, refuse removals are done internally. Services are poor mainly due to unavailability and lifespan of equipments.

<b>Solid waste service delivery levels</b>				
<b>Description</b>	<b>Year 2013/2014</b>	<b>Year 2011/2012</b>	<b>Year 2010/2011</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b>Solid waste removal: (minimum level)</b>		395	219	219
Removed at least once a week	19420	395	219	219
Minimum Service Level and Above sub-total	100%	100%	100%	100%
Minimum Service Level and Above percentage				
<b>Solid waste removal: (Below minimum level)</b>	0	0	0	0
Removed less frequently than once a week	0	15643	17 527	17 527
Using communal refuse dump	0	0	0	0
Using own refuse dump	-	-	-	-
Other rubbish disposal	-	-	-	-
No rubbish disposal	0	0	0	0
Below Minimum Service Level sub-total	18856	15643	17527	17527
Below Minimum Service Level percentage	100%	100%	-	-
<b>Total number of households</b>	19420	15634	17527	17527

<b>Solid waste service delivery levels</b>					
<b>Households - Solid waste service delivery levels below the minimum</b>					
<b>Households</b>					
<b>Description</b>	<b>2013-14</b>	<b>2012-11</b>	<b>2011-10</b>	<b>2009-10</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Original budget</b>	<b>Adjusted budget</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b>Formal settlements</b>	-	-	-	-	-
Total households	18856	15643	17527	100 000	100 000
Households below minimum service level	0	0	0	25 000	25 000
Proportion of households below minimum service level	0%	0%	0%	0%	0%
Total households	18856	15643	17527	100 000	100 000
Households below minimum service level	0	0	0	25 000	25 000
Proportion of households below minimum service level	0%	100%	100%	25%	25%

Employees: Solid waste management services					
Job level	Year 12/13	Year 13/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
All Grades	21	21	21	-	0%
Total	21	21	21	-	0%

Financial performance year 2013/2014: Solid waste management services				
R'000				
Details	2012/2013	Financial year 1 July 2013 to 30 June 2014		
	Actual	Final Budget as per the adjustment budget approved by council	Actual	Variance to Budget
Total Operational Revenue	21 159	17564	17839	-275
Total Operational Expenditure	8 729	7867	4585	-3282
Net Operational Expenditure	12 430	9697	13254	-3557

Capital expenditure 2013/2014: Solid Waste Management					
R' 000					
Capital projects	Year 2013/2014				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All	1000	1000	642	35.8%	
MIG	1000	1000	642	35.8%	

### **Waste management service performance overall:**

Municipal waste is collected from households and commercial activities. Waste is disposed at the landfill sites. Waste management consists in its primary form of collection, transportation, and disposal. Waste management is needed for collection and transportation aspects thereof are done to reasonable standards although certain problems do occur with the disposal function like mechanical breakdown of the current fleet. No solid waste sites comply with the necessary legislation, measures are however put in place to ensure compliance with legislation is adhered to.

## **3.5 HOUSING**

### **INTRODUCTION TO HOUSING**

1. There were 982 houses allocated, 832 were Breaking New Grounds (BNG) housing projects and 150 Hlasela houses projects in Jagersfontein. There are 464 BNG housing projects complete and 150 Hlasela housing projects.

#### **BNG:**

1.1. Bethulie	110
1.2. Edenburg	69
1.3. Fauresmith	0
1.4. Jagersfontein	0
1.5. Reddersburg	0
1.6. Springfontein	250
1.7. Trompsburg	300
1.8 Phillipolis	37
1.9 Gariep Dam	66

#### **HLASELA**

2. Jagersfontein	150
------------------	-----

There is a backlog of 8192 housing need of which 1560 have been allocated service sites and 6632 do not have serviced sites.

3. There are 1101 dilapidated houses:

3.1. Bethulie	156
3.2. Edenburg	70

3.3. Fauresmith	130
3.4. Jagersfontein	44
3.5. Reddersburg	298
3.6. Springfontein	318
3.7. Trompsburg	53
3.8 Phillipolis	32

Percentage of households with access to basic housing			
Year end	Households in informal settlements	Households in formal settlements	Percentage of HHs in formal settlements
Year 2013/2014	564	18856	-
Year 2012/2013	373	15643	-
Year 2011/2012	456	17527	-
Year 2010/2011	456	17527	-

Employees: Housing services					
Job Level	Year 2013/2014	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
All Grades	2	2	2	0	0%
Total	2	2	2	0	0%

## Financial performance year 2013/2014: Housing services

R'000				
Details	2012/2013	Financial year 1 July 2013 to 30 June 2014		
	Actual	Final Budget as per the adjustment budget approved by council	Actual	Variance to Budget
Total Operational Revenue	205	74	1215	1141
Total Operational Expenditure	358	532	585	53
Net Operational Expenditure	-153	-458	630	172

### **3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT**

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

The municipality has reviewed the indigent policy to provide free water 6kl per month, sewerage and refuse removal to all people who have registered as indigent. Indigents information was submitted to ESKOM and Centlec, state-owned company for free electricity supply.

Kopanong local municipality has a high percentage of water loss due to old, broken, and unauthorised water connections and this has a negative impact on planned progress.

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

The municipality complies with the act regarding free basic services.

All indigent consumers receives 6 kl free water on a monthly basis.

All indigents are subsidized with free sewerage and refuse.

Rates for all indigent consumers is also subsidized up to the first 40 000 of their property value and receives a further 50% rebate on the balance.

All indigent consumers get 50 kwh free electricity on a monthly basis

### **COMPONENT B: ROAD TRANSPORT**

There is no roads strategy in place.

### **3.7 ROADS**

#### **INTRODUCTION TO ROADS**

#### **8.5 km access roads paved**

Bethulie	3 km
Jagersfontein	1.5 km
Philippolis	2 km
Edenburg	2 km

#### **Challenges:**

1. Most of the internal streets are not accessible, especially during rainy seasons; however the municipality hire and negotiate with contractors and business groups for grading and blading of streets.
2. Tarred streets and roads have potholes; however they are fixed and sealed by the technical team responsible for road maintenance.
3. There is no road maintenance equipment like Graders, TLB, and Excavator.

#### **Support given to municipality living in poverty**

Grading and blading of streets for communities living in poverty

<b>Gravel road infrastructure:</b>				
				<b>Kilometers</b>
	<b>Total gravel roads</b>	<b>New gravel roads constructed</b>	<b>Gravel roads upgraded to tar/paving</b>	<b>Gravel roads graded/maintained</b>
Year 2013/2014	280.07 km	0km	7km	0
Year 2012/2013	253.07 km	0km	0km	2 km
Year 2011/2012	253.07 km	0 km	6.3km	2 km

<b>Tarred road infrastructure</b>					
					<b>Kilometres</b>
	<b>Total tarred</b>	<b>New tar roads</b>	<b>Existing tar roads</b>	<b>Existing tar roads</b>	<b>Tar roads maintained</b>

	roads		re-tarred	re-sheeted		
Year 2013/2014	43.01 km	0	0	0	0	
Year 2012/2013	43.01 km	0	0	0	43.01km	
Year 2011/2012	43.01 km	0	0	0	43.01km	
<b>Cost of construction/maintenance</b>						
<b>R' 000</b>						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year 2013/2014	0	0	0	0	0	0
Year 2011/2012	0	0	R60000-00	0	0	0
Year 2010/2011	0	0	R60000-00	0	0	R45 000-00

Road services policy objectives taken from IDP									
Service Objectives	Outline Service Targets	Year 2013/2014		Year 2012/13					
		Target	Actual	Target	Actual	Target	Actual		
Service Indicators (i)	(ii)	*Previous year (iii)	(iv)	*Previous year (v)	*Current year (vi)	Previous year (vii)	*Current Year (viii)	*Current year (ix)	*Following year (x)
To pave all muddy and gravel roads in Kopanong									
	Placing of proper road signs.		Done	-	-	-	-	-	-

Employees: Road services				
Year 13/14				
Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
No.	No.	No.	No.	%
All grades	0	61	0	0%
Total	0	61	0	0%

Financial performance year 2013/2014: Road services				
R'000				
Details	Year 2012/2013	Year 2013/2014		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue	8243	22	222	-200
Total operational expenditure	6713	9332	6978	2354
Net operational expenditure	1530	-9310	-6756	2154

Capital expenditure year 2013/2014: Road services					
R' 000					
Capital Projects	2013/2014				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All	11231	11231	10569	5.89%	
Access roads	11231	11231	10569	5.89%	

### **3.7 COMMENT ON THE PERFORMANCE OF ROADS OVERALL**

#### **7 km access roads are paved**

Bethulie 3km [R 22 121 294.00]

Philippolis 2km [R 13 869 534.79]

Edenburg 2km [R 13 499 998.00]

### **3.8 TRANSPORT (INCLUDING VEHICLE LICENSING AND PUBLIC BUS OPERATION**

The municipality does not have the bus operation in place

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

#### Success achieved

**7km access roads are paved with storm water channels**

: Bethulie 3km

Philippolis 2km

Edenburg 2km

#### Challenges:

1. There are no storm water drainage, however technical reports and business plans have been compiled and submitted to Cogta for funding for the construction of the storm water drainage system as capital projects.

Storm water infrastructure					km
	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained	
Year 2013/2014	0	0	0	0	
Year 2012/2013	0	0	0	0	
Year 2011/2012	0	0	0	0	
Cost of construction/maintenance					R' 000
	Storm water measures				
	New	Upgraded		Maintained	
Year 2013/14	0	0		0	
Year 2012/13	0	0		0	
Year 2011/12	0	0		0	

Storm water policy objectives taken from IDP						
Service Objectives	Outline Service targets	Year 2013/2014		Year 2012/2013		Target
		Target	Actual	Target	Actual	
Service Indicator		*Previo		12-13	Current	

(i)	(ii)	us Year (iii)	(iv)	year	(vii)			
<b>Service objective</b>								
Install storm water drainage system		Install drainage water channels in newly established areas	Partially	-	-	-	-	-

Financial performance year 2013/2014: Storm water services					R'000
Details	2012/2013	2013/2014			
	Actual	Original budget	Actual	Variance to budget	
<b>Total operational revenue</b>	26241	-	-	-	
<b>Total Operational Expenditure</b>	17429	1494	1367	127	
<b>Net Operational Expenditure</b>	8812	-1494	1367	127	

**Performance of storm water drainage overall:**

There are no new storm water drainages, however technical reports and business plans have been compiled and submitted to Cogta for funding for the construction of the storm water drainage system as capital projects.

**COMPONENT C: PLANNING AND DEVELOPMENT**

**Introduction to planning and development opportunities**

Kopanong has high potential for farming and a number of agricultural crops to its maximum.  
 Kopanong has got climatic weather that favours most agricultural crops and this includes fields and crops.  
 Rainfall average of more than 508mm per annum.  
 Kopanong has a calcareous soil suitable for arable agricultural forestry.

## **Challenges**

No common understanding of local economic development.

Capacity building for councillors and officials.

Topography is flat and amendable to floods.

Shortage of human capital and financial resources.

Shortage of sustainable markets.

## **3.10 PLANNING**

### **Introduction to planning**

On the issue of town planning, the municipality is guided by the Spatial development framework(SDF) which is approved by Council, it indicates the future area of development, there are building regulation by- laws as well as National Housing Regulation Council.(NHRC)

### **Top 3 service delivery priorities and the impact**

1. Formalising informal settlements
2. Re-allocation of beneficiaries to develop sites with basic services.
3. Identifying and developing land for residential and business purposes.

### **Set out measures taken to improve performance**

Appointment of professional town planner

### **Achievements**

564 formalised survey sites which are provided by waterborne and sanitation that is Bethulie 277, Reddersburg 53

<b>Applications for land use development</b>						
<b>Detail</b>	<b>Formalisation of townships</b>		<b>Rezoning</b>		<b>Built environment</b>	
	<b>2013/2014</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2011/2012</b>
Planning application received	500	0	7	2	442	510
Determination made in year of receipt	0	0	1	1	74	510
Determination made in following year	0	0	0	1	368	0

Applications withdrawn	0	0	0	0	1	0
Applications outstanding at year end	0	0	6	1	368	0

Employees: Planning services					
Job Level	2013/2014	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	3	-	3	-	0
13 - 15	2	-	2	-	0

Financial performance year 2013/2014: Planning services				
				R'000
Details	2012/2013	2013/2014		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue	476	19	7	-12
Total Operational Expenditure	1947	2247	2092	-155
Net Operational Expenditure	-1943	-2228	-2085	-143

### **3.11 INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT**

The LED strategy was developed and adopted by Council. The LED unit has also conducted roadshows in all towns to encourage SMME s and co-operatives to register on the municipal and provincial treasury database and also to assist them in securing grants from the Department of Economic, Tourism and Environmental Affairs (DTEEA).

Economic activity by sector			
R '000			
Sector	2011/2012	2012/13	2013/14
Agriculture, forestry and fishing	0	0	0
Mining and quarrying	0	0	0
Manufacturing	0	0	0
Wholesale and retail trade	0	0	0

Finance, property, etc.	0	0	0
Government, community and social services	0	0	0
Infrastructure services	0	0	0
Total	0	0	0
			0

<b>Economic employment by sector</b>			
<b>Sector</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/14</b>
Agriculture, forestry and fishing	0 000	0 000	000
Mining and quarrying	000	000	000
Manufacturing	000	000	000
Wholesale and retail trade	000	000	000
Finance, property, etc.	000	000	000
Government, community and social services	000	000	000
Infrastructure services	000	000	000
Total	0	0	0

**Local job opportunities:**

**The municipality envisages having the following projects implemented during this financial year:**

Springfontein cleaning of landfill sites – 12 people (6 months).

Trompsburg cleaning of landfill site - 10 people (6 months).

Reddersburg cleaning of landfill site – 10 people (6 months)

Trompsburg cleaning of storm water channels – 10 people ( 6 months)

Phillipolis renovations of cemeteries and hall – 10 people (3 months)

Trompsburg renovations of cemetery and hall -10 people (3 months)

**Updating of municipal indigent register:**

Bethulie – 5 people

Edenburg – 5 people

Springfontein – 5 people

Gariepdam – 5 people

Phillipolis – 5 people

Fauresmith – 5 people

Jagersfontein – 5 people

Reddersburg – 5 people

Trompsburg – 5 people

For the 2014/15 financial year 107 job opportunities will be created.

**Tourism and market places:**

The intention is to ensure that sustainable tourism services products and facilities are available to achieve at least 5% growth per annum in the tourism trade of the area.

Bethulie Resort – A lease agreement has been entered into between the municipality and ' Because We Care (PTY)' to revitalise the operations of the resort.

Fauresmith Endurance Ride – The event is held annually in Fauresmith where local and international people are participating and it also creates job opportunities for local people.

Fish Hatchery Gariep Dam – This project is in the process of operating fully and will be creating more than 100 job opportunities.

Waste Recycling projects – The two projects are in Springfontein and Philippolis and will be implemented by 31<sup>st</sup> December 2014.

Concentration camps in Bethulie and Springfontein. These two towns serve as tourist attraction centres for visitors.

Ostrich Breeding project in Edenburg – This project is distinctive in the District.

Financial year 2013/2014				
Jobs created during 2013/2014 by LED initiatives (excluding EPWP projects) Total Jobs created / Top 3 initiatives	jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	

Year 11/12	0	0	-	-
Year 12/13	356	0	-	-
Year 13/14	256	0	-	-

Job creation through EPWP* projects		
Details	EPWP projects no.	Jobs created through EPWP projects no.
Year 2011/12	0	0
Year 2012/13	9	356
Year 2013/14	11	256
<i>*EPWP(Extended public work programme)</i>		<b>0</b>

Employees: Local economic development services					
Job Level	Year 2012/2013	Year 13/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	no.	no.	no.	No.	%
All Grades	3	3	3	3	0%
Total	3	3	3	3	0%

**Comment on local economic development performance overall:**

The LED unit has conducted an awareness programmes in all nine towns on local economic development opportunities and as a result SMME s and co-operatives came forward to register, they are also included in the municipal and provincial treasury`s database.

There are also co-operatives involved with Waste recycling who are currently being assisted by the municipality to be fully operational.

Edenburg Exploration of Uranium – The project is currently on the feasibility study stage and the operation is expected to bring economic growth to the municipality.

Jagersfontein diamond mine – The mine is currently operating and has employed local people.

**Component D: Community and social services**

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

### **3.12 Libraries**

Libraries is the competence of sports, arts and culture the municipality is just monitoring the staff

*(Libraries is a Provincial function):*

#### **Renovation of community halls:**

Bethulie,

Springfontein

Trompsburg and Philippolis

38 people were employed to renovate halls through the EPWP.

#### **Service statistics for libraries; archives; museums; galleries; community facilities; other (theatres, zoos, etc.)**

##### **The following are library staff (under Kopanong)**

Springfontein      1 librarian + 1 assistant librarian

Fauresmith      1 librarian

Gariep dam      2 librarians

Philippolis      1 assistant librarian

Jagersfontein      1 assistant librarian

Bethulie      1 librarian + 1 assistant librarian

Trompsburg      1 assistant librarian

Financial performance year 2013/2014: Community and social services				
				R'000
Details	2012/2013	2013/2014		
	Actual	Original budget	Actual	Variance to budget
<b>Total operational revenue</b>	2882	6230	2831	3399
<b>Total operational expenditure</b>	7231	6076	3768	2308
<b>Net operational expenditure</b>	-4348	154	-937	-783

### **3.12 Performance of libraries**

The overall performance of libraries is generally good, given the attendance by schools and adults.

Community halls: The main objective is to maintain and control the usage of community halls. Hiring of halls is kept in a register in each unit. The following halls were renovated and some were fenced:

Madikgetla Hall

Williamsville Hall

Maphodi Hall

Bergmanshoogte Hall

The project and fencing of cemeteries were implemented from internal funding and incentive funds from EPWP.

### **3.13 INTRODUCTION TO CEMETERIES AND CREMATORIALS**

The overall objective of this function is to improve cemeteries/provide and control burials within the framework of the Health Act development community records and administration. The strategic objective is to develop new sites for cemeteries, maintain and control.

**The following cemeteries where fenced during March till June, projects were implemented from internal funding and incentive funds of EPWP.**

1. Madikgetla cemetery
2. Matoporong cemetery
3. Poding tse Rolo cemetery
4. Bethulie cemetery

**Service statistics for cemeteries & crematoriums**

24 Cemeteries

Madikgetla old cemetery, Madikgetla new cemetery, Trompsburg cemetery, Noordmasville cemetery, Maphodi cemetery, Williamsville cemetery, Springfotein cemetery, Poding tse rolo cemetery, Bergmanshoogte cemetery, Phillipolis cemetery, Ra-rasebei cemetery, Eden-hoogte cemetery, Edenburg cemetery, Matoporong Cemetery, Reddersburg Cemetery, Freyville Cemetery, Faurismith, Ipopeng, Goodhope, Hydropark, Lephoi cemetery Bethulie kerkhof, Dlephu cemetery, Jagersfontein cemetery.

1 crematorium in Trompsburg privately owned by Dutch Reformed Church

(The municipality does not have job levels for general workers, it is in the process of doing job evaluation)

Employees: Cemeteries and crematoriums				
Year 12/13	Year 13/14			
Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
No.	No.	No.	No.	%
-	-	-	-	-

Capital expenditure year 2013/2014: Cemetery					
R' 000					
Capital projects	Year 2013/2014				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All	1040	1040	1000	-4%	
Fencing Cemetery	1040	1040	1000	-4%	

**Performance of cemeteries & crematoriums**

There are no job levels all employees are classified as General workers.

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

We keep constant communication with our communities through our Annual Mayoral Imbizo`s and community feedback sessions /meetings which happen from time to time.

\*We also work together with sector departments as to ensure service delivery.

#### **Measures taken to improve performance and the major efficiencies**

\*Mayoral Imbizo`s which is used as a tool to inform and encourage community to access service and assisting needy people especially the old aged people to apply for basic services

#### **Support given to those communities that are living in poverty.**

\*We assisted two families with groceries at their funerals ,one in Philippolis and the other one in Edenburg and also gave moral support to these families.

\*We assisted with two gravesites to these families for burial.

\*We assisted three (3)children with bursaries for registration in the differerent learning institutions.

\*We built one house in Fauresmith and provided furniture for needy family.

\*We also held Mayoral games at Edenburg where three clubs won a trophy with medals to each one.

\*We gave blankets to elderly persons at Edenburg during the elderly people `s event .

\*Employee Public Works Programme(EPWP) accomodated youth and women .

\*We have assisted programmes in the office of the Premier in recruiting children for the NARRYSEC Learnership which accomodated ninety (90)pupils.

\*We also assisted in the recruitment of one hundred and fifty (150) children with learnership in Reddersburg,Bethulie, Springfontein, philippolis, Gariep Dam and Jagersfontein in different skills.

#### **Service statistics for child care**

Two children were given uniform in Jagersfontein through door to door campaign.

Three children were assisted with bursaries to further their studies in different learning institution.

Employees: Child care, aged care, social programmes					
Job Level	Year 2012/13	Year 2013/2014			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	2	2	2	0	0
Total	2	2	2	0	0

**Performance of child care; aged care; social programmes overall:**

We had assisted in securing building for Luncheon clubs in the area, therefore we need to revive these following committees or forums in the i.e. the HIV/AIDS form the initiation school committees, Disability committee and the old age committee together with sector departments.

**Component E: Environmental Protection**

**3.15 Introduction to pollution control**

Environmental Health Practitioner (EHP) assists on investigation of environmental health pollutants such as air, water, soil, ground, and noise.

Carrying out field surveys of industries to determine the impacts that pollutants have on specific communities. They also disseminate information to communities and industries on issues concerning environmental pollution.

**Top 3 service delivery priorities and their impact**

Water quality monitoring – improvements can be seen in the quality of the drinking water. There is an improvement in the blue drop status.

Waste water monitoring ensures that the quality of water being discharged into rivers and dams is in compliant with legislation.

**Air quality monitoring- Monitoring of industrial emissions**

**Measures taken to improve performance and the major efficiencies achieved**

Establishment of district water quality forums improved communication between water service providers, local municipalities, and environmental health practitioners. The forums have also tightened monitoring of the water quality being provided by the water services providers.

Yearly health awareness campaigns are held by all EHP's in their respective local municipalities which during the months create awareness on water issues such as pollution control and the importance not to pollute this source.

All EHP's were taken to a week training which upon completion will allow them to be qualified air quality officers

### **Performance of pollution control**

For 2013/2014 the departments have seen great improvements on all compliance matters relating to air quality within the district. This has seen many of the industries which were contributing to air quality problems within the district coming forth and applying for their Atmosphere Emission License (AEL) as stipulated by legislation, this has also increased monitoring of such industries. The establishment of our waste forums which will also be dealing with issues relating to pollution control through engaging the different stakeholders who can improve the situation through increased monitoring.

### **3.16 BIO DIVERSITY, LANDSCAPE (INCLUDING OPEN SPACES AND OTHER(E.G COASTAL PROTECTION**

It is not the function of the municipality.

### **COMPONENT F: HEALTH**

It is not the function of the municipality.

### **3.17 CLINICS**

It is not the function of the municipality but of the province.

### **3.18 AMBULANCE SERVICES**

It is not the function of the municipality but of the province

## **Component G: Safety and security:**

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

There are positive relations between the municipality and police, section 4 meetings sits as required. When there are matters that need their involvement, we do receive their support and assistance as a municipality.

Police community forum (PCF) is established in Kopanong Local Municipality.

### **3.19 HEALTH INSPECTION, FOOD AND ABBATOIR LICENSING AND INSPECTION**

It is not the function of the municipality but of the province

### **3.20 POLICE**

It is not the function of the municipality but of the province

### **3.21 FIRE**

It is not the function of the municipality but of the Xhariep District municipality.

### **3.22 DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL OF PUBLIC NUIASSANCES AND OTHER**

#### **Introduction to disaster management**

Kopanong local municipality is only having a disaster management plan which is approved by council. The information provided below is sourced from Xhariep district municipality.

#### **Service statistics for disaster management**

The Xhariep District Municipality has a draft disaster management unit which consists of the following personnel: Manager Disaster management, coordinator disaster management, and senior data capturer. The unit was established in September 2009 and it has a fully functional Disaster Management Act 57 of 2000. The unit has also set up volunteers group in each ward in all local municipalities. There is a task team established to look on how the district municipality can source funding for the establishment of the disaster management centre. The district has also assisted local municipalities to draw their disaster management plans which must inform the district plan.

## **Component H: Sport and Recreation**

### **3.23 SPORTS AND RECREATION**

Although we do not have all these facilities, e.g. sports halls and camp sites our community parks, sports field stadiums and swimming pools are kept neat and tidy.

#### **Top 3 service delivery priorities and their impact**

Community parks

The pruning of trees along municipal streets

Regular cutting of grass on side walks

General Grooming

#### **Measures taken to improve performance and the major efficiencies**

Striving to acquire necessary equipment.

Upgrading of sport facilities as per MIG requirement (15% to be allocated for sport) Construction of Faure smith sport facility.

Employees: Sport and Recreation					
Job Level	Year 2013/2014	Year 12/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	no.	no.	no.	No.	%
All Grades	2	2	2	2	0%
Total	2	2	2	2	0%

Financial performance year 2013/2014: Sport And Recreation				
R'000				
Details	2012/2013	2013/2014		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue	354	87	18	-69
Total operation expenditure	1422	1765	1413	-352
Net operational expenditure	-1419	-1678	-1395	-283

### **3.20 Performance of sport and recreation:**

Indications are that our recreational facilities are busy generating revenue through events that are taking place. Caleb Motshabi in Trompsburg faces a challenge of maintenance. Most sports facilities were maintained by MIG grant

## **Component I: Corporate policy offices and other services**

### **Introduction to corporate policy offices**

The municipality has developed policies that cover all departments and areas of operation to ensure the effective and efficient smooth running of the municipal operations. Policy documents will be availed upon request

### **3.24 Executive and Council**

The council is fully functional and sit quarterly as per legislation. The council is composed of 15 councillors with the inclusion of the Mayor, Speaker, and the Executive Committee, it comprises of the following: Section 80 Committees, Finance, and LED committee, Institutional transformation and rural development.

#### **5 service delivery priorities**

Basic services delivery

Financial viability

Good governance

Local economic development

Public participation

#### **Measures taken to improve performance and the major efficiencies achieved**

The municipality, through the committee section unit in the Corporate Services Department develops an action list after every Council sitting that ensures the implementation of Council resolutions for different departments as a monitoring tool.

There is a draft schedule for Section 80, EXCO, and council .It is used as a guiding tool for meetings and the dates are proposed by Management and endorsed by the Speaker.

#### **Service statistics for executive and council**

15 Councillors including the Mayor and the Speaker.

Employees: Executive and Council					
Job Level	Year 2012/2013	Year 13/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	no.	no.	no.	No.	%
All Grades	20	20	20	0	0
Total	20	20	20	0	0

Financial performance year 2013/2014: Executive and Council				
				R'000
Details	2012/2013	2013/2014		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue	10124	40365	16513	-23852
Total Operational Expenditure	113394	150508	108831	-41677
Net Operational Expenditure	-103270	-110143	-92318	-17825

### **Performance of Executive and Council:**

The executive and council have achieved 100% target because they do sit as per legislation. The table for employees for executive and council is not completed because they don't have job levels. The council is composed of 15 Councilors with the inclusion of the Mayor and the Speaker.

## **3.25 FINANCIAL SERVICES**

### **Introduction to financial services**

The CFO is the head of the department, supported by two managers the budget manager and income manager; there are also seven accountants in that department.

Previously there were only two employees in the procurement unit; currently they are three (3). There is also an official responsible for filing and safe keeping of documentation.

Before any payment can be effected, there should be at least three signatures. The travelling claims are paid fortnightly and salaries are paid on the last Friday of each month as per council resolution.

Different grants are placed into separate bank accounts, and utilized for the specific service.

### **Income section**

- The indigent policy was reviewed and changed to be in line with National Treasury's policy that only indigent consumer must receive 6kl of water free
- The credit control policy was reviewed to be in line with the credit control policy of CENTLEC for the collection of arrears through electricity
- All the consumer accounts was evaluated and a list of bad debt to be written off and it was approved by council
- The valuation roll was for the first time reconciled with the system.
- A 100% audit of all accounts where done to ensure that all accounts have the correct levies.

### **Expenditure**

- We compiled in house GRAP compliant Annual Financial Statements
- The municipality also compiled a fully GRAP compliant asset register
- Improved document management and all documents were submitted to the Auditor-General in time.
- All budget related policies where reviewed.

## Procurement

- We manage to compile a supply chain management policy to be in line with the National Treasury model policy.
- We managed to decrease irregular expenditure.
- 95% of transaction values were advertised, evaluation report was compiled and preferential procurement policy was followed.
- All the bid committees were established as per SCM regulations.

## General

- The department also developed an internal control and procedure manual and it was implemented.
- The internal control measures were improved and this ensured that our audit opinion improved from a disclaimer to a qualified opinion.

<b>Employees: Executive and council</b>					
<b>Job Level</b>	<b>Year 2013/2014</b>				
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>no.</b>	<b>no.</b>	<b>no.</b>	<b>No.</b>	<b>%</b>
All Grades		20	20	0	0
Total		20	20	0	0

<b>Capital Expenditure Year 2013/2014</b>					
					<b>R' 000</b>
<b>Capital Projects</b>	<b>Year 2013/2014</b>				
	<b>Budget</b>	<b>Adjustment budget</b>	<b>Actual expenditure</b>	<b>Variance from original budget</b>	<b>Total project value</b>
Total All	350	350	50	-300	
Furniture and Vehicle	-	-	-	-	

### **Comment on the overall performance of financial services:**

There is a slight improvement in terms of the expenditure. There are third parties which have been settled and that have assisted in terms of bringing down interest charged, but there are also creditors where movement is very minimal due to low revenue collection. The biggest challenge is revenue collection, it is still very low in some of our areas, and it means that we cannot meet all our obligations as per the budget and this result in the municipality to depend on grants.

### **3.26 Human resource services**

#### **Introduction to human resource services**

The municipality is having a corporate department, which comprises of the human resource unit .It is also responsible for the municipality s administration, leave administration, employee benefits, development and implementation of policies, implementation of collective agreements, skills development for staff, controlling of overtime, capturing of council minutes and monitoring of attendance registers.

#### **Priorities and the impact**

The priority was to get a common administration method, systems and to centralise the administration of leave for control purposes and to centralise all training initiatives for purposes of reporting and monitoring electronically.

#### **Measures taken to improve performance and the major efficiencies achieved**

The department is doing verification on a monthly basis and the staff that has 48 days are send on leave and the one with more than 30 days are also send on leave for 16 days for control purposes.

#### **Service statistics for human resource services**

2 officers

2 Clerks

<b>Employees: Human resource services</b>					
<b>Job Level</b>	<b>Year 12/13</b>	<b>Year 13/14</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>no.</b>	<b>no.</b>	<b>no.</b>	<b>no.</b>	<b>%</b>
All Grades	-	15	12	3	80%
Total	-	15	12	3	80%

**Financial Performance Year 2013/2014: Human Resources**

**R'000**

<b>Details</b>	<b>2012/2013</b>	<b>2013/2014</b>			
	<b>Actual</b>	<b>Original budget</b>	<b>Adjustment budget</b>	<b>Actual</b>	<b>Variance to budget</b>
<b>Total operational revenue</b>	181228	20	20	123	103
<b>Total operational expenditure</b>	4053	6494	4433	4441	-8
<b>Net operational expenditure</b>	-3872	6474	4411	-4318	95

**Performance of human resource services**

The department is performing extremely well, despite the fact that they are understaffed, Kopanong comprises of 9 towns and head office and they are handled by those 4 personnel.

### **3.27 Introduction to Information and communication technology (ICT) services**

The unit comprises of two personnel, IT officer, and the administrator.

1. Financial system (Sebata) – This is our main priority to keep the system running 24/7 as it consists of our ledger, cons bill, and payroll. Downtime over the past year was limited to 2 days during the upgrade from version 5.4 to 5.5. Upgraded and improvements to the system are being published on Sebata’s website and it is visited regularly to ensure that we stay up to date.
2. Internet & Email- Striving to ensure that downtime is limited to an absolute minimum.
3. Website: ensure that as and when new information is available, documents are forwarded for publicising, and it is done within 5 days after approval of the budget.
4. Telephones-The municipality has a reliable system in place, over the past years services were limited for 2 hours during the installation of a new radio link system to our community services offices. Upgrading of the current system causes an hour’s time. Community services radio link was down for a week due to lightning damage.

<b>Employees: ICT services</b>					
<b>Job Level</b>	<b>Year 2012/2013</b>	<b>Year 2013/2014</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 – 3	-	-	-	-	-
4 – 6	-	-	-	-	-
7 – 9	1	1	1	0	0
10 – 12	1	1	1	0	0
13 – 15	-	-	-	-	-
16 – 18	-	-	-	-	-
19 – 20	-	-	-	-	-
Total	-	-	-	-	-

#### **Performance of ICT services overall:**

The department is operating very well on financial system, email and internet is limited to an absolute minimum. Website is updated as soon as information is received from the departments.

### **3.26 Introduction to property, legal risk management, and procurement services:**

Risk management is a continuous, pro-active, and systematic process implemented by the municipality’s council, accounting officer, management and other officials, applied in a strategic planning and across the municipality, designed to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance level, to provide reasonable assurance regarding the achievements of municipality objectives.

**Top five risks to the municipality**

1. Uncontrolled water demand
2. Non-compliance to GRAP standards
3. Irregular expenditure
4. Unsafe conditions at landfill sites.
5. Audit queries not being resolved

**Employees: Legal, risk and procurement services**

Job Level	Year 2012/2013	Year 2011/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
All Grades	1	1	1	1	0
Total	1	1	1	1	0

**Financial Performance year 2013/2014: Property services**

Details	2012/2013	2013/2014			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue	1008	1060	1060	971	89
Total operational expenditure	2697	2697	2697	3915	1218
Net operational expenditure	1689	1637	1637	-2944	-1307

**COMPONENT J**

## COMPONENT K: ORGANIZATIONAL PERFORMANCE SCORECARD

### Public Participation and Good Governance

Strategic objective: Promote a culture of participatory, democracy and good governance.

Intended\_outcome: Entrenched a culture of accountability and clean governance.

No	Idp-Objective/Goal	Key performance Indicator	Project/Programme/Unit of measure	Annual Target	Actual	Variance	Reason for Deviation	Corrective measure
1	To provide effective and efficient local government administration	Reviewing of risk register	Consolidated risk register	1	2	Over performance due to a review of SDBIP.	-	-
2	To provide effective and efficient local government administration	Conducting risk awareness campaign	Attendance register Risk presentation	1	1	-	-	-
3	To provide effective and efficient local government administration	Conducting fraud awareness campaign	Attendance register Presentation	1	1	-	-	-
4	To provide oversight on the affairs of the municipality	Meeting of oversight committee	Oversight minutes Oversight report Council resolution	1	1	-	-	-
5	To ensure the implementation of performance management systems	Submission of mid-year budget and performance assessment report (Section 72) to Council by 25th January	Council resolution	1	1	-	-	-
6	To develop an	Signed SDBIP by	Signed draft by the Mayor	1	1	-	-	-

	SDBIP	the Mayor within 28 days after approval of the budget	within 28 days after approval of the budget					
7	To review integrated development plan	Submission of reviewed IDP to Council	Council resolution for reviewed IDP to Council by 30 May 2014	1	1	-	-	-
8	To review the adequacy and effectiveness of internal control, risk management and governance processes	Audit/Performance report submitted to Audit committee for review	Audit committee minutes	2 reports	4	Over performance due to a review of SDBIP.	-	-
9	To provide an oversight and advise on internal controls, risk management, governance.	No. of audit committee meetings held	Audit committee minutes	2	4	Over performance due to a review of SDBIP	-	-

#### INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION:

Strategic objective : Improve organizational cohesion and effectiveness.

Intended outcome : Improve organizational stability and sustainability.

No.	Idp-Objective/Goal	Key performance Indicator	Project/Programme/Unit of measure	Annual Target	Actual	Variance	Reason for Deviation	Corrective measure
1	To enhance the human capacity and	No. of posts filled as per	Appointment letters	1	1	-	-	-

	productivity within the municipality through the review of the organogram	organogram.	for position filled					
2	To enhance the human capacity and productivity within the municipality through the review of the organogram	Number of employee assisted on wellness programme	Quarterly reports	2	2	-	-	-
3	To enhance the human capacity and productivity within the municipality through the review of the organogram	Awareness campaigns and workshops	Attendance register and Programme	1	1	-	-	-
4	To provide an effective and efficient administrative service to the organisation	Review of record management policy	Record management policy Council resolution	1	0	(1)	It was due to financial constraints.	All policies will be reviewed in the new financial year. Municipality sought assistance from COGTA.
5	To provide an effective and efficient administrative service to the organisation	Monitoring the status of implementation as outlined in the Council register	Action lists	2	4	Over performance due to a review of SDBIP.	-	-
6	To provide an	Induction of	Acknowledgement letters	2	3	(1)	No	Recruitment

	effective and efficient administrative service to the organisation	newly appointed employees					appointments were made during 3rd quarter (Jan-March 2014).	and induction of newly appointed employees as and when need arise.
7	To ensure the efficient utilization of human capital	Number of identified training programme, intended and productive employees	Annual training report	1	1	-	-	-
8	To ensure functionality of statutory committees of Council	No of LLF meetings held.	Attendance registers Notice Minutes	2	1	(1)	Both management and LLF component their schedules were clashing	Adherence to LLF schedule.

## FINANCIAL VIABILITY

Strategic objective: To improve overall financial management in the municipality by developing and implementing appropriate financial policies, procedures and systems.

Intended outcome: Improved financial management and accountability

No.	Idp-Objective/Goal	Key performance Indicator	Project/Programme/Unit of measure	Annual Target	Actual	Variance	Reason for Deviation	Corrective Measure
1	To improve financial management	Submission of Section 71 reports to Mayor and Treasury	Council resolution	6	9	(3)	There was no Council sitting for last quarter	The Department is waiting for Council to sit.
			Acknowledgement of receipt	12	12			
2	To improve financial management	Submission of Section 52 reports to Council	Section 52 report	2	3	(1)	There was no Council sitting for last quarter	The Department is waiting for Council to sit.
			Council resolution		3	(1)		
3	To improve financial management	Submission of Annual budget to Treasury and Council	Council resolution and acknowledgement of receipts	1	1	-	-	-
4	To improve financial management	Report of households earning less than R1500-00 per month with access to free basic services.	Indigent registers updated per month	6	12	Over performance due to a review of SDBIP	-	-

5	To improve financial management	Submission of Adjustment budget to Treasury and Council by 25th January	1. Council resolution 2. Adjustment budget 3. Acknowledgement of receipt.	1	1	-	-	-
7	To improve financial management	System bill rates report and tariff list filed	Rates report and tariff lists	1 annually	1	-	-	-
8	To improve financial management	Report to Council on debtors write - offs	Council resolution Report on debtors write offs	1	1	-	-	-
9	To improve financial management	Route lists to capture water readings are completed and captured unto the system on monthly basis	Rates list and system report	6	12	Over performance due to a review of SDBIP	-	-
10	To improve financial management	Deviation register report	Deviation register	6	12	Over performance due to a review of SDBIP	-	-
10	To improve financial management	Water reading reconciliation	Route lists and system report	1	1	-	-	-
11	To improve financial management	Monthly irregular expenditure report	Irregular register	6	12	Over performance due to a review of	-	-

12	To improve financial management	Fruitless and wasteful expenditure	Fruitless and wasteful expenditure report	6	12	SDBIP Over performance due to a review of SDBIP		
13	To improve financial management	Review of SCM Policy	Scm Policy And Council Resolution	1	1	-	-	-
14	To improve financial management	Monthly payment voucher register	Payment voucher register	6	12	Over performance due to a review of SDBIP	-	-
15	To safeguard and maintain assets	Compilation of GRAP compliant asset register	Asset register	1	1	-	-	-

### Service Delivery and infrastructure Development

Strategic Objective: Eradicate backlogs in order to improve access to basic services and ensure proper operations and maintenance of the infrastructure.

Intended Outcome: Sustainable delivery to improved services to all households

No.	Idp-Objective/Goal	Key performance Indicator	Project/Programme/ Unit of measure	Annual Target	Actual	Variance	Reason for Deviation	Corrective measure
1	To provide access to water in a sustainable	Installation of pipe connectors to the mail line in	Report for water	2	2	-	-	-

	manner	Bethulie	connection in Bethulie					
2	To provide access to water in a sustainable manner	Upgrading of water supply	Progress report on Reservoir in Fauresmith  Upgrading of water treatment works in Jagersfontein	2	2	-	-	-
3	Provide acceptable sanitation infrastructure	Monitoring repair and maintenance of pump stations	Quarterly reports	2	2	-	-	-
4	Provide acceptable sanitation infrastructure	Monthly effluent of Green drop samples	Monthly water samples	6	10	(2)	Late payments of laboratories by municipality	Technical department to have regular meeting with finance for payments.
5	To ensure the provision and adequate and sustainable electricity services to all customers	Connection of electricity in Trompsburg	Quarterly progress reports	2	2	-	-	-
6	Provision of housing	Provision of houses by human settlement in the following towns:	Completion certificates	1	1	-	-	-

		Jagersfontein 50 Gariep Dam 66 Bethulie 92 Springfontein 74						
7	Provision of sports facility	Construction of Fauresmith Sports facility	Quarterly progress report	2	2	-	-	-
8	Provision of landfill sites	Conception technical reports registration and design of Reddersburg sports facility	Technical report Approval from MIG Designs	2	2	-	-	-
9	Provision of landfill sites	Conception of technical report registration and design of landfill sites	Technical report Approval from MIG Designs	2	2	-	-	-

## Service Delivery and infrastructure Development

**Strategic Objective:** Eradicate backlogs in order to improve access to basic services and ensure proper operations and maintenance of the infrastructure.

**Intended Outcome:** Sustainable delivery to improved services to all households

No.	Idp-Objective/Goal	Key performance Indicator	Project/Programme/ Unit of measure	Annual Target	Actual	Variance	Reason for Deviation	Corrective measure
1	To ensure proper maintenance of existing storm water channels	Cleaning of storm water channels in Bethulie.	Report to rural development committees	1	1	-	-	-
2	To ensure proper maintenance of existing storm water channels	Cleaning of storm water channels in Edenburg	Report to rural development committees	1	1	-	-	-
3	To ensure proper maintenance of existing storm water channels	Monitoring of storm water channels	Report to Exco and council	1	1	-	-	-

## CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### Introduction

Organization development provides an emphasis on performance and results in addition to an overview of tools, techniques, and processes.

### COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEES TOTALS, TURNOVER AND VACANCIES

Employees										
Description	2013/14	2013/14				2013/14	2011/12			
	Employees	Approv ed Posts	Empley es	Vacanci es	Vacanci es	Empley es	Approv ed Posts	Empley es	Vacanci es	Vacanci es
	No.	No.	No.	No.	%	No.	No.	No.	No.	%
Water	76	76	76	-	%	475	475	-	-	-
Waste Water (Sanitation)	21	21	21	-	%	475	475	-	-	-
Electricity	0	0	0	-	%	475	475	-	-	-
Waste Management	91	91	91	-	%	475	475	-	-	-

Employees										
Housing	2	2	2	-	%	475	475	-	-	-
Waste Water (Storm water-Drainage)	83	83	83	-	%	475	475	-	-	-
Roads	61	61	61	-	%	475	475	-	-	-
Transport	0	0	0	-	%	475	475			
Planning	0	0	0	-	%	475	475			
Local Economic Development	3	3	3	-	%	475	475			
Planning (Strategic & Regulatory)	2	2	2	-	%	475	475	6	0	0%
Local Economic development	3	3	3	-	%	475	475	-	-	-
Community & Social Services	4	4	4	-	%	475	475	-	-	-
Environmental Protection	0	0	0	-	%	475	475			
Health	0	0	0	-	%	475	475	1	1	0%
Security and Safety	1	1	1	-	%	475	475	0	0	0%

Employees										
Sport and Recreation	2	2	2	-	%	475	475	-	-	-
Corporate Policy Offices and Other	126	126	126	-	%	475	475	4	0	0%
<b>Totals</b>	<b>475</b>	<b>475</b>	<b>475</b>		-			<b>26</b>	<b>3</b>	<b>0.02%</b>

**Vacancy Rate: Year 2013/14**

Designations	*Total approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	3	1	50.00
Other S57 Managers (Finance posts)	1	0	0.00
Police officers	1	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	22	4	0.00
Senior management: Levels 13-15 (Finance posts)	24	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	38	6	0.02
Highly skilled supervision: levels 9-12 (Finance posts)	15	5	0.03
<b>Total</b>	<b>107</b>	<b>16</b>	<b>5.00</b>

**Turn -Over Rate**

Turn-over rate details	Total appointments as of beginning of financial year	Terminations during the financial year	Turn-over Rate*
Year 13-14	14	1	-
Year 12-13	23	24	56%
Year 11-12	55	18	33%

**Attempts made to fill the posts of senior management and highly skilled supervision**

The vacancy for Director Community services was advertised on the national newspaper, and the municipality followed the COGTA monitoring tool. After recruitment and selection processes the report in the form of circular 19 was forwarded to the MEC for Cogta and the council resolution that is endorsing the filling of those vacancies to check if incumbents do meet the requirements.

All section 56 and 54 managers' posts are currently filled.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### Introduction to municipal workforce management

Recruitment processes are fair, efficient and effective because vacancies are advertised, inviting suitable candidates to apply, master list is compiled and then shortlist is compiled after identifying candidates who meet the minimum requirements. Interviews are conducted and the reference checks is also conducted, a panel consisting of relevant qualified people is conducted, and part of transparency is union representative is invited to observe the interview processes

Employment equity plan is in place and it is enforced until 2015. Employment equity report was submitted to the Department of Labour on October 2013.

As per our municipality the employment equity is not adequately implemented, and the municipality is not gender sensitivity in terms of women representation at management level.

### 4.2 POLICIES

HR policies and plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
1	Affirmative Action	Completed		15 December 2011
2	Attraction and Retention	Completed		15 December 2011
3	Code of Conduct for employees	Completed		15 December 2011
4	Delegations, Authorisation & Responsibility	Incomplete		15 December 2011
5	Disciplinary Code and Procedures	Completed		15 December 2011
6	Essential Services	N/A		
7	Employee Assistance / Wellness	Completed		15 December 2011
8	Employment Equity Plan	Completed		15 December 2011
9	Exit Management			There is template for exit interview
10	Grievance Procedures	Completed		Within the HR Policy
11	HIV/Aids	Completed		Within the HR Policy
12	Human Resource and Development	N/A		Within the HR Policy
13	Information Technology	Completed		
14	Job Evaluation	N/A		Not yet finalised
15	Leave	Completed		Within the HR Policy
16	Occupational Health and Safety	Completed		Done
17	Official Housing	N/A		N/A
18	Official Journeys	Completed		-
19	Official transport to attend Funerals	None		-
20	Official Working Hours and Overtime	Completed		Within the HR Policy
21	Organisational Rights	Completed		Within the HR Policy
22	Payroll Deductions			-
23	Performance Management and	N/A		-

### HR policies and plans

HR policies and plans				
	Development			
24	Recruitment, Selection and Appointments	Completed		Within the HR Policy
25	Remuneration Scales and Allowances	Completed		Within the HR Policy
26	Resettlement	N/A		Not applicable
27	Sexual Harassment	Completed		Within the HR Policy
28	Skills Development	Completed		Within the HR Policy
29	Smoking	Completed		Within the HR Policy
30	Special Skills	N/A		Not applicable
31	Work Organisation	N/A		
32	Uniforms and Protective Clothing	Completed		Within Occupational Health and Safety
33	Other:			
34	Anti- Fraud and Corruption	Completed		-
35	Records management	Completed		-
36	Access to information and Communication	Completed		
37	Communication policy	Completed		-
38	Declaration of Interest	Completed		-
39	Public participation policy	Completed		-
40	Customer Care policy	Completed		-
41	Travelling and Subsistence	Completed		-
42	Occupational Health and Safety	Completed		-

*Use name of local policies if different from above and at any other HR policies not listed.*

#### **Progress made during the year and plans for completing this work**

All policies were tabled to council on time

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and cost of injuries on duty					
Type of injury	Injury Leave taken days	Employees using injury leave no.	Proportion employees using sick leave %	Average Injury leave per employee days	Total estimated cost R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	0	0	0	0	0

Number of days and cost of sick leave (excluding injuries on duty)						
Salary band	Total sick leave days	Proportion of sick leave without medical certification %	Employees using sick leave no.	Total employees in post no.	Average sick leave per employees days	Estimated cost R' 000
Lower skilled (levels 1-2)	3233	80%	286	286	-	-
Skilled (levels 3-5)	38	25%	72	72	-	-
Highly skilled production (levels 6-8)	218	28%	35	35	-	-
Highly skilled supervision (levels 9-12)	83	5%	54	54	-	-
Senior management (levels 13-15)	61	5%	9	10	-	-
Mm and s57	22	5%	3	4	-	-
Total	3627		12	461		
Name of portfolio	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalised		Status	Date finalised
Project Management Unit Manager	Gross dereliction of Duties	10 September 2013	Dismissal		Settled	19 June 2014
Income Officer	Absenteeism	10 August 2012	Dismissal			

**Number of days and cost of sick leave (excluding injuries on duty)**

Fleet management officer	Gross dereliction of duties	03 Feb 2014	Settled and employee was reinstated.	Settled	06 February 2014
Local Economic Development Officer	Gross Insubordination	02 August 2013	Settled and employee was reinstated	Settled	16 January 2014
Benefit Officer	Gross Insubordination	17 August 2013	Settled and employee was reinstated	Settled	30 Aug 2013
Facility manager	Gross dereliction of duties	02 October 2012	Settled, employee was paid out	Settled	27 January 2014
Income officer	Gross dereliction of duties	17/07/2012	Dismissal	The employee is disputing the commissioner's award, the employee is appealing, the matter is in labour court	

**Comment on injury and sick leave**

None

**Suspensions and cases of financial misconduct**

There were no cases of financial misconduct for financial year 2013/2014.

**4.4 Performance Rewards**

There were no performance rewards

**Comment on performance rewards**



Management level	Gender	Employees in post as at 30 June Year 12/13	Number of skilled employees required and actual as at 30 June year 2013/14											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			Year 13	Year 12	Year 11	Year 13	Year 12	Year 11	Year 13	Year 12	Year 12	Year 13	Year 12	Year 12
total	Female													
	Male	-	0	0	-	-	-	-	-	-	-	-	-	-

Financial competency development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated : Total of A and B	Consolidated Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	6	0	6	6	0	6
Accounting officer	1	0	0	0	0	0
Chief financial officer	1	0	0	0	1	0
Senior managers	3	0	0	0	1	1
Any other financial officials	0	0	0	0	0	0
Supply Chain Management Officials	0	0	0	0	0	0
Heads of supply chain management units	0	0	0	0	0	0

Supply chain management senior managers	0	0	0	1	0	0
<b>Total</b>	<b>11</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>2</b>	<b>7</b>

### **Skills development and related expenditure on financial competency regulations**

The Work Skills Plan (WSP) plan is in place but is not implemented. The municipality has its own budget for trainings which is the same amount as last financial year however is not there to support WSP and the municipality is also receiving grants from LGSETA to implement WSP.

## **COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE**

### **Introduction to workforce expenditure**

If we look at the workforce expenditure cost is below the national norm of 30 to 35 percent currently the municipality workforce expenditure is only 24 percent of the total operating budget.

### **4.6 EMPLOYEE EXPENDITURE**

The municipality is at 38.5%, meaning that it is above the norm of between 30 and 35%, due to some employees that could not be paid out by provident funds whilst medically unfit, but now the problem is resolved as South African Municipal Workers Union (SAMWU) is paying them out.

Occupation	Number of employees	Job evaluation level
Position	Position	
Mayor	Mayor	
Members of Exco	Members of Exco	
Speaker	Speaker	
Councillor	Councillor	

<b>Municipal Manager</b>	<b>Municipal Manager</b>
<b>Chief Financial Officer</b>	<b>Chief Financial Officer</b>
<b>Other S56 Officials</b>	<b>Other S56 Officials</b>

## CHAPTER 5 – FINANCIAL PERFORMANCE

### **Introduction**

Chapter 5 contains information regarding financial performance and highlights specific accomplishments.

The municipality is still experiencing some challenges in terms of payment to creditors and third parties. However salaries are being paid on time, the municipality is also trying to pay within 30 days if possible.

The municipality managed to spend 100% on the following grants:

FMG R 1 550 000.00

MSIG R 890 000.00

MIG R 22 331 000.00

EPWP R 1 000 000.00

The municipality only manages to spend 99% of the following grant:

DWAF R 24 579 000

## COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

### **INTRODUCTION TO FINANCIAL PERFORMANCE**

Previously there were only two employees in the procurement unit; currently they are three (3). There is also an official responsible for filing and safe keeping of documentation.

Before any payment can be effected, there should be at least three signatures. The travelling claims are paid fortnightly and salaries are paid on the last Friday of each month.

Different grants are placed into separate bank accounts, and utilized for the specific service.

The municipality ended the financial year with an overdraft of R 469 000.00

Table A1 Financial Summary

R' 000

Description	2010/2011	2011/2012	2012/2013	Current Year 2013/2014				2014/15 medium term Revenue		
	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2014/2015	2015/2016	2016/2017
<b>Financial Performance</b>										
Property rates	7 515	7 539	13 621	16 535	11 125	11 395	11 395	15 539	16 472	17 131
Service charges	52 908	63 069	69 205	82 839	82 839	63 907	63 907	92 972	98 551	102 493
Investment revenue										
Transfers recognised - operational	76 629	81 637	94 858	92 086	92 086	141 000	141 000	86 261	91 437	95 094
Other own revenue	49 521	12 809	18 168	16 647	16 647	13 195	13 195	23 189	24 580	25 563
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>186 573</b>	<b>165 054</b>	<b>195 852</b>	<b>208 107</b>	<b>202 697</b>	<b>229 497</b>	<b>229 497</b>	<b>217 961</b>	<b>231 040</b>	<b>240 281</b>
Employee costs	54 129	67 296	67 367	76 214	76 120	83 674	83 674	78 874	83 606	86 950
Remuneration of councillors	3 434	3 646	5 720	4 320	4 320	3 492	3 492	4 500	4 770	4 961
Depreciation & asset impairment	-	7 000	42 000	42 312	77 731	68 918	68 918	77 755	82 420	85 717
Finance charges										
Materials and bulk purchases	39 213	47 982	48 593	52 826	52 826	50 085	50 085	59 546	63 119	65 644
Transfers and grants										
Other expenditure	55 835	45 918	74 478	74 667	69 440	76 617	76 617	75 042	79 545	82 726
<b>Total Expenditure</b>	<b>152 611</b>	<b>171 842</b>	<b>238 158</b>	<b>250 339</b>	<b>280 437</b>	<b>282 786</b>	<b>282 786</b>	<b>295 717</b>	<b>313 460</b>	<b>325 998</b>
<b>Surplus/(Deficit)</b>	<b>33 962</b>	<b>(6 788)</b>	<b>(42 306)</b>	<b>(42 232)</b>	<b>(77 740)</b>	<b>(53 289)</b>	<b>(53 289)</b>	<b>(77 756)</b>	<b>(82 420)</b>	<b>(85 717)</b>
Transfers recognised - capital										
Contributions recognised - capital & contributed assets										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>33 962</b>	<b>(6 788)</b>	<b>(42 306)</b>	<b>(42 232)</b>	<b>(77 740)</b>	<b>(53 289)</b>	<b>(53 289)</b>	<b>(77 756)</b>	<b>(82 420)</b>	<b>(85 717)</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/(Deficit) for the year</b>										
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>										
Transfers recognised - capital	31 574	26 159	27 521	48 281	48 281	47 960	47 960	30 080	40 651	41 406
Public contributions & donations										
Borrowing										
Internally generated funds	2 100	1 150	2 500	2 990	2 990	1 197	1 197	2 650		
<b>Total sources of capital funds</b>	<b>33 674</b>	<b>27 309</b>	<b>30 021</b>	<b>51 271</b>	<b>51 271</b>	<b>49 157</b>	<b>49 157</b>	<b>32 730</b>	<b>40 651</b>	<b>41 406</b>

## Financial Performance of Operational Services

R '000

Description	2012/2013	2013/2014		2013/2014		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	37 185	41 325	38 551	34 407	-20.11%	-12.04%
Waste Water (Sanitation)	8 249	10 479	11 598	9 652	-8.57%	-20.16%
Electricity		50 583	49 983	96 638	47.66%	48.28%
Waste Management	4 704	8 781	7 867	4 585	-91.52%	-71.58%
Housing	358	707	532	585	-20.85%	9.06%
Component A: sub-total	50 496	111 875	108 531	145 867	23.30%	25.60%
Waste Water (Stormwater Drainage)	1 434	2 313	1 494	1 367	-69.20%	-9.29%
Roads	6 713	10 430	9 332	6 978	-49.47%	-33.73%
Transport	-	-	-	-	#DIV/0!	#DIV/0!
Component B: sub-total	8 148	12 743	10 826	8 345	-52.70%	-29.73%
Planning	1 948	1 504	2 247	2 092	28.11%	-7.41%
Local Economic Development	-	-	-	-	#DIV/0!	#DIV/0!
Component B: sub-total	1 948	1 504	2 247	2 092	28.11%	-7.41%
Planning (Strategic & Regulatory)	-	-	-	-	#DIV/0!	#DIV/0!
Local Economic Development	-	-	-	-	#DIV/0!	#DIV/0!
Component C: sub-total	-	-	-	-	#DIV/0!	#DIV/0!
Community & Social Services	4 434	17 105	6 076	3 768	-353.95%	-61.25%
Budget and Treasury Office	35 213	33 044	39 338	48 971	32.52%	19.67%
Executive and Council	34 782	62 205	104 040	108 831	42.84%	4.40%
Security and Safety	236	429	484	310	-38.39%	-56.13%
Sport and Recreation	1 423	2 100	1 765	1 413	-48.62%	-24.91%
Corporate Policy Offices and Other	5 743	9 334	7 130	8 356	-11.70%	14.67%
Component D: sub-total	81 830	124 217	158 833	171 649	27.63%	7.47%
<b>Total Expenditure</b>	<b>142 421</b>	<b>250 339</b>	<b>280 437</b>	<b>327 953</b>	<b>23.67%</b>	<b>14.49%</b>

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.1.2

**COMMENT OF FINANCIAL PERFORMANCE:**

The municipality's biggest challenges are cash flow. In a rural area it is very difficult to collect income due to the high poverty and unemployment rates. The municipality are in the proses to start in-house debt collection which will help the municipality to increase the cash flow of the municipality to reach their goal before 2020 to deliver service to the best of its ability.

**5.2 GRANTS**

Grant Performance						
Description	R' 000					
	2012/2013	2013/2014		Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
National Government:	90 136	86 524	86 524	89 032		
Equitable share	88 546	85 634	85 634	88 142		
Municipal Systems Improvement	1 590	890	890	890		
Department of Water Affairs						
Levy replacement						
	-	-	-			
Provincial Government:	1 500	1 550	1 550	1 550		
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Finance Management Grant	1 500	1 550	1 550	1 550		
District Municipality:	-	-	-	-		
[insert description]						
Other grant providers:	-	-	-	-		
[insert description]						
<b>Total Operating Transfers and Grants</b>	<b>91 636</b>	<b>88 074</b>	<b>88 074</b>	<b>90 582</b>		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						T 5.2.1

**COMMENT ON OPERATING TRANSFERS AND GRANTS:**

The municipality uses non-conditional grants according to the needs of the community, and reports on grants is always submitted. The municipality used conditional grants, and a report on grants spending is always submitted to Department of Treasury.

The municipality used conditional grants, and a report on grants spending is always submitted to Department of Treasury.

## **5.3 ASSET MANAGEMENT**

### **INTRODUCTION TO ASSET MANAGEMENT**

#### **Overview**

Asset management is a broad function and includes a structured process of

Decision-making, planning and control over the acquisition, use, safeguarding and disposal of assets to maximize their service delivery potential and benefit, and to minimize their related risks and costs over their entire life.

#### **Key elements of the policy**

The objectives of Kopanong local municipality policy are to ensure that assets are managed and accounted for by:

- Accurate recording of fixed assets and related transactions
- Compliance with municipal legislation and accounting standards
- Compliance with accounting policies and standards
- Providing management information on fixed assets
- To ensure asset controllers are aware of their responsibilities in regards to assets.
- To set out the standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilization.
- To specify the process required before expenditure on assets.
- To prescribe the accounting treatment for assets including:

The criteria to be met before expenditure can be capitalized as an asset,

- The criteria for determining the initial cost of the different assets
- The method of calculating depreciation for different assets,
- The criteria for capitalizing subsequent expenditure on assets,
- The policy for scrapping and disposal of assets,
- The classification of assets

#### **Asset section**

Kopanong local municipality is formed by 9 towns namely Bethulie, Edenburg, Gariep Dam, Philippolis, Jagersfontein, Faresmith, Reddersburg, Springfontein and Trompsburg. Currently the asset section is headed up by the asset accountant with the help of the of the finance intern, responsible for all the assets of the municipality.

#### **Key issues under development**

In 2011/2012 we started with the process of unbundling infrastructure assets. We had some difficulties in unbundling the infrastructure assets. Right now we are busy clarifying the problems encountered in unbundling the assets

### Treatment of the three largest assets acquired year 2013/2014

#### Asset 1

Name	<b>Bulk water projects</b>			
Description	11.2 km water pipeline from Jagersfontein to Fauresmith			
Asset Type	Water infrastructure			
Key Staff Involved	Technical director, PMU Technician consultant and the contractor			
Staff Responsibilities	Monitor and evaluation of the project as per specification			
Asset Value	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/14</b>	
	-	R14,899,941.82	Dec 2013	
Capital Implications	<b>R14,899,941-82</b>			
Future Purpose of Asset	For water supply			
Describe Key Issues	Provision of long term solution of water			
Policies in Place to Manage Asset	Water sector development plan			

#### Asset 2

Name	<b>Fauresmith 2.3MgL reservoir</b>			
Description	Construction of 2.3MgL reinforced concrete reservoir			
Asset Type	Reinforced concrete reservoir			
Key Staff Involved	Technical Director, PMU technician consultant and the contractor			
Staff Responsibilities	Monitor and evaluation of the project as per specification			
Asset Value	<b>2010/2011</b>	<b>2012/2013</b>	<b>13/14</b>	
	-	-	R11 794 600.70	
Capital Implications	<b>R 11 794 600-70</b>			
Future Purpose of Asset	Improving of water supply to Fauresmith community			
Describe Key Issues	Provision of current and future water storage			
Policies in Place to Manage Asset	Water sector development plan			

#### Asset 3

Name	<b>Philippolis paved access roads</b>			
Description	Construction of 2km access roads			
Asset Type	Roads and storm water			
Key Staff Involved	Technical director, PMU Technician consultant and the contractor			
Staff Responsibilities	Monitor and evaluation of the project as per specification			
Asset Value	<b>Year 2010/2011</b>	<b>Year 2012/13</b>	<b>Year 2013/2014</b>	
	-	11,945,172.94	-	
Capital Implications	<b>11,945,172.94</b>			

### Treatment of the three largest assets acquired year 2013/2014

Future Purpose of Asset	Improving of access to Philippolis township
Describe Key Issues	Provision of improved access to Philippolis
Policies in Place to Manage Asset	Roads and storm water management plans

#### Comment on asset management

11.2 km water pipeline from Jagersfontein to Fauresmith: The project completed was December 2013.

Fauresmith 2.3Mg/L reservoir is still in progress, 80% completion.

Phillipolis paved access road 95%, the snag list is completed.

### Repair and maintenance expenditure: 2013/2014

	Original budget	Adjustment budget	Actual	Budget variance
Repairs and maintenance expenditure	8843	5011	5037	-2600

#### 5.4 Repair and maintenance expenditure

Due to a rapid decline in municipal assets, we are at a stage where we must consider if it worth it to fix an asset or replace it.

**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

Capital Expenditure - Funding Sources: 2013/2014							R' 000
Details	2012/2013	2013/2014					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans	0	0	0	0	#DIV/0!	#DIV/0!	
Public contributions and donations	0	0	0	0	#DIV/0!	#DIV/0!	
Grants and subsidies	33 493	48 281	48 281	46 836	0.00%	-2.99%	
Other	2 500	2 990	2 990	1 197	0.00%	-59.97%	
<b>Total</b>	<b>35993</b>	<b>51271</b>	<b>51271</b>	<b>48033</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	
<b>Percentage of finance</b>							
External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Grants and subsidies	93.1%	94.2%	94.2%	97.5%	#DIV/0!	#DIV/0!	
Other	6.9%	5.8%	5.8%	2.5%	#DIV/0!	#DIV/0!	
<b>Capital expenditure</b>							
Water	13 962	24 900	24 900	24 505	0.00%	-1.59%	
Electricity					#DIV/0!	#DIV/0!	
Housing					#DIV/0!	#DIV/0!	
Roads and storm water		23 381	23 381	22 331	0.00%	-4.49%	
Other	1 150	2 990	2 990	1 197	0.00%	-59.97%	
<b>Total</b>	<b>15112</b>	<b>51271</b>	<b>51271</b>	<b>48033</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	
<b>Percentage of expenditure</b>							
Water and sanitation	92.4%	48.6%	48.6%	51.0%	#DIV/0!	#DIV/0!	
Electricity	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Housing	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Roads and storm water	0.0%	45.6%	45.6%	46.5%	#DIV/0!	#DIV/0!	
Other	7.6%	5.8%	5.8%	2.5%	#DIV/0!	#DIV/0!	
<i>T5.6.1</i>							

### **5.6 Sources of funding:**

Due to the current situation faced by the municipality, most of our funding comes from grants and only a small part of capital comes from internally generated funds.

### **5.7 Capital spending on 5 of our largest projects**

#### **Comment on capital projects:**

- . The Municipal Infrastructure Grant (MIG) has allocated an amount of R22, 331,000 for 2013-2014 financial year and 100% expenditure.
2. The allocation for the financial year 2013-2014 was R27, 045,000 as of April 2013 and 100% Expenditure.
3. The EPWP was allocated an amount of R1, 000,000 2013-2014 financial year and 100% Expenditure.
4. The Department of energy has allocated an amount of R1, 000,000 for 2013-2014 financial year and 100% expenditure.

### **Introduction to basic service and infrastructure backlogs**

The total population is 49 171(**Source: STATS SA Census 2011**) which is organized as 18856 households. The municipality experience problems with sewer blockages, spillages, water pipe leakages, bursts and low water pressure.

The number of population and households has increased as the existing network was constructed far back 1994, thus affecting the efficiency of the network. It is imperative that the current network be upgraded to accommodate the current population and future developments.

The causes of sewer blockages, spillages, water pipe leakages and burst are as follows:

1. Ageing and decaying infrastructure which is beyond its expected life span.
2. The small capacity of the network which can no longer withstand the current population growth
3. The capacity of the sewerage pumps can no longer withstand the current population growth.
4. There is also a total number of 1 416 formalized sites without basic infrastructure. Therefore the report will reflect on implementation readiness per town with costs estimations.
5. Regular blockages are beyond municipal maintenance capacity.

Health hazard posed by the sewer spillages.

Capacitating the current infrastructure to service current population and future demands. Provision of water and sanitation reticulation to formalized sites is of great need.

**Costs estimations:**

Water = R 99 509 858.00 [excl. vat] and R 113 441 238.10 [incl. vat]

Sanitation = R 115 430 000.00 [excl. vat] and R 131 590 200.00 [incl. vat]

Total = R 214 939 858.00[Excl.] R 245 031 438.10 [incl. vat]

## **5.8 BASIC SERVICES AND INFRASTRUCTURE BACKLOG**

**No information provided**

Municipal Infrastructure Grant (MIG)\* Expenditure Year 2013/2014 on Service backlogs

R' 000

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges	11231	11231	10 569	%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation	6258	6258	5 379	%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management	0	0	642	%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:	4842	4842	5 741	%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	

\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.8.3

**Comment on backlogs**

**5.8 Water and sanitation**

Project name	Project value	Households backlogs to be addressed after completion	Anticipated completion date	Comments
Gariiep Dam: Upgrading of waste water treatment Works	R7,848,188.00	499	March 2015	The contractor is on site.
Gariiep Dam: Upgrading of water treatment works	R3,785,532.84	499	March 2015	The project is on evaluation

Jagersfontein to Fauresmith bulk water supply projects	R45,000,000.00	4530	March 2015	Three contractors are on site.
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### 5.9 Roads and storm-water

Project name	Project value	Households backlogs to be addressed after completion	Anticipated completion date	Comments
Philippolis: paved 2km access road and storm-water	R13,869,534.79	1035	December 2014	In progress but busy with snag list.
Edenburg: paved 2km access road and storm water	R13,499,998.00	6570	August 2013	Completed
Bethulie: Paved 2km access road and storm water	R22,121,294.00	8570	December 2013	Completed

### 5.10 Sport facility

Project name	Project value	Households backlogs to be addressed after completion	Anticipated completion date	Comments
Fauresmith: upgrading of a sport facility	R5,635,727.00	1320	January 2015	In progress the contractor is on site

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

### 5.11 Importance of cash flow management

The municipality is paying the travelling claims fortnightly, normal payments every thursday, the municipality is paying the salaries on the last Friday of each month.

The municipality has also managed to reduce telephone and internet access expenditure from R300 000 to +/- R 60 000 -00.

## 5.9 CASHFLOW

Cash Flow Outcomes				
R'000				
Description	2012/2013	2013/2014		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	88 578	116 021	93 981	135 267
Government - operating	142 081	92 086	92 086	90 582
Government - capital		48 281	48 281	46 836
Interest				
Dividends				
<b>Payments</b>				
Suppliers and employees	-	-		
Finance charges				
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>230 659</b>	<b>256 388</b>	<b>234 348</b>	<b>272 685</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets				
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing				
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>230 659</b>	<b>256 388</b>	<b>234 348</b>	<b>272 685</b>
Cash/cash equivalents at the year begin:				-
Cash/cash equivalents at the year end:		256 388	234 348	272 685
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

## **5.10 BORROWING AND INVESTMENTS**

N/A

## **5.11 PUBLIC PRIVATE PARTNERSHIP**

N/A

## **COMPONENT D: OTHER FINANCIAL MATTERS**

### **5.12 SUPPLY CHAIN MANAGEMENT**

#### **SUPPLY CHAIN MANAGEMENT**

The SCM policy is reviewed on a yearly basis, and it is submitted to council for approval together with the budget related policies.

There is no councilor who is a member of any committee who is handling supply chain management processes. SCM accountant has NQF level 6 and is also attending the municipal finance management programme. There is a major performance improvement in the supply chain department. Auditor-General raised a finding regarding lack of segregation of duties, which was addressed by the appointed accountant.

### **5.13 GRAP compliance**

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

## Chapter 6 – Auditor General audit findings

### COMPONENT A

#### AUDITOR GENERAL REPORT 2012/13

### Component B: AUDITOR GENERAL OPINION 2013/14

#### 6.2 AUDITOR GENERAL REPORT 2013/14

#### 6.5 Report of the Auditor-General - Remedial steps taken during 2013/2014

<b>Auditor-General report on financial performance for 2012/2013</b>	
<b>Audit report status</b>	Qualified audit opinion
<b>Non-compliance issues</b>	<b>Remedial action taken</b>
Property, plant and equipment	<ul style="list-style-type: none"> <li>A consultant was appointed to assist the municipality in addressing assets management queries and developing a GRAP compliant asset register.</li> <li>All assets were identified and bar-coded. Verification was performed by assets accountant on a monthly basis.</li> </ul>
Trade and other payables	<p>Leave provision calculations were completed and disclosed            Creditors reconciliations were done on a monthly basis            Bonus accrual calculations were done at year end.            Differences in salary creditors were investigated and corrected.            Supporting documentation was obtained to confirm the existence of creditors.</p>
Accounts receivables	<ul style="list-style-type: none"> <li>All contracts for new applications were completed and registered.</li> <li>Debtors were classified into categories in the age-analysis and a provision for doubtful debts was calculated and disclosed.</li> </ul>
Provisions	<ul style="list-style-type: none"> <li>Provision for rehabilitation of landfill sites was completed and disclosed.</li> <li>Actuarial valuations were calculated in terms of accounting policy and practices.</li> </ul>
Retirement benefit obligation	<ul style="list-style-type: none"> <li>Actuarial valuations were calculated in terms of accounting policy and practices. Long service awards and retirement benefits obligation was performed by a certified Actuary.</li> </ul>
Property Rates	<ul style="list-style-type: none"> <li>All charges on non-chargeable properties were identified and corrected.</li> <li>Rates reconciliation was done</li> </ul>
Rental of facilities and equipment	<ul style="list-style-type: none"> <li>All contracts were signed between municipality and tenants</li> <li>Rental register is maintained and reviewed on a monthly basis and reconciled to General Ledger</li> <li>Billing is done on a monthly basis.</li> </ul>

**Auditor-General report on financial performance for 2012/2013**

Service charges	<ul style="list-style-type: none"> <li>• All service charges on debtor accounts were checked for correctness. Sebata has assisted to create a file on which all services and zoning per site were printed and corrections were effected accordingly.</li> </ul>
General expenses	<ul style="list-style-type: none"> <li>• Expenditure procedure manual was developed and implemented.</li> <li>• Supporting documentation is filed and stored in a strong-room.</li> </ul>
Prior period errors	
Commitments	<ul style="list-style-type: none"> <li>• Commitments register was compiled for both 2011/2012 and 2012/2013.</li> <li>• All outstanding contracts were obtained and filed for audit purposes.</li> </ul>

**COMMENTS ON AUDITOR-GENERAL'S OPINION 2013/2014**

The Municipality has accepted the qualified audit opinion but however not satisfied with the outcome that the Municipality retained the same opinion as in the previous financial year.

However we acknowledge improvements as the Municipality in that for the second financial year running we continued to prepare the Annual Financial Statements in house with the review of consultants, although the Office of the Auditor General still raised view regarding the quality of the sets of Annual Financial Statements, we will continue to work hard in improving the quality of compilation and improvements of the audit opinion thereto.

A number of paragraphs from previous year's audit report has been improved which includes Property, Plant and Equipment, Provisions and Retirement Benefits Obligations and we will strive more and work towards achieving unqualified audit opinion for 2014/15 financial year.

## Glossary

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and

	buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as:

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"><li>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</li><li>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</li></ul> |
|--|---|

# APPENDIX

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

<b>Councillors, Committees allocated and council attendance</b>					
<b>Council members</b>	<b>FT</b>	<b>PT</b>	<b>Committees Allocated</b>	<b>Ward and /or Party Represented</b>	<b>% Council Meetings Attendance</b>
Cllr X.T Matwa (Mayor)	X		Chair: Finance and LED	PR/ANC	90%
Cllr T.Koyana		X	Finance and LED	Ward 1/ANC	90%
Cllr Phepheng		X	Finance and LED	Ward 7/ANC	90%
Cllr B.Smit		X	Chair: Institutional Transformation	Ward 7/DA	90%
Cllr M.D Matseo		X	Institutional Transformation	Ward 8/ANC	90%
Cllr L.A Sola		X	Institutional Transformation	Ward 5/ANC	90%
Chair: Cllr L K Dlomo(Whip)	X		Chair: Rural development	PR/ANC	90%

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Cllr T.A Phafudi		X	Rural development	Ward 2/ANC	90%
Cllr N.C Spochter		X	Rural development	Ward 3/ANC	90%

*Note\*Councillors appointed on a proportional basis do not have wards allocated to them*

# APPENDIX

## APPENDIX B– COMMITTEES AND COMMITTEE PURPOSES

<b>Municipal committees</b>	<b>Purpose of committee</b>
<b>Finance and local economic development</b>	Oversee the smooth running of Municipal Funds and provide support on LED unit related matters.
<b>Institutional Transformation</b>	To enhance capacity of the municipality and ensure equity ,Transformation and development
<b>Infrastructure and Rural Development</b>	Focus on development of Small towns and rehabilitation of Municipal infrastructure e.g. Water pipes, sewerage spillages etc.

# APPENDIX

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third tier structure	
Directorate	Director/Manager
Municipal Manager`s department	Municipal Manager: Me. Lebo Yvonne Moletsane
Corporate services	Director: Me. Kedisaletse Cecilia Pitso
Technical services	Director :Mr Sibongile Hololoshe
Finance department	Chief Financial Officer: Mr Phakiso Jan Mekhoe
Community Services	Director: Mr James Sidwell
<i>Use as a spill-over schedule if top 3 tiers cannot be accomodated in chapter 2 (T2.2.2).</i>	

## APPENDIX D-FUNCTIONS OF MUNICIPALITY/ENTITY

N/A

## APPENDIX E– WARD REPORTING

E : Functionality of ward committees					
Ward name (number)	Name of ward councillor and elected ward committee members	Committee established (yes / no)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to speakers office on time	Number of quarterly public ward meetings held during year
Ward 1 / Reddersburg	Ward Councillor: Themba Koyana Ward Committees: Natala Sam Ramosie Nonceba Mercy Ncokwane, Sekutwana Alinah Chaka, Lebogang Ishmael Sekgalo, Platana Elizabeth Khunong, Mosala George Molise, Disemelo Mavis Matlakala, Tsmal Moleko, Flourie Venter.	Yes	1 Monthly and during the year is 12  But only 3 meeting were reported as follows 7th feb, 7th March, and 15th July 2014	They are not consistently reporting.  But 3 repots were reported	3 per quarter and 12 per year  2 meetings on the 17th of March and 11th of August

# APPENDIX

E : Functionality of ward committees					
ward 2 / Trompsburg	Ward Councillor: Reverend Phafudi Ward Committee: Molatodi Edward Taole, Kgotso Mokala, Kenalemang Paulinah Mokete, Motsamai Godfrey Mokheseng, Eveline Shiwe	Yes	1 Monthly and during the year is 12  6 meetings were reported As follows 7th of feb, 11th march, 20th June, 24th, 15th July and 15 of August 2014	They are not consistently reporting.  6 repots were reported	3 per quarter and 12 per year. 1 Monthly and during the year is 12  2 meetings were held
ward 3 / Bethulie	Ward Councillor: Ntswaki Spogter Ward Committees: Manana Elizabeth Mjika, Dorothy Nonduyiswa Shushu, Francis Thamsanqa Mkhafa, Thabang Amos Morotlo, Matlokotsi Ruth Khapha, Mavis Nthabiseng Morapela, Moselantja Gladys Mohale, Mahlangana John Spogter, Mxolisi Michael Mani, Vuyo Paulus Mkrwala,	Yes	1 Monthly and during the year is 12  4 meetings were reported 9th feb, 4th march, 5th may and 8th of July 2014.	they are not consistently reporting.  4 repots	3 per quarter and 12 per year  None in 2014
ward 4	Ward Councillor: Mrs Stuurman Ward Committee: Dawid Derrison, Alwyn Johannes Kleynhans, Nomakhosazana Olga Toko, Ivo Edmundo Ferrao, Ancoise Renate Volmink, Lucia Malitsatsi Makoa, Selloane Ignacia Khotlale, Dirk Simons, Violet Matshediso Lempeche	Yes	1 Monthly and during the year is 12 not reported.	they are not consistently reporting.  6 repots	3 per quarter and 12 per year  None
Ward 5 Springfontein	Ward Councillor: Andrew Sola Ward Committee: Seeiso Ben Tete, Madikgutlo Invethia Ramatsane, Shuping Fortunate Mthimkulu, Kelebogile Kate Mihi, Jeremiah Kgositsile Mohoje, Mrs JK Tana, Siphokazi Baruza, Lekhaba Zacharia Crescentius Kaphe, Nthabiseng Paulina Ntsapo.	Yes	1 Month and during the year is 12  4 meetings were reported July, 14 of April, feb and 6th march 2014	They are not consistently reporting.  4 reports	3 per quarter and 12 per year  None

# APPENDIX

E : Functionality of ward committees					
Ward 6/Jagersfontein	Ward Councillor: Phindile Basholo Ward Committee: None / Ward Committee became dysfunctional and the office of the speaker is waiting for the formal letter from the councillor in this regard	dysfunctional	None	None	1 public meeting by the councillor
Ward 7 / Fauresmith	Ward Councillor: David Phepheng Ward Committee: Nomabulu Lucy Tseletsele, Kodisang Aaron Diamond, Nomalizo Maggy Boikanyo, Motlalepula David Moeketsi, Thomas Groep, Geraldine Pienaar, Rabajang Andries Sobekwa, Lahliwe Lucy Moeng, Kedi-Emetse Monica Nyongwana, Diratsagae Stephen Letebele	yes	1 Monthly and during the year is 12  7th jan, 16th Jan, 9th Jan	they are not consistently reporting.  2 reports were submitted	3 per quarter and 12 per year  3 public meetings
Ward 8	Ward Councillor: Moseou Matsheo Ward Committee: Evan Michael Van Wyk, Matsebela Lonia Makgotso, Willem Booysen, Makgotso Mahlela, Nnuku Angelina Ntomane, Nthofela Aaron Ralenala, Rethabile Jeanette Mbebe, Alice E Louw	Yes	1 Monthly and during the year is 12  6 meetings were held 2 feb, 12 March 14 may, 23rd July 2014	they are not consistently reporting.  Report 1 On the 23rd of April 2014	3 per quarter and 12 per year  none

## APPENDIX F – WARD INFORMATION

Detail	Water	Sanitation	Electricity	Refuse
Households with minimum service delivery	395 households	395 households	395 households	0
Households without minimum service delivery	496 households	496 households	907 households	0
Total households*	891 households	891 households	1302 households	0

# APPENDIX

## APPENDIX G

<b>Municipal audit committee recommendations</b>		
<b>Date of committee</b>	<b>Committee recommendations during 2013/2014</b>	<b>Recommendations adopted (enter Yes) If not adopted (provide explanation)</b>
13 -08 - 2013	Supply chain management and expenditure be audited once a year to avoid duplicating the results identified in each quarter	Yes
13 -08 - 2013	The audit committee resolved that the following be included in the annual plan: <ul style="list-style-type: none"> <li>- Audit of AFS (be audited per each quarter)</li> <li>- Governance</li> <li>- Audit of compliance with legislation</li> </ul>	Yes
13 -08 - 2013	The CAE to follow up on the findings raised by the Audit Committee with regard to the review of 2012/13 AFS	Yes
22 -02- 2014	The audit committee resolved that: <ul style="list-style-type: none"> <li>- The chapters on the annual report 2012/13 be corrected and aligned</li> <li>- An additional column is added on Appendix J to include explanations/comments of the causes of the arrears on municipal taxes and services charges and actions to remedy the situation and explanations on material variances on revenue actually collected and budgeted.</li> <li>- Additional appendix be added to include the information on long term contracts including levels of liability to the municipality.</li> <li>- Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure framework</li> </ul>	Yes
03 – 04 -2014	Risk officer to follow up on the progress of action under risk FS12 regarding IT	Yes
03 – 04 -2014	The audit committee resolved the following issues with regard to risk management report <ul style="list-style-type: none"> <li>- CAE to identify issues raised by</li> </ul>	Yes

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	<p>AG prior year audit and conduct an audit on them by so doing the CAE to check the extent to which the action plan is addresses</p> <ul style="list-style-type: none"> <li>- Whether the supporting documentation is prepared in the manner that AG will be seeking, in this instance liaise with AG</li> <li>- CAE to perform spot checks on regular basis to ensure implantation</li> </ul>	
03 – 04 -2014	Kopanong municipality to use the methodology used by Letsemeng local municipality to resolve the issue at hand in terms of billing concerns.	Yes
03 – 04 - 2014	Risk champions to report on quarterly basis instead of monthly basis	Yes
03 – 04 - 2014	CAE to follow up on the poor performance of technical department and to ensure measures are implemented in correcting such performance	Yes
03 – 04 - 2014	Municipality to take hint that AG may express an opinion on the audit of pre-determined objectives	Yes
03 – 04 - 2014	internal audit to compile a list of all findings and document progress on plan and its implementation	Yes
03 – 04 - 2014	Municipal manager to provide explanation of non-implementation of recommendations and how the municipal manager is going to address such	Yes
03 – 04 - 2014	Report to be submitted to AC electronically as soon as they are completed to provide the committee with sufficient time to interrogate the report.	Yes

## APPENDIX H: LONG TERM CONTRACTS AND PARTNERSHIP

# APPENDIX

## Appendix I–Service provider performance schedule 2013/2014

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
Municipal manager	Namtra trading		298 000.00	Development of led strategy	Credible IDP	5	Excellent	None
Municipal manager	Namtra trading		R198 000.00	Development of housing sector plan	Credible IDP	4	Very good	None
Corporate services	Lefanosi		R190 000.00	Facilitation and development of the strategic planning document	Planning on how municipal will be operating in the new financial year 2013/2014	5	Excellent	None
Corporate services	Arise Again		R120 000.00	Team building and motivation for	building a unity among the Officials and	5	Excellent	None

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Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
				councillors and employees	councillors			
Corporate services	Ratidzo solutions		R191 121.70	Training on labour related matters	To transfer skills and knowledge to employees regarding understanding of labour related matters	5	Excellent	None
Corporate services	Bokgoni Spatial consulting		R187 900.00	Development of the employee performance appraisal	To ensure that performance appraisal is in place.	5	Excellent	None
Corporate services	Moroeng & associates		R180 000.00	Review of policies	Our policies to be in line with applicable laws and regulations.	2	Poor	The service provider must appoint experience and qualified personnel

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Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
Technical	Skhokho & Urban Projects JV	8 months	R11 802 432.94	Edenburg paved access road	July 2013	5	Completed five months ago	None
Technical	TR Construction	6 months	R5 900 646.84	Upgrading of Waste water treatment in Gariep-Dam	May 2014	3	Still in progress, 50% of Construction.	Monitoring on a regular basis
Technical	SA GCP construction JV	8 months	R3 694 400.00	Refurbishment of water treatment works in Gariep Dam.	June 2014	1	The contractor is not performing as expected and does not meet the scheduled target.	The municipality has sent out a notice of intension to terminate this contract
Technical	Lohan Civils	10 months	R14 899 421.82	Construction of 11.2km new gravity	Nov 2013	5	Ahead of schedule, its 100% complete	None

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
				feed pipeline from Jagersfontein to Fauresmith			now	
Technical	Umbutho / Ikageng JV JV	24 weeks/6 months	R10 015 658.55	Construction of 4.726 MI/D capacity water treatment works phase 2	March 2014	3	On track but they have delayed to implement the project at an early stages	-Regular site meetings  -The contractor has increased the resources on site.
Technical	Zs Msebenzi	8 months	R11 945 172.94	Philippolis paved access road.	March 2014	4	Still in progress, 91 %.	Monitoring on regular basis
Technical	Skhokho Civils	6 months	R9 097 292.25	Construction of 1.5MI	June 2014	3	Contractor has cash flow	Regular site

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
				capacity reinforced concrete Reservoir in Fauresmith			problem -no proper planning to complete the project  -no commitment to catch up as he is behind	meetings  Two special meetings .involvement of MM  -contractor was advised to appoint two sub-contractors.
Technical	Delvis construction	6 months	R11 355 506.09	Bethulie paved access road	December 2013	3	-the project is complete	Additional works of speed humps done.
Technical	LKGA construction	12 months	R1 500 000.00	Routine maintenance for all Kopanong	February 2015	4		A new contractor has been appointed.

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
				units				
Finance	Unique Co	4 years	R2 200 000.00	Valuation roll	August 2016	4	We are in right direction	None
Finance	Ducharme	One year	R1 368 536.00	Valuation of infrastructure assets	January 2014	4	Performed as per our agreement	None
Technical	Skhokho & Urban Projects JV	8 months	R11 802 432.94	Edenburg paved access road	July 2013	5	Project is complete.	
technical	TR Construction	6 months	R5 900 646.84	Upgrading of waste water Treatment in Gariep Dam	May 2014	3	Still in progress, 70% of construction.	Monitoring on a regular basis

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
technical	SA GCP Construction JV	8 months	R3 694 400.00	Refurbishment of water treatment works in Gariiep Dam	June 2014	1	The contractor did not perform according to agreed targets and contract, therefore the contract was therefore terminated.	Contract is terminated and application for rollover of the contract amount has initiated.
technical	Lohan Civils	10 months	R14 899 421.82	Construction of 11.2km new gravity feed pipeline from Jagersfontein to Fauresmit	Nov 2013	5	Ahead of schedule, its 100% complete now.	

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
				h				
Technical	Umbutho/ Ikageng JV	6 months	R10 015 658.55	Construction of 4.726 Ml/D capacity water treatment works phase 2	March 2014	4	The contractor has done practical completion in terms of the project and the plant is operational and 97% completion as only testing needs to be done.	<ul style="list-style-type: none"> <li>-Regular site meetings</li> <li>-The contractor has increased the resources on site.</li> <li>-Assist the contractor in ensuring that plant is shutdown for tests.</li> </ul>

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
Technical	Zs Msebenzi	8 months	R11 945 172.94	Philippolis paved access road	March 2014	2	The contract is at 90% completion but the contractor has abandoned the site.	Monitoring on regular basis give the contractor regular site instruction, issue notification of intent to terminate the contract because instructions are not adhered to.
Technical	Skhokho Civils	6 months	R9 097 292.25	Construction of 2.3MI capacity	June 2014	3	Contractor is progressing well in terms of the quality of	-regular site meetings - Conduct

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
				reinforced concrete Reservoir in Fauresmith			the works but the progress in terms of time, it is not according to agreed targets as there were delays in terms of material.	plannery meetings to assist in planning the programme by the PMU unit. Application for extension of time to be approved as two contractors are on site and project is in progress.

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
Technical	Delvis Construction	6 months	R11 355 506.09	Bethulie paved access road	December 2013	3	The project is complete	Additional works of speed humps done.
Technical	LKGA construction	12 months	R1 500 000.00	Routine maintenance for all Kopanong units	February 2015	4	The contractor has commenced and has repaired sewerage pumps that were non-operational.	A new contractor has been appointed.
Technical	Urban projects and water/SCC JV	6 months	R5,751,784.00	Fauresmith: sports recreation facility	2014/06/30	3	The project is progressing well and on target.	Regular site meetings and technical

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
								meetings.
Technical	Skhokho & Urban Projects JV	8 months	R11 802 432.94	Edenburg paved access road	July 2013	5	Complete and in retention stage	The first retention is paid and therefor the last retention is to be paid.
Technical	TR construction	6 months	R5 900 646.84	Upgrading of Waste water Treatment in Gariep Dam	May 2014	3	The project is at construction stage and budget revision is needed to complete the works.	The budget revision report to be assessed and submit to Cogta for approval thereof.
Technical	Not yet appointed	8 months	R3 694 400.00	Refurbishment of water treatment works in Gariep Dam	June 2014	1	The project is at the evaluation stage.	Finalize the evaluation stage.

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
Technical	Lohan Civils	10 months	R14 899 421.82	Construction of 11.2km new gravity feed pipeline from Jagersfontein to Fauresmith	Nov 2013	5	The project is 100% complete.	Site visit to be made as to ensure project efficiency and the retention monies to be paid.
Technical	Umbutho/Ikageng JV	24 weeks/6 months	R10 015 658.55	Construction of 4.726 MI/D capacity water treatment works phase 2	March 2014	4	The project is at 95% completion on the civil works and mechanical works will commence once structures are tested.	Confirm water tightness test date.

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
Technical	Zs Msebenzi	8 months	R11 945 172.94	Philopolis Paved access road	March 2014	2	The project is at practical completion stage and busy with snag-lists but the contractor has removed machinery off site.	The snag list to be quantified by the consultant and check how much is left on the project and therefore either resolve to finding an alternative contractor to complete the works.
Technical	Skhokho civils	6 months	R9 097 292.25	Construction of 2.3MI capacity reinforced concrete Reservoir in Fauresmith	June 2014	3	The project was at 70% progress and now is at 75% progress.	The project budget revision to be discussed and the contractor to indicate the quotations of the shortfall needed.

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
Technical	Delvis construction.	6 months	R11 355 506.09	Bethulie paved access road	December 2013	3	Complete and retention stage has passed	The last retention is paid.
Technical	LKGA construction	12 months	R1 500 000.00	Routine maintenance for all Kopanong units	February 2015	2	Non performance	Written warning to be issued to the contractor for unsatisfactory in service delivery
Technical services	Centlec		Signed service level agreement, as and when there is an invoice especially capital	Operations, maintaining and selling of electricity	Supply sustainable Electricity supply to our	2	Poor	Monthly meetings with Centlec. Request of Monthly

# APPENDIX

Directorate	Service Provider	Term of contract	Contract value	Description of service / KPA	Targets	Performance rating	Performance comment	Corrective measure
			projects		community.			reports.
Technical services	Bloemwater		Signed service level agreement for operations and maintenance for water infrastructure.	Operation and maintenance of Water infrastructure.	Supply of Bulk Water Supply to KLM towns and its community	5	Excellent	
Technical services	Bloemwater	Per financial year	DWA ,MWIG Allocation per financial year	Implementing agent for DWA MWIG funding	Upgrading of water infrastructure	1	Very poor	Request DWA Intervention.

# APPENDIX

## Appendix J – Disclosures of financial interests

Financial disclosures made for the period 1 July 2013 to 30 June 2014		
Position	Name	Description of financial interests* (Nil / or details)
Mayor	Cllr X T Matwa	Welkom Yizani Investments Ltd – 20 ordinary shares. 15% stake in media 24%
Member of Exco	Cllr X T Matwa	Welkom Yizani Investments Ltd – 20 ordinary shares 15% stake in media 24%
	Cllr Dlomo	Bokamoso catering, construction and cleaning CC.
Speaker	Cllr M E Masana	Three queens CC
Councillor	Cllr J Stuurman	Phumelela Guest-house
	Cllr K E Dlomo	Bokamoso Catering
	Cllr H Shebe	No interests to disclose
	Cllr P Basholo	Lightblitz projects and services
	Cllr B Smit	No interest to disclose
	Cllr T Koyana	Thembaletu tavern Trading/ Thusanang Bottle Store Incedol Kiam Construction
	Cllr H Hagemann	Hunters Lodge
	Cllr N Spochter	No interests to disclose
	Cllr T A Phafudi	No interests to disclose
	Cllr D Phepheng	No interests to disclose
	Cllr M D Matseo	No interests to disclose
	Cllr A Sola	Shareholder-Sanlam computer shares
Municipal Manager	Me L Y Moletsane	No interests to disclose
Chief Financial Officer	Mr P J Mekhoe	Mekhoe taxi Owner
Other S56 Officials	Mr. S Hololoshe	No interests to disclose
	Me. C Pitso	IEC- Municipal Electoral officer
	Mr S James	No interest to disclose

\* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A

T J

## APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2012/2013	2013/2014			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive & Council	9 396	7 551	7 551	9 030	16.38%	16.38%
Budget and Treasury Office	40 677	37 144	31 733	80 895	54.08%	60.77%
Corporate Service	1 189	1 080	1 080	124	-770.97%	-770.97%
Community and Public Safety	2 586	7 541	7 541	1 827	-312.75%	-312.75%
Economic and Environmental S	13	41	41	13	-215.38%	-215.38%
Trading Service	102 321	154 749	154 749	148 068	-4.51%	-4.51%
Example 7 - Vote 7						
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	156	208	203	240	(0)	(0)
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						T K.1

## APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	2011/2012	2012/2013		2012/2013 Variance			
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	7 539	13 621	13 621	11 393	-20%	-20%	
Property rates - penalties & collection charges					#DIV/0!	#DIV/0!	
Service Charges - electricity revenue	39 977	44 338	44 338	70 085	37%	37%	
Service Charges - water revenue	7 978	9 747	9 747	14 212	31%	31%	
Service Charges - sanitation revenue	8 779	8 780	8 780	10 192	14%	14%	
Service Charges - refuse revenue	6 336	6 340	6 340	7 411	14%	14%	
Service Charges - other	12 809	7 928	7 928	21 876	64%	64%	
Rentals of facilities and equipment					#DIV/0!	#DIV/0!	
Interest earned - external investments					#DIV/0!	#DIV/0!	
Interest earned - outstanding debtors					#DIV/0!	#DIV/0!	
Dividends received					#DIV/0!	#DIV/0!	
Fines		123	123	98	-26%	-26%	
Licences and permits					#DIV/0!	#DIV/0!	
Agency services					#DIV/0!	#DIV/0!	
Transfers recognised - operational	81 637	81 684	84 484	131 129	38%	36%	
Other revenue					#DIV/0!	#DIV/0!	
Gains on disposal of PPE					#DIV/0!	#DIV/0!	
Environmental Protection					#DIV/0!	#DIV/0!	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>165 055</b>	<b>172 561</b>	<b>175 361</b>	<b>266 396</b>	<b>35.22%</b>	<b>34.17%</b>	
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>							T K.2

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG 2013/2014							R' 000
Details	Budget	Adjustments budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
Finance Management Grant	1 550	1 550	1 550	-	-	-	
Municipal Systems Improvement Grant	890	890	890	-	-	-	

Total					
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#### APPENDIX M : CAPITAL EXPENDITURE NEW ASSET PROGRAMME

N/A

#### Appendix N : CAPITAL PROGRAMME BY PROJECT 2013/14

N/A

#### Appendix O – Capital programme by project by ward 2013/14

Capital programme by project by ward 2013/14			R' 000
Capital project	Ward(s) affected	Works completed (Yes/No)	
<b>Water</b>			
Regional Bulk Water scheme	Jagersfontein and Fauresmith	Phase 1 completed	
		Phase 2 in progress	
<b>Electricity</b>			
95 households Connections	Trompsburg 95 sites,	Completed	
<b>Housing</b>			
832 BNG Housing project + 150 Hlasela houses	Trompsburg300, Bethulie 110, Gariep Dam 66,	Trompsburg, Philippolis and Edenburg Comp	
	Philippolis 37, Edenburg 69, Springfontein 250, Jagersfontein 150	Bethulie, 58 Completed, Gariep Dam 66 Springfontein 50	

#### Appendix P– Service connection backlogs at schools and clinics:

The municipality does not have service backlogs on schools and clinic, as it is a responsibility of a province.

#### Appendix Q -Service backlogs experienced by the community

Service backlogs experienced by the community where another sphere of government is the service provider (where the municipality whether or not act on agency basis)		
Services and locations	Scale of backlogs	Impact of backlogs
Clinics	-	It is not a functionality of the municipality
Housing	7668/8223	Leads to illegal occupation

**Service backlogs experienced by the community where another sphere of government is the service provider (where the municipality whether or not act on agency basis)**

Licencing and Testing Centre	N/A	Available in each town but it is not functionality of the municipality.
Reservoirs	N/A	N/A
Sports Fields:	7	Increase rate of Crime.

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

None

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

The Section 71 reports were submitted on time and there were no returns.

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

<b>National and provincial outcomes for local government</b>		
<b>Outcome/output</b>	<b>Progress to date</b>	<b>Number or percentage achieved</b>

<p>Output: Improving access to basic services</p>	<p>On basic service delivery, the municipality managed to collect all refuse removal weekly in all our areas including informal settlements. One of the major challenge remaining is the bad conditions of our municipal roads</p> <p>The other challenge is the water problem in Jagersfontein and particularly in Fauresmith. The ageing infrastructure in all our towns. The bulk water project for Jagersfontein and Fauresmith phase1 is completed, the municipality and Department of Water Affairs (DWA) were busy with the second phase which was completed in December 2014</p> <p>A total of 95 electrifications were planned and completed in Trompsburg, for financial year 2013/2014.</p> <p>Under EPWP the municipality was able to fence cemeteries in Reddersburg, Edenburg, Trompsburg, and Philippolis and completed the renovations of community halls in Philippolis, Trompsburg, Springfontein, and Bethulie with the limited resources that we are having.</p> <p>On roads the municipality has managed to complete 4km paved access road, 2km in Philippolis and 2km in Edenburg.</p>	<p>90%</p>
<p>Output: Implementation of the community work programme</p>	<p>CDW are employed in 7 wards, they are fully functional, They report to the office of the Speaker and Premier`s office and they have monthly programmes. There is a shortage of 2 CDW`s in Philippolis and Gariep Dam, submission has been made to the DG in the office of the premier, the municipality is waiting for the advertisement of the post.</p>	<p>75%</p>
<p>Output: Deepen democracy through a refined Ward Committee model</p>	<p>The office of the speaker has developed a programme of action with the sole purpose of deepening democracy through public participation and ward committees played a vital role in the implementation of the programme, all nine towns of Kopanong were reached and people without ID`s, birth certificate, marriage certificate and registration of children were assisted .</p>	<p>90%</p>