

MUSINA LOCAL MUNICIPALITY

2013-14 ANNUAL PERFORMANCE REPORT



CATEGORY OF MUNICIPALITY

Grade 03 Local Municipality

REGISTERED OFFICE

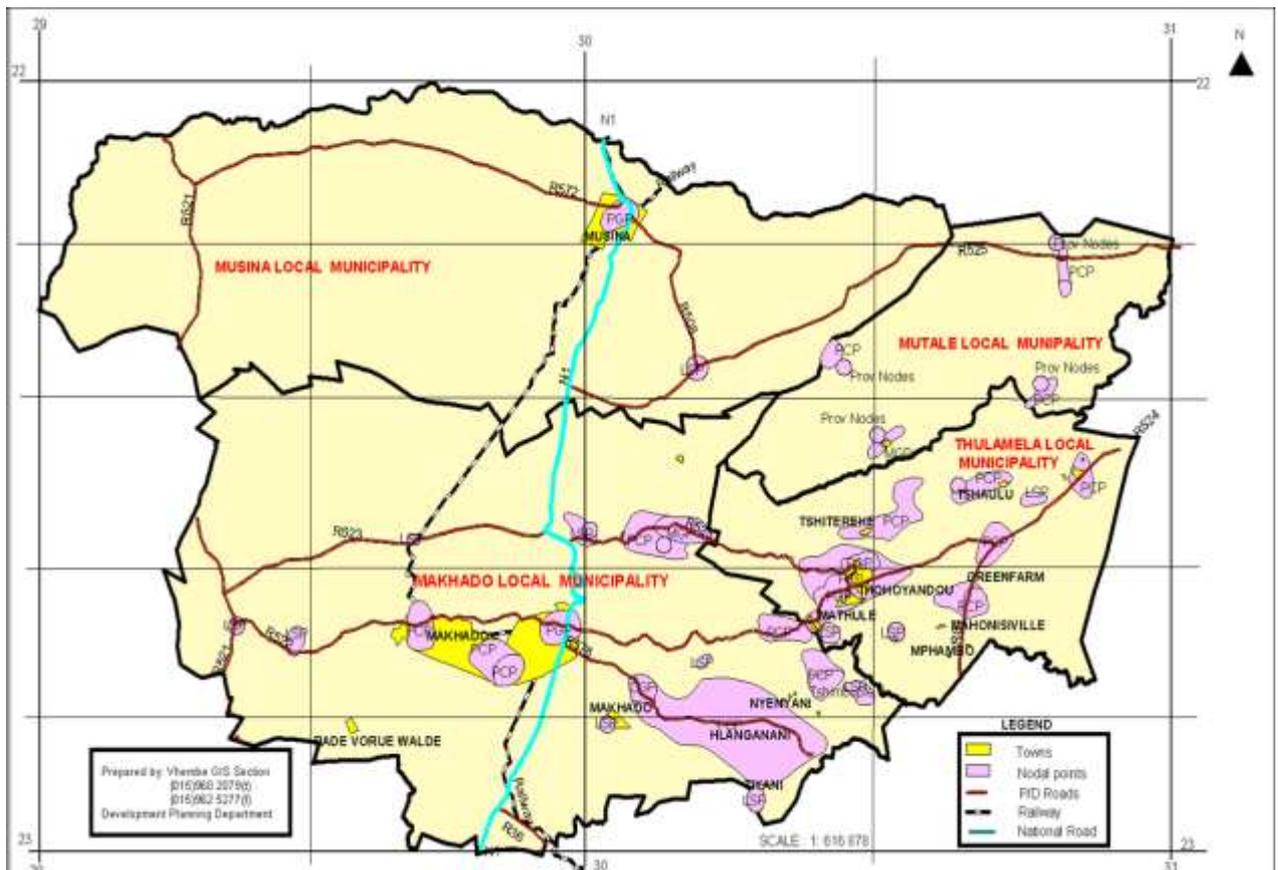
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BANKERS

ABSA Bank



VISION

To be the vibrant, viable and sustainable gateway city to the rest of Africa

MISSION

The vehicle of affordable quality services and stability through socio economic development and collective leadership

MUNICIPALITY'S BROAD OBJECTIVES

- The Municipality's strategies seek to achieve the following broad objectives:
- To deliver basic services to communities in a sustainable manner in the quest to create a better life for all,
- To create an environment for local economic growth and job creation, focusing on the competitive advantages of the Municipality.
- To provide responsible and accountable political and administrative leadership to local communities,
- To mobilize the broadest section of the local communities behind the Municipality's endeavours to develop communities with other government departments, public institutions, private sector, NGO"s and CBO"s as the Municipality's critical partners.

OVERVIEW OF THE MUNICIPALITY

1.1 MUSINA LOCAL MUNICIPALITY

Musina local municipality was established in terms of the Municipal Structures Act, 117 of 1998, which provides for the establishment of municipalities, their categories, competencies, powers and functions. Musina local municipality is a category 3 plenary Council consisting of 12 Councillors, 6 ward councillors and 6 proportional representatives.

Musina Local Municipality falls within the Vhembe District Municipality, which is made up of four local municipalities, namely Musina, Makhado, Thulamela and Mutale, of which Musina Local Municipality is bounded by Makhado Local Municipality to the South and Mutale local Municipality to the east. Musina is also bounded in the South West by the Local Municipality of Blouberg which falls within the Capricorn District Municipality. Musina Local Municipality is located in the very North of the Limpopo Province, bordering Botswana and Zimbabwe. Musina Local Municipality covers an area of approximately 757 829 ha that extends from the confluence of the Mogalakwena and Limpopo rivers in the West to the confluence of the Nwanedi and Limpopo rivers in the East and from Tshipise and Mopane in the South to Botswana/Zimbabwe borders in the North. The municipal area consists mainly of commercial farms and only 0.08% of the total area is urban in nature.

The spatial structure of the municipality falls within the second order settlement as depicted by the hierarchy as contained in the Spatial Rational and therefore the spatial framework is aligned to the NSDP, ASGISA and the LEGDP. The settlement hierarchy of Musina municipality as per the spatial rationale is as follows:

1.2 POWERS AND FUNCTIONS

The powers and functions were assigned to Musina local municipality in accordance with Section 156 of the Constitution and all Section 84(2) of the Structures Act together with Section 85 adjustments to Musina local municipality on Waste, Roads, Cemeteries, Tourism and public works.

- a) The facilitation for the provision and maintenance of child care facilities.
- b) Development of local tourism.
- c) Municipal planning, municipal roads
- d) Municipal public transport.
- e) Municipal public works relating to the municipality's functions.
- f) Administer trading regulations.
- g) Administer billboards and display of advertisements in public areas.
- h) Administer cemeteries, funeral parlours and crematoria.
- i) Cleansing.
- j) Control of public nuisances.
- k) Control of undertakings that sell liquor to the public.
- l) Ensure the provision of facilities for the accommodation, care and burial of animals.
- m) Fencing and fences.
- n) Licensing of dogs.
- o) Licensing and control of undertakings that sell food to the public.
- p) Administer and maintenance of local amenities.
- q) Development and maintenance of local sport facilities.

- r) Develop and administer markets.
- s) Development and maintenance of municipal parks and recreation.
- t) Regulate noise pollution.
- u) Administer pounds.
- v) Development and maintenance of public places.
- w) Refuse removal, refuse dumps disposal.
- x) Administer street trading.
- y) The imposition and collection of taxes and surcharges on fees as related to the municipality functions.
- z) Receipt and allocation of grants made to the municipality.
 - aa) Imposition and collection of taxes, levies and duties as related to municipality function.
 - bb) Storm water management systems.
 - cc) Provision and maintenance of water and sanitation.
 - dd) Provision and maintenance of electricity



MAYOR: MUSINA LOCAL MUNICIPALITY
Cllr. M.E RAMOYADA

CHAPTER 1**FOREWORD BY THE MAYOR:**

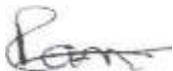
Mindful of the huge responsibility bestowed on us by the ruling African National Congress to build a better life for our people, we had vowed not to reduce the pace for delivery of quality service in Musina. Local government is the sphere of government closest to its constituency, thus the pulse and beat of our people in response to the performance or lack thereof of the local sphere of government or any other sphere is felt almost immediately. Our government promotes accountability to our communities, interested and affected parties, further both the Municipal Systems Act and Municipal Finance Management Act entrenches a responsibility to annually account on the performance of the municipality.

The Annual Performance Report is one such instrument that paints a picture of the level and standard of performance of the municipality for the year under review. It is against the above backdrop that we have in accordance with Section 46 of the Municipal Systems Act of 2000 prepared and submit an annual performance report accompanied by the annual financial statements of the municipality.

The purpose of which is to at a high level record activities of the municipality during the 2013 / 2014 financial year. The development of the Annual Performance Report is a product of a dedicated team of councillors, administration and the input and suggestions from the community. As usual, we took a conscious decision to work together with our people to map out ways of practically addressing their plight and thus build better communities.

This annual report informs our stakeholders about the number of projects that were successfully completed during the 2013/2014 financial year including challenges that we encountered in executing the strategic objectives for the year. A comprehensive overview of all projects is contained in this document.

Through this report, we had made significant progress to demonstrate our commitment to bring a better life to all the people of Musina. I am proud to record and comment on the highest level of partnership and collaboration we have forged with our community structures, private and the public sector. For the year under review we have witnessed direct support from the private sector institute who invested in the development of municipal infrastructure critical for societal use and furthering economic development objectives of the municipality



MAYOR**Cllr ME Ramoyada**

1.2. MUNICIPAL MANAGER'S OVERVIEW

The municipality is entrusted with a responsibility to administer municipal affairs in the interest of the local community. For the 2013/2014 financial year our communities have through various public participation programmes pronounced on the development mandate to be pursued by the municipality as translated in the Integrated Development Plan for the year under review.

The 2013/2014 Annual Performance Report thus give account of how we fared in pursuit of the set objectives. The Local Government Strategic Agenda sets performance areas that municipalities must strive to deliver on including Institutional Transformation and Development, Good Governance and Public Participation, Municipal Financial Viability, Basic Service Delivery and Spatial Rational.

Within the context of various administrative challenges, I am pleased to report that the 2013/2014 financial year was another successful year. We have as a governance measure improved our financial and non-financial performance, to this end we have seen a substantial decrease in matter of qualifications and emphasis raised by the office of Auditor General.

We have improved the administrative capabilities through training, recruitment of suitably qualified personnel and improvement of our operating systems and control measures.

As a departure from prior year's norms we have propelled the pace of maintenance on municipal infrastructure and extension / improvement of municipal services to this end we have acquired major plant and equipment to improve on our turnaround time.

Our Integrated Development Plan, Budget and Service Delivery & Budget Implementation Plan continues to be people and development driven. During the financial year under review, our key challenges were regarding resource limitations with key vacant staff, and other financial and resource constraints. We however, managed to fill posts quickly and have creatively continued with implementation of our plans despite any resource challenges experienced.

Thanks to a supportive and coherent council and an administrative component, we look to achieve even more in the coming years.



JM MATSHIVHA

Municipal Manager

1.3. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

CHAPTER 2: GOVERNANCE 2.1 PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.1.1 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Key to the accountability processes in terms of both the Structures and the Systems Acts is the facilitation and implementation of the following forums:

- Quarterly Community report back meetings by Ward Councillors
- Quarterly Mayoral Imbizo's
- Ward Committee monthly assessment meetings
- Annual Mayoral Address
- Half year Progress Report by the Mayor
- Annual IDP/Budget community and focused groups' consultation meetings

2.1.2 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The IDP representative forum is chaired by the Mayor and the stakeholders are:

- Councillors,
- Ward committees,
- Organised labour,
- Community based organisations,
- Nongovernmental organisations,
- Sector departments,
- Parastatals,
- Organised business organisations,
- Farmer's organisations.

The meetings of the IDP representatives forum is held once in every phase of the IDP namely: Preparatory, Analysis, Strategies, Projects, Integration and Approval and we do quarterly reports on our performance based on the SDBIP to all IDP representatives' forum meetings. The stakeholders agreed to have the meetings in the evening to accommodate other stakeholders who are employed and further that the timing of the IDP compilation is regulated by the Municipal Systems Act on when it commences and its ending period. Presently in our data base and based on attendance registers of our meetings we usually have more than 100 stakeholders' representatives attending our meetings. Members of the IDP Representatives Forum will be encouraged and urged to hold consultative and feedbacks meetings with the structures and constituencies they represent in order to get

their inputs and communicate feedback reports from IDP Representatives Forum for further mandate.

		
<p>Councillor F Mafela (ANC) Ward 1</p>	<p>Councillor S Phiri (ANC) Ward 2</p>	<p>Councillor SFL Ndhlovu (Chief whip – ANC – Ward 3)</p>
		
<p>Councillor LB Ndou (ANC) Ward 4</p>	<p>Councillor GL Milanzi (ANC) Ward 5</p>	<p>Councillor JC Kaunda (ANC) Ward 6</p>
		
<p>Councillor ME Ramoyada (PR – ANC)</p>	<p>Councillor CM Phiri (PR - ANC)</p>	<p>Councillor – ES SHirelele (PR - ANC)</p>

		
Councillor P Tlou (PR - COPE)	Councillor G Mavhungu (PR – ACDP))	Councillor M Masindi (PR PAC)

2.1.3 COUNCILLORS

INTRODUCTION TO GOVERNANCE

The municipality has key governance structures in place to ensure that adequate internal mechanisms are employed to facilitate good governance.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

POLITICAL GOVERNANCE

EXECUTIVE AND COUNCIL

This component includes: Executive office (Mayor, Councillors, and Municipal Manager)

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Musina governance structure comprises of the Council, Mayor and General Managers. Table 1.1 outlines and responsibilities, oversight and accountability of each structure.

Table 1.1 Governance Structure Musina

STRUCTURE	RESPONSIBLE FOR	OVERSIGHT OVER	ACCOUNTABLE TO
Council	Approve policies and budget	Mayor, Audit committee	Community
Mayor	Policies, budget, outcomes, management and oversight over Manager	Municipality Manager	Council
Municipal Manager	Outputs and implementation	The administration	Mayor
CFO and EMT	Outputs and implementation	Financial management and operational functions	Municipal Manager

The Musina Council is constituted by 12 elected Councillors; 6 Councillors are ward representatives and 6 represent their political parties on a proportional basis. The parties in Council are illustrated in table 1.2

PARTY	Total seats (2011 / 2016)	Ward seats	PR seats
ANC	9	6	3
COPE	1	0	1
PAC	1	0	1
ACDP	1	0	1

The work of the Council is coordinated by Mayor who is elected by Council. The mayor is assisted by Councillors in performing her duties.

The administration is headed by the Municipal Manager as the Chief Accounting Officer. The Municipal Manager is further responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration as well as the management of the provision service in a sustainable and equitable manner within the municipality. The administration is made up of the following directorates headed by Executive Management Teams: Finance, Corporate Services, Community Services, Technical and Economic Development and Planning.

Key Milestones of the Council for 2013/2014

- Facilitated community involvement in planning processes including IDP and budget
- Appointment of Section 56 Managers – Municipal Manager and General Manager:
EDP

Employees: The Executive and Council – Municipal Manager					
Job Level	2012/2013	2013/14			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		No.	No.	No.	%
Councillors	12	12	12	0	0%
Sect 57	4	6	4	2	33%
0 - 3	4	4	4	0	0%
4 - 6	0	11	4	7	64%
7 - 9	3	13	11	2	15%
10 - 12	3	3	3	0	0%
13 - 15	0	12	12	0	0%
Total	27	61	50	11	18%

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

The following committees of Council are in place:

- Oversight Committee (MPAC)
- Finance Committee
- Local Labour Forum
- Events Committee
- Audit & Performance Committee

Part-time councillors are chairpersons of the committees.

A Municipal Council comprising of 12 councillors for the 2011/2016 term of Council is in place and established in accordance with the Municipal Structures Act.

Council established and elected councillors to serve on portfolio committees in accordance with the Municipal Structures Act.

Local Labour Forum	Councillor LB Ndou (Chairperson)
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	Mayor ME Ramoyada
	Councillor JC Kaunda
Finance Committee	Councillor G Milanzi (Chairperson)
	Councillor P Tlou
	Councillor CM Phiri
Events Committee	Councillor JC Kaunda (Chairperson)
	Councillor G Mavhungu
	Councillor M Ramoyada
Municipal Public Accounts Committee (MPAC)	Councillors ES Shirilele (Chairperson)
	Mayor ME Ramoyada
	Councillor G Phiri
	Councillor EE Khoza

	Portfolios	Responsible Councillors
Community Services	Sports, Arts and Culture	Councillor EE Khoza Councillor LB Ndou Councillor G Phiri (Chair)
	Health and education	
	Housing Unit / Allocation	
	Disaster Management	
	Safety and Security	
	Transport	
Technical Department	Planning	Councillor F Mafela (Chair)
	Housing and Electricity	Councillor P Tlou
	Roads, water and Sewerage	Councillor JC Kaunda

Finance Department	Finance Committee	Councillor GN Milanzi (Chairperson of Finance Committee)
Corporate Services	Administration	Councillor LB Ndou (Chairperson of LLF for 2012 2013 FY)
	Land and Traditional Affairs	
Corporate Services Sub committees	Local Labour Forum	
IDP and LED	Tourism	Mayor ME Ramoyada (Chairperson)
	Marketing	Councillor G Mavhungu
	Development	Councillor EE Khoza
Special Programmes	Youth	Councillor CM Phiri
	Disability	
	Gender	Councillor G Mavhungu
	Senior Citizens	

Council established the positions of Mayor and Chief Whip as fulltime office bearers.

Public Participation

The municipality in compliance to the Constitution of the Republic of South Africa and other legislations governing local government annually prioritizes the involvement of local communities in the planning and execution of the municipal programmes. Such involvement takes the following shape, community Izimbizo, Annual Report Consultative Meetings, IDP/Budget

WARD	DATE	VENUE	TIME
1	03/05/2014	Madimbo Primary School	12H00
2	29/04/2014	Matswale Clinic	17H00
3	13/04/2014	Nancefield Ext.1	14H00

4	24/04/2014	Nancefield boardroom	17H00
5	15/04/2014	Renaissance Secondary School sports ground	17H00
6	23/04/2014	Harper Community Hall	17H00
Business Forum	30 April 2014	Agricultural hall(showgrounds)	17H00

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The public meetings were very effective because they gave a good understanding to the communities on how government operates. This is because during those meetings, sector departments were also invited to render services to the communities. After getting inputs from the communities, these meetings also helped the municipality in planning and implementing projects, taking into consideration the needs of the society.

Council Meetings

Musina Local Municipality has adopted a schedule detailing all the meetings of the Council starting from the meetings by management, portfolio committee, and ultimately council itself. Such meetings took place as planned and it was only where there were serious clashes of dates that a shift was negotiated. For the financial year 2013/2014 all the council meetings were held as planned.

22 July 2013	Special
29 August 2013	Ordinary
20 November 2013	Ordinary
23 January 2014	Ordinary
11 February 2014	Special
25 February 2014	Special
27 March 2014	Ordinary
11 April 2014	Special
29 May 2014	Ordinary
30 June 2014	Special

Ward Committee meetings and Ward Committee Establishment.

The municipality has established Ward Committees in all 6 Wards. All Ward Committees are functional and meet frequently and are administratively supported from the Office of the Mayor.

Payment of stipends to the Ward Committees were implemented in the 2012 /2013 Financial Year.

IDP STEERING COMMITTEE MEETINGS HELD AS FOLLOWS:

- a) 8 August 2012
- b) 3 September 2012
- c) 24 October 2012
- d) 9 January 2013

The final IDP/Budget document was adopted by the Council on the 31 May 2012.

2.1.4 IDP PARTICIPATION AND ALIGNMENT

Integrated Development Plan (Review and Implementation)

The development and review of the integrated development plan for the financial year 2012/2013 was done internally through the involvement of the IDP/Budget steering committee and council. Communities and interested stakeholders were consulted on the formulation of IDP/Budget priorities and setting of targets. To consolidate community and stakeholder consultations, meetings were held as per the approved Process Plan.

IDP REPRESENTATIVE FORUM MEETINGS 2013 / 2014		
14 August 2013	Nancefield Board Room	90 attended
11 September 2013	Nancefield Board Room	69 attended
06 November 2013	Nancefield Board Room	85
05 February 2014	Nancefield Board Room	67

IDP STEERING COMMITTEE MEETINGS HELD AS FOLLOWS:

- 05 August 2013
- 04 September 2013
- 16 October 2013
- 13 November 2013
- 08 January 2014
- 12 February 2014
- 14 May 2014

The final IDP/Budget document was adopted by the Council on the 27 May 2014.

2.1.4 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes

Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

Performance Management System

All Section 56 and 57 Managers signed performance agreements and Performance Plans. Progress review of the service delivery and budget implementation plan was done on a quarterly basis the council. No performance bonuses were paid.

2.2 CORPORATE GOVERNANCE

Administrative Governance Structures.

The municipality established administration in accordance with the provisions of both the Municipal Structures Act and Municipal Systems Act with the Municipal Manager as head of administration and accounting officer. The following administrative structures were established to bolster good governance:

- a) Local Labour Forum
- b) Supply Chain Management Committees:
 - Bid Specifications Committee
 - Bid Evaluations Committee
 - Bid Adjudication Committee
- c) Budget & IDP Steering Committee
- d) Finance Committee
- e) Audit and Performance Committee

Audit functions

During the year under review the municipality shared the service of an Audit and Performance Committee with Vhembe District Municipality. The purpose of the Audit and Performance Committee is to monitor oversight, quality assurance and compliance enforcement roles. The municipality has an Internal Audit unit which report administratively to the Municipal manager and functionally to the Audit and Performance Committee.

During the year under review, the Audit and Performance Committee held the meetings as follows:

28 August 2013	Musina Civic Centre	14 attended
29 November 2013	Musina Civic Centre	10 attended
20 January 2014	Musina Civic Centre	14 attended
25 June 2014	Musina Civic Centre	14 attended

INTER-GOVERNMENTAL RELATIONS

The municipality participates in various intergovernmental structures locally, at a district level and even at a provincial level. Locally structures of intergovernmental relations include the water sector forum, roads and transport forum, energy forum, local economic development forum, and disaster management forum. Various sector departments and relevant stakeholders are the main participants in the activities of such forums.

In the district the municipality partakes in the district IDP Managers forum, CFO's forum, Municipal Managers Forum, District Speakers and Mayors forum and the District Internal Auditors' forum. In the province the municipality participates in the Premier-Mayors" forum, provincial municipal managers" forum as well as the Provincial Planning and Development Forum.

Further, the municipality hosts an intergovernmental stakeholder meeting on Migrant Health Forum.

BY-LAWS

The MSA 2000 S11 (3) (m) provides municipal councils with the legislative authority to pass and implement bylaws for the betterment of the community within the terms of the legislation.

The municipality has by-laws in place. However, enforcement thereof remains a challenge. There is a need, moreover, to raise public education and awareness to ensure easy compliance and enforcement of approved by-laws. Through by-laws, the municipality must, in future, regulate other critical areas that remain unregulated currently to curb un-favourable practices and to protect the interests of residents, business, environment and the state.

The Municipality identified a number of By Laws to be reviewed also to be drafted with the assistance of Coghsta. The major challenge on By-Law development relates to inadequate budget to can facilitate the drafting, public participation and gazetting of by-laws. By-laws are critical in the maintenance of public order, enforcement of council objectives and administration of municipal affairs. The development and application of municipal by-laws enhances financial viability and provides mechanisms for recourse on violation of council policies.

2.2.2 RISK MANAGEMENT

In terms of section 62 1(c) of the MFMA a municipality should have and maintain an effective, efficient and transparent system of risk management. During the year under review the risk unit was fully operational with a risk committee appointed and in place to

oversee its functions. A risk officer was appointed during the financial year to increase capacity within the unit.

The risk unit reviewed and updated the risk management policy. Strategic and operational risk registers were compiled and progress on risk management efforts was reported to the risk management committee on a quarterly basis. The quarterly risk management report were also served in audit committee meetings.

2.2.3 FRAUD AND ANTI-CORRUPTION

Musina local municipality currently shares the anti-fraud and corruption hotline with the Vhembe district municipality along with some of the municipalities within the district. The presidential and premier hotline cases were also forwarded to the risk management unit for investigation and reporting.

2.2.4 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

- The council has adopted a SCM policy in terms of SCM regulation 3.
- The SCM unit consists of two full time staff; two positions (Manager and Accountant SCM).
- A report on the implementation of the SCM policy is presented to the Mayor on a quarterly basis.
- Needs assessments are undertaken for each acquisition and preferential policy objectives identified.
- Threshold values in the SCM policy are aligned with values stipulated in regulation 12.
- Municipal bid documents comply with MFMA circular 25.
- Records of tenders and all other bids received and awards made.
- All bid committees were established and appointed by the Accounting officer.
- Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT)

INTRODUCTION

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

Proportion of Households with minimum level of Basic services					
	2009/10	2010/11	2011/12	2012/13	2013 / 14
Electricity service connections	95.4%	95%	88.7%	89.9 %	91%
Water - available within 200 m from dwelling	98.8%	100.00%	100.00%	100 %	86%
Sanitation - Households with at least VIP service	98.8%	98.8%	98.8%	100 %	86%
Waste collection - kerbside collection once a week	98.8%	98.8%	98.8%	98.8 %	94%

3.1 WATER PROVISION

INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005. Musina Local Municipality is not a Water Services Authority (W.S.A.) but a Water Services Provider (W.S.P.). In the rural areas Vhembe District Municipality provides the Infrastructure and Musina does the provision. In the urban areas Musina does the extraction, purification, reticulation and billing and also connect all new customers.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2010/11	0	0	994 810	3 479 619	490 771
2011/12	0	0	1 260 936	3 992 964	472 851
2012/13	0	0	1 379 820	3 927 180	371 490
2013/14	0	0	2 770 020	2 665 308	231 1272
					T3.1.2

COMMENT ON WATER USE BY SECTOR:

Musina Local Municipality does not supply any water to Agriculture or forestry but only to Industrial/Commercial and Domestic.

3.1 WASTE WATER (SANITATION) PROVISION**INTRODUCTION TO SANITATION PROVISION**

Musina Local Municipality is a WSP and Vhembe District Municipality the W.S..A.

In the rural and urban areas Vhembe District Municipality provides the infrastructure and Musina Local Municipality does the operation. All households have basic access and 82% are on a high level of service.

Water Service Delivery Levels					
Description	Households				
	2009/10	2010/11	2011/12	2012/13	2013/14
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<u>Water: (above min level)</u>					
Piped water inside dwelling	7710	7814	7991	8108	15144
Piped water inside yard (but not in dwelling)	0	0	0	0	0
Using public tap (stand pipes)	1548	1837	1837	1837	2478
Other water supply (within 200m)					
<i>Minimum Service Level and Above sub-total</i>	9258	9651	9828	9945	17622
<i>Minimum Service Level and Above Percentage</i>	98.8%	100%	100%	100%	86%
<u>Water: (below min level)</u>					
Using public tap (more than 200m from dwelling)					1059
Other water supply (more than 200m from dwelling)	116				250
No water supply					
<i>Below Minimum Service Level</i>	116				1182

<i>sub-total</i>					
<i>Below Minimum Service Level</i>					
<i>Percentage</i>	1,2%				
Total number of households*	9374	9651	9828	9945	18804
* - To include informal settlements	T3.1.3				

Households					
Description	2010/11	2011/12	2011/12	2012/13	2013/14
	Actual No.	Actual No.	Original Budget	Original Budget	Original Budget
Formal Settlements					
Total households	9651	9828	9828	9945	18804
Households below minimum service level	0	0	0	0	1182
Proportion of households below minimum service level	0%	0%	0%	0 %	6.3%
Informal Settlements					
Total households	0	0	0	0	0
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0	0	0

3.2 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Musina Local Municipality strives very hard to maintain a clean environment. EPWP workers clean across the streets of the three CBDs. In addition, waste is collected weekly from the doorsteps of the residents. Last year, 95 % solid waste was collected on time. Community participation is paramount in this regard. Public awareness and cleaning campaigns are organized on a regular basis in order to promote cleanliness. A total of 10 awareness campaigns and 1 cleaning campaign, were undertaken last year.

Description	2010/11	2011/12	2012/13	2013/14	
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	Actual No.	Actual No.	Actual No.	Actual No.	
Formal Settlements					
Total households	9651	9828	9945	18804	
Households below minimum service level	116	116	116	290	
Proportion of households below minimum service level	1,2%	1,2%	1.2 %	1.4 %	
Informal Settlements					
Total households	0	0	0	0	
Households below minimum service level	0	0	0	0	
Proportion of households below minimum service level	0%	0%	0 %	0%	

Households					
Description	2009/10	2010/11	2011/12	2012/13	2013/14
	Actual No.				
<u>Solid Waste Removal: (Minimum level)</u>					18804
Removed at least once a week					
<i>Minimum Service Level and Above sub-total</i>	9535	9712	9712	9829	14183
<i>Minimum Service Level and Above percentage</i>	98.8%	98.8%	98.8%	98.8 %	94 %
<u>Solid Waste Removal: (Below minimum level)</u>					290
Other rubbish disposal					95

No rubbish disposal	116	116	116	116	2171
<i>Below Minimum Service Level</i>				116	290
<i>sub-total</i>	116	116	116		
<i>Below Minimum Service Level</i>					
<i>percentage</i>	1.2%	1.2%	1.2%	1.2 %	1.4 %
5Total number of households	9651	9828	9828	9945	20042

Employees: Solid Waste Management Services					
Job Level	2012/2013	2013/14			
	Employees	Posts	Employees	Vacancies	Variance
		No.	No.	No.	%
0 – 3	0	1	1	0	
4 – 6	0	2	1	1	
7 – 9	0	3	0	3	
10 - 12	3	8	2	6	
13 - 15	41	49	42	7	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	44	63	46	17	100%

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Musina Local Municipality is licenced for electrical distribution in urban areas and Eskom is responsible for reticulation in the rural areas. All households in the Musina Town and Township has access to electricity, for the year under review we have rolled out major network upgrades at various extensions. Extension of the service in the rural area at a rate equivalent to actual development in the area remains a challenge.

Electricity Service Delivery Levels

Description	2009/10	2010/11	2011/12	2012/2013	2013 / 14
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Formal Settlements					
Total households	9374	9651	9828	9945	10727
Households below minimum service level	431	483	1112	1 013	1013
Proportion of households below minimum service level	4.6%	5.0%	11.3%	10.1 %	9.4%
Informal Settlements					
Total households	0	0	0	0	0
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level					

Employees: Electricity Services					
Job Level	2012/2013	2013/14			
	Employees	Posts	Employees	Vacancies	% Variance
	No.	No.	No.	No.	
0 – 3	1	1	1	0	
4 – 6	3	12	4	8	
7 – 9	0	27	0	27	
10 – 12	2	4	2	2	
13 – 15	57	32	28	4	
16 – 18	0	0	0	0	
19 – 20	0	0	0	0	
Total	63	76	35	41	

3.4 HOUSING

Employees: Housing Services / Community					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies	Variance
	No.	No.	No.	No.	No.
0 – 3	4	5	5	0	
4 – 6	10	22	15	7	
7 – 9	44	40	22	18	
10 – 12	1	4	0	4	
13 – 15	4	12	12	0	
16 – 18	0	0	0	0	
19 – 20	0	0	0	0	
Total	63	83	54	29	

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Musina Local Municipality only facilitates and provide housing beneficiary lists to Coghsta. We have applied and submitted for both disaster and emergency houses to the Department of Local Government and Housing. No houses were allocated for the required housing programmes

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO ROAD TRANSPORT

3.5 ROADS

INTRODUCTION TO ROADS

Musina Local Municipality has a severe shortage in the budget to maintain roads. Until the financial resources are available the maintenance will be insufficient.

Employees: Roads and Other					
Post Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies	Variance
	No.	No.	No.	No.	No.
1 - 3	2	1	0	1	
4 - 6	1	3	0	3	

7 - 9	0	2	0	2	
10 - 12	3	30	3	27	
Minimum	9	54	54	0	
Total	15	90	57	33	

Gravel Road Infrastructure					Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt	Gravel roads graded /maintained	
2010/11	25	1	0	4	
2011/12	25	0	1	1	
2012/13	25	0	0	1	
2013/14	25	0	1	2	
					T3.7.2

Asphalted Road Infrastructure						Kilometres
	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained	
2009/10	76	2	0	0	1	
2010/11	76	0	1	1	1	
2011/12	77	0	5	1	1	
2012/13	77	0	0	0	0	
2013/14	77	0	6	0	2	
						T3.7.3

Employees: Project/ water and Technical service

Post Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies	Variance
	No.	No.	No.	No.	No.
1 - 3	2	4	2	2	
4 - 6	1	12	4	8	
7 - 9	0	3	0	3	
10 - 12	3	2	2	0	
Minimum	9	39	39	0	
Total	15	60	47	13	

COMMENT ON THE PERFORMANCE OF ROADS AND OTHER OVERALL:

The performance is not satisfactory, due to inadequate finances for infrastructure maintenance. No provision could be made from own funds for a number of years.

LIST CHALLENGES

- a). Lack of long term maintenance plan.
- b). Ageing road infrastructure

3.6 COMPONENT D: COMMUNITY & SOCIAL SERVICES

Community Services is a department that deals with Housing, Library Services, Disaster Management, Licensing and Traffic Law Enforcement Services.

Below is a summary of recorded performance:

LICENSING

Driving Licenses Testing Centre

Total numbers of Driving Licenses tested	-720
Total number of PRDP issued	-720
Total number of Leaners licenses tested	-1789

Vehicle Testing Station

Roadworthy tests conducted	-140
Roadworthy vehicles tested	-93

Registration Authority

Total Vehicle license disc and renewal issued	-2501
Total motor vehicle registered	-920
Total police clearance forms issued	-38
Application of roadworthy certificate	-140
Certification of roadworthiness issued	-122

Challenges

- a).The main challenge was shortage of examiners, however same has been addressed.
- b). The VTS started operating in April 2013 which is the fourth quarter of 2013/2014 financial year.
- b). Shortage of two Licensing officers

TRAFFIC

Total number of traffic issued	-1778
Total number of scholar patrol	-46
Total number of road safety campaigns	-12
Total number of funeral escorts	-34
Total number of point duty conducted	-80
Speed law enforcement conducted	-14
Total number of joint operations conducted	-18
Total number of internal road blocks conducted	-12
Total number of vehicles stopped and inspected	-2947

Challenges

The challenges encountered during the financial year are as follows:

- Lighting
- Competency training for traffic officers
- Road markings and signage
- Procurement of proper uniform
- Lack of vehicles
- Career planning for officers
- Progression of traffic officers
- Traffic Control centre

Comments

As a municipality we dedicated ourselves in giving efficient service delivery in and outside the CBD. Municipal Law enforcement contributes to broader traffic law enforcement interventions in collaboration with other dedicated agencies.

LIBRARY SERVICES

The municipality makes provision of library and information to the community, it also provides guidance and assistance to schools around its jurisdictional area. The municipality has got two functional libraries, one in town and another one at Nancefield area.

In 2013/14 financial year the municipality has issued 66 membership, of which the majority are of affiliates were adults people.

3.7 CEMETERIES

Musina Local Municipality is in the process of procuring additional land at the Nancefield Cemetery, which has reached its full capacity. Musina Local Municipality has two cemeteries located in town, each of the 5 villages has their own cemetery.

3.8 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The municipality mainly plays a facilitation role in the child care, aged care and social programme through our special programmes unit. For the year under review a dedicated municipal unit was established to coordinate special programmes initiatives in collaboration with other internal and external stakeholders.

Other than the facilitation role that we played we have championed specific youth, gender, disability, HIV/AIDS and senior citizens programmes. We have added a strong advocacy voice aimed at improving the plight of focus groups.

3.9 MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE

Municipal Infrastructure Grant (MIG)* Expenditure 2013/14 on Service backlogs						
						R' 000
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Madimbo construction of market place	R 3 100 000.00	R0.00	R2 994 453.30	R 3 100 000.00	R0.00	Conditions Met
Nancefield ext 5 renovation of Sport Centre	R 5 101 000.00	R0.0	R 4 961 724.00	R 5 101 000.00	R0.00	Conditions Met
Nance/field ext 7 Thusong Centre	R 2 243 000.00	R0.0	R 2 090 025.70	R 2 243 000.00	R0.00	Conditions Met
Nancefield ext 8 market place	R 3 100 000.00	R0.0	R 3 179 980.30	R 3 100 000.00	R0.00	Conditions met
Nancefield ext 8 construction of new park	R 3 200 000.00	R0.0	R 3 065 795.60	R 3 200 000.00	R0.0	Conditions met
Total	R 16 844 000.00	R0.0	R 16 476 029.30	R 16 844 000.00	R0.00	Conditions Met

CHAPTER 4: LOCAL ECONOMIC DEVELOPMENT

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

For the 2013/2014 financial year the municipality has realised direct retail stores investments including the new mall, factory shop and expansion of the central business district.

Intermodal facilities

Developments are at an advanced stage to realise regional economic integration projects through Musina to Africa Strategic Supply Hub Initiative and the Eco Industrial Park which will propel further economic growth.

As a special economic zone Musina stands to increase its contribution to the provincial and national GDP arising from direct private and public investment ventures.

Musina Municipality and Musina town in particular also benefits from an advantageous strategic location in relation to the N1 and the Beitbridge and Pongorwa border posts. This creates opportunities for this locational benefit to be exploited and marketed to potential investors, in order to attract larger enterprises. Furthermore, by capitalizing on its location and improving its transport and logistics services to ensure the reliable movement of goods and services, the Municipality can reduce transaction costs for investors.

For the year under review the below mentioned projects were implemented by the municipality contributing to the local economic development in the affected area:

1. Madimbo Market Place,
2. Renovation of Nancefield Sport Centre Extension 5
3. Thusong Centre Nancefield Ext 7
4. Thusong Centre Nancefield Ext 8
5. Construction of Park in Nancefield Extension 8

The municipality was able to complete 2 of the projects in time with 100 % expenditure. The other two will be completed in September 2013.

Sector	2010/11	2011/12	2012/13	2013/14
	No.	No	No	No
Agric, forestry and fishing	54%	54%	54%	54%
Mining and quarrying	18%	18%	18%	18%
Manufacturing	5%	5%	5%	5%

Wholesale and retail trade	6%	6%	6%	6%
Finance, property, etc.	4%	4%	4%	4%
Govt, community and social services	23%	23%	23%	23%
Infrastructure services	2%	2%	2%	2%
Total				
SOURCE: STATS SA 2011 AND COMMUNITY SURVEY 2007.				

COMMENT ON LOCAL JOB OPPORTUNITIES:

The municipality has seen an increase in the number of jobs created mostly arising from the private sector role players.

One of the critical challenges in the creation of jobs is inadequate skills levels of the local job market as well as preferences mostly in the Agri sector in our area to employee foreign nationals for unskilled and semi-skilled work opportunities.

Jobs Created during 2013/14 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.	
2009/10	198	0	198	Implemented projects which are monitored by the LED section
2010/11	300	0	300	
2011/12	378	0	378	
2012/13	563	0	563	
2013/14	565	0	565	

Training of people in essential skills	Number of people trained (including retrained unskilled)
2010/11	315
2011/12	117
2012/13	280
2013/14	224

Employees: Local Economic Development Services					
Job Level	2012/2013	2013/14			
	Employees	Posts	Employees	Vacancies	Variance
		No.	No.	No.	No.
0 - 3	1	4	4	0	0
4 - 6	1	14	5	9	0
7 - 9	4	1	1	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	6	19	10	9	0

CHAPTER 5- ORGANIZATIONAL DEVELOPMENT PERFORMANCE

5. 1 HUMAN RESOURCE SERVICES

Human Resource

The Human Resource Division as a strategic partner in the Integrated Development and Planning (IDP) and its implementation, has managed to support all departments in implementing IDP objectives. The division, amongst other areas of support has played a role in administering staff provisioning, personnel maintenance, labour relation, training and development and organizational development during the financial year 2013/2014.

Staff Provisioning

In the financial year 2013/14, the Municipality filled a very key strategic position which has been vacant for a significant period of time. The position of General Manager Corporate Services will be filled 1st September 2014.

Organizational Structure

The Organizational Structure of the Municipality was reviewed and adopted in 2013/14 for implementation.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES AND ADMINISTRATION

Employees: Human Resource Services and Admin					
Job Level	2012/2013	2013/14			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No	No.	No.	No.	
0 - 3	2	3	2	1	33.3%
4 - 6	5	9	5	4	44.4%
7 - 9	3	7	7	0	0%
10 - 12	1	1	0	1	100%
13 - 15	12	12	11	1	8.33%
16 - 18	0	0	0	0	0%
Total	23	32	25	7	21.9%

Submission of Report the EE Report.

The Municipal Employment Equity Report was successfully submitted to the Department of Labour on the 14th January 2014 reporting for 2013.

Training and Development

The Municipality has managed to submit the Workplace Skills Plan (WSP) and Annual Training Report (ATR) to Local Government Sector Education Training Authority (LGSETA).

5.2 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Employees: ICT Services					
Job Level	2012/13	2013/14			
		Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No	No.	No.	No.	No.
0 - 3	1	1	1	0	0%
4 - 6	0	2	1	1	50%
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0

Total	1	3	2	1	33.3%
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Employees: Finance					
Job Level	2012/13	2013/14			
		Posts	Employees	Vacancies	Vacancies (as a % of total posts)
	No	No.	No.	No.	No.
0 - 3	1	7	7	0	0%
4 - 6	0	11	8	3	27.3%
7 - 9	0	32	22	10	31.3%
10 - 12	0	0	0	0	0%
13 - 15	0	11	11	0	0%
16 - 18	0	0	0	0	0%
Total	1	61	48	13	21.3%

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The Information Technology Unit is charged with a responsibility to acquire, operate and maintain information technology hard and software.

For the subsistence of the financial year the municipality has entered into a supply and maintenance contract for the computer hardware. We have played our role in website design and maintenance, further we have ensured a more reliable network connectivity and extended services to offsite facilities.

During the 13/14 the unit implemented a VOIP system which assisted in integrating data and voice systems including network connectivity extension to 2 offsite offices.

In implementing VOIP we have strengthened controls on telephone usage and curbed excess costs arising from a lack of internal controls.

To further strengthen controls we have embarked on in house regulatory processes to this end we have developed draft policies on ICT Governance which include a policy framework, user account management, internet use, password, change management and security policy.

New workstations and laptops have been leased to replace redundant hardware. A VoIP and network infrastructure solution has been implemented, improving the quality of the network and saving on call costs.

Specifications have been drafted for an Integrated Document Management System and the Bio-metric system has been finalized to project implementation

5.3 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Section is understaffed and as a result the target to review policies and by laws cannot always be reached.

Employees: Property; Legal, Risk and Procurement services					
Job Level	2012/13	2013/14			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		No.	No.	No.	%
0 – 3	1	3	3	0	0%
4 – 6	2	7	5	2	28.6%
7 – 9	0	6	4	2	33.3%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	3	16	12	4	1.6%

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

a).The 2012 to 2017 valuation roll as amended by the 2013 supplementary valuation was implemented.

b).The municipality has during the year under review facilitated transfer of land and registration of land and property with the applicable authority.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

During 2013 / 2014 a total of 40 positions were filled across all sections in the Municipality. Vacant positions were prioritised in order of urgency, financial performance and filled as such.

Employees					
Description	2012/2013	2013/2014			
	Employees	Posts	Employees	Total Vacancies	Vacancies (as a % of total posts)
	No.	No.	No.		
Water and sanitation	108	51	45	6	11.8%
Electricity	27	76	35	41	53.9%
Waste Management	44	63	46	17	26.9%
Tourism	2	2	2	0	0%
Municipal Manager and Council	24	61	50	11	18%
Technical	10	9	2	7	77%
Public Service –Civil	40	90	57	33	36.7%
Planning	1	7	2	5	71.4%
Local Economic Development	2	19	8	9	47.4%
Finance	33	61	48	13	21.3%
Corporate Services (HR)	4	8	5	3	4.7%
Corporate Services (Admin & Secretariat)	18	24	20	4	16.7%
Corporate Services (Legal)	1	3	3	0	0%
Corporate Services (ICT)	1	3	2	1	33.3%
Community Services (Traffic)	20	42	22	20	47.6%
Community Services (Licensing and Testing Services)	6	28	28	0	0%

Community Services (Housing)	5	6	3	3	50%
Community Services (Library)	1	7	1	6	%
Totals	347	556	377	179	%

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

No suspensions for 2013 2014

5.4 INJURIES, SICKNESS AND SUSPENSIONS

Sick leave is taken by an employee if he/she becomes ill. The Collective Agreement gives 90 days sick leave for every employee in a cycle but it is managed in terms of the Basic Conditions and Employment Act and IOD's are happening but nothing serious or death.

A total of 5 on injury on duty incidents were reported during the financial year under review but only 1 was finally processed and an operation was conducted on the employee. The municipality did not have any employee suspended and were recorded a total of 2042 days taken as sick leave on full pay and zero sick leave unpaid.

5.5 CAPACITATING THE MUNICIPAL WORKFORCE

Musina Local Municipality has Internal and External Study donations available every year for which employees can apply. Preference is given to Municipal related courses.

Budget:

External Study Donations:

Budget: (Internal Funding) ***R40 000.00*** Actual ***R43 809.15***

Private Funding

Internal Staff Training:

Budget: ***R 640 000*** Actual: ***R 1359 466.33***

Total Expenditure: R 1359 466.33

LGSETA Reimbursement: ***R00.00***

We intend to increase the budget in the next financial year. On minimum competency, we are placing four Senior Managers on for this financial year and we will put our Accountants with the next intake as we have applied for an extension. We have exceeded our budget by far. This amount excludes accommodation.

2013/2014

<i>Name of Program</i>	<i>Service Provider</i>	<i>Beneficiaries</i>	<i>Number of Beneficiaries</i>	<i>Gender</i>	
				<i>Male</i>	<i>Female</i>
Diploma In Management	SBS	Official	1		1
Supply Chain Management	SBS	Official	1		1
LGSETA coaching and assessing	Siyakhula Trust ETD Institute	Officials	7	5	2
Leave Module	Pay Day	Official	1		1
HR and Equity Modules	Pay Day	Official	1		1
Asset and Maintenance Management	University of Pretoria	Official	1		1
SDF Training	Exec prime	Official	1	1	
Public Sector Management	SBS	Councillor	1		1
Senior Leaders Development	Wits Business School	Councillors	2	1	1
Total			16	7	9

5. FINANCIAL PERFORMANCE

Refer to Annexure A containing audited financial statements which in the main reflects a fairly healthy financial position in view of the Auditor General's audit report for the year under review.

6. AUDITOR GENERAL AUDIT FINDINGS

Non-Compliance Issues	Remedial Action Taken
1. Quarterly reports not submitted to council within 30 day after the end of the quarter.	Quarterly reports were submitted to council.
2. 2010/11 annual report not tabled to council within seven months after the end of the financial year.	The Annual report was submitted to council.
3. The audit committee did not meet at least four	The Audit committee met 3 times during

times in a year.	this financial period however all Audit Committee meetings for 2013/2014 financial have been set.
4. Money owing by the municipality was not always paid within 30 days of receiving and invoice.	The Municipality is having cash flow problem and as such it's difficult to comply however the problem was at a minimal in the previous financial year.
5. The accounting officer did not take effective steps to avoid irregular and unauthorised expenditure.	The Municipality took all steps to ensure that UIF expenditure is avoided.
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
6. Planned development priorities, indicators and targets not reported in annual performance report.	Remedial actions were not met due to shortage of staff, There was no dedicated knowledge official working on Performance information. A senior Manager responsible for AOPO has since been appointed to ensure these recurring issues are cleared in the next financial year.
7. Performance targets not specific.	
8. Performance targets not measurable.	
9. Performance indicators not well defined.	
10. Performance indicators not verifiable.	
11. Performance targets not time bound.	A disclosure note will be populated in the 2013/2014 financial statement to acknowledge the court case.
12. Suppliers Not paid within 30 days.	Management will ensure better revenue collection to ensure cash flow problems are address to pay all creditors within 30 days as per MFMA acts.
13. Quotations not obtained for transaction for transactions higher than 30 000.	Manager supply chain has since been appointed to ensure smooth running of all supply chain processes.
14. PPPFA not applied when selecting service providers.	Management will ensure that supply chain processes are exhausted before appointing a supplier.
15. Competency of supply chain officials not assessed in a timely manner.	Supply chain officials are currently in a process of attending MFP training and

	supply chain management courses.
16. Fixed assets under insured.	Municipal assets are insured, it is impossible to insure assets to value equal to the Net book value of asset register as the Municipality cannot ensure certain classes of assets.
17. Debtors Not handed over.	Management will ensure that debtors not paying are handed over on a timorous basis as per the Bad debts policy.
18. Non Monitoring of distribution Losses on a Monthly basis.	A monthly report on distribution losses will be developed and all variances investigated.
19. Non-compliance with VAT act- Supplier invoice did not quote the Municipality's VAT NO.	Management will ensure that all invoices that are VAT inclusive have quoted the Municipal VAT registration Number.
20. Leave Not Approved.	All divisional Managers will ensure that leave is approved before employee goes on leave.
21. Employee's not working overtime more than 40 hours in a month.	An overtime register will be in place to ensure not employee works over time more than the prescribed period. The register will be signed by Divisional Managers on a monthly basis.
22. Appointing Consultants for Filled Post.	Management will ensure that an assessment is made to ensure if there is a need to appoint a service provider to provide a service for the Municipality.
23. No declarations By councillors.	Management will ensure councillors submit their declarations.
24. Supplier in which an employee has interest.	Before awarding, Management will investigate to ensure that employees do not have interest in the appointed supplier.
25. No HR plan in place.	Management is in a process of developing an HR Plan.
26. No road Management Infrastructure Policy in	A policy on road Management will be

place, No road Management Plan, No road asset Management.	developed.
27. Internal audit a). Internal Audit Did not Carry out its duties. b). Internal Audit did not audit PMS.	Internal audit has already tabled their audit plan for the 2013/2014 financial year and it was approved by the audit.
28. Audit Committee a).The audit committee did advice council on matters relating to review of financial statements and reported to council on matters raised by the auditors. b).The audit committee did not meet four times.	a).The audit committee will ensure that Council is advised of all issues raised by the Auditors. b).The audit committee's schedule of meetings has been approved and will ensure adherence to the dates.
29. Expired contracts.	Manager will put a plan in a place to review all contracts on a quarterly basis to ensure all expiring contracts are extended in time.
30. Fruitless and Wasteful expenditure not reported to MEC of local government, Mayor and Auditor General.	Management will ensure that Fruitless and wasteful expenditure is reported to all the relevant stakeholders as and when it occurs, However the Municipality will ensure that it's not incurred.
31. Unauthorised expenditure as a result of non-cash items not budgeted for.	Management will ensure that Adjustment budget is approved by council to account for non-cash items such as depreciation, Impairment and bad debts.
<i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance</i>	
32. Audit Committee 1. a) The audit committee did advice council on matters relating to review of financial statements	a) The audit committee will ensure that Council is advised of all issues raised

and reported to council on matters raised by the auditors. b) The audit committee did not meet four times.	by the Auditors. b) The audit committee's schedule of meetings has been approved and will ensure adherence to the dates.
33. Expired contracts.	Manager will put a plan in a place to review all contracts on a quarterly basis to ensure all expiring contracts are extended in time.
34. Fruitless and Wasteful expenditure not reported to MEC of local government, Mayor and Auditor General.	Management will ensure that Fruitless and wasteful expenditure is reported to all the relevant stakeholders as and when it occurs, However the Municipality will ensure that it's not incurred.
35. Unauthorised expenditure as a result of non-cash items not budgeted for.	Management will ensure that Adjustment budget is approved by council to account for non-cash items such as depreciation, Impairment and bad debts.
<i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i>	

7. AUDIT FINDINGS 2013/ 2014

AUDIT FINDINGS	REMEDIAL ACTIONS
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1. The internal Audit did not function as required by section 165 of the MFMA.	Appointment will be made in the current financial year to ensure that the internal audit function is on full capacity.
2. The audit committee did not advise the council and accounting officer on matters relating to compliance with legislation, as required by section 166(2) (a) (vii) of the MFMA.	Review of the audit committee will be done on a quarterly basis.
3. Non-compliance with section 122(1) (a) & (b) of the MFMA / Lack of review and monitoring of compliance with applicable laws and regulations.	Preparation of AFS will be carried out in compliance with all applicable legislation.
4. Suppliers are not paid within 30 days.	Management will ensure that suppliers are paid in time with reference to the invoice date and service date.
5. Usefulness of targets – Target not specific and measurable.	Management will ensure that performance information is made available, to ensure that there is relevant information to support all set targets.
6. Key performance indicators not measurable	Management will ensure that there are systems descriptions in place with regard to the processing of performance information and will ensure that the National Treasury Framework on managing Performance Information is complied with.
7. Reliability of information – Discrepancies between actual and verified / Management did not ensure that the actual achievement were verified and correctly recorded.	Management will ensure that reported results agree to evidence and supporting documents available.
8. Reliability of information – Supporting documents not provided/ Management did	Management will ensure that reported results agree to evidence and supporting

not ensure that the objectives are aligned between the IDP, SDBIP and Annual Performance report.	documents available. Evidence files will be reviewed on a monthly basis to ensure accuracy and validity.
9. Usefulness: Consistency – No consistence between the SDBIP and the annual performance report/ Management did not ensure that the planned target were consistent between the SDBIP and Annual Performance Report.	Management will ensure that reported results agree to evidence and supporting documents available. Evidence files will be reviewed on a monthly basis to ensure accuracy and validity.
10. Audit committee - not assessed by council/ Council did not assess the effectiveness of the audit committee for the 2013-2014 financial year	<p>a) For the year under review as evidenced by the attached council agendas, minutes and resolutions council has received reports from the Audit Committee as prescribed by the MFMA.</p> <p>b) In considering those report council if it so determines that it is comfortable with reports presented by the Audit Committee thus it has satisfied itself of the workings of the audit committee and the effectiveness thereof otherwise council would have by way of resolution expressed otherwise.</p> <p>c) The requirement by council for the audit committee to submit periodic report in itself is an assessment of functionality or otherwise of the audit committee by council.</p> <p>d) There are no criteria set for assessment of audit committee by council except that it must report to council and that council must appoint members in relation to expertise required.</p> <p>e) The review of individual members is considered during the appointment phase.</p>
11. Contingent Liabilities - Member of	This issue is in the court and we await its

<p>council/ Management did not ensure that the accrual was correctly disclosed.</p>	<p>decision. We have had one councillor less since December 2013 and no service was received for a representative of PAC in council. It is not probable that an outflow of resources will occur.</p>
<p>12. Employee cost/ During the audit of employee costs it was identified that there were employees who worked more than 10 hours in a week, or more than 40 hours in a month</p>	<p>Management will ensure that all overtime worked is in line with policy. Employees who are on standby services will however be required to be readily available in the event of emergencies.</p>
<p>13. General IT controls - Security management/ IT Management had not formally designed security management controls (Policies, procedures, guidelines) to mitigate the risk of unauthorised access to the network and information systems.</p>	<p>Policies will be approved and implemented in 2014/15. The roles and responsibilities of the ISO will be split between IT personal to accommodate the recommendations.</p>
<p>14. General IT controls - User access control/ IT Management had not formally designed user access controls.</p>	<p>Policies and procedures will be approved and implemented in 2014/15. The recommendations will be followed as part of the procedures of User Account Management.</p>
<p>15. General IT controls - Program change management/ IT Management has not formally designed change management controls.</p>	<p>Policies and procedures will be approved and implemented in 2014/15. The recommendations will be followed as part of the procedures of User Account Management.</p>
<p>16. General IT controls - Facilities and environmental control/ IT Management had not formally designed facilities and environmental controls (Policies, procedures, guidelines) to mitigate the risk of unauthorised access to the network and information systems.</p>	<p>Policies and procedures will be approved and implemented in 2014/15. The recommendations will be followed as part of the procedures of User Account Management.</p>

<p>17. General IT controls/ Information technology service continuity/ It Management had not formally designed IT service continuity controls (Policies, procedures, guidelines) to mitigate the risk of unauthorised access to the network and information systems.</p>	<p>The DRP will be tested, revised if required and staff members with DRP responsibilities will be trained. The storage off-site backup tapes will be improved in 2014/15.</p>
<p>18. Expenditure - VAT finding/ The expenditure manager did not ensure that the invoices are correctly captured in the general ledger and VAT input is input is only claimed on VAT invoices.</p>	<p>Weekly review of the Vat control account will be performed. A monthly Vat reconciliation will be performed to ensure that Vat has been correctly accounted for on all transactions.</p>
<p>19. No standard operating processes/ Lack of proper monitoring and review of the performance management processes.</p>	<p>Standard operating procedures for key service delivery functions and operational activities be developed in particular where there are no prescribed / applicable regulations or agency/ industry standards.</p>
<p>20. SDBIP not submitted to National and Provincial treasury with 10 working days after approval/ The approved SDBIP was not submitted to the National and Provincial treasury within 10 working days after approval.</p>	<p>Management will ensure that the submission of the SDBIP to National Treasury is made in accordance with the set submission dates to ensure compliance.</p>
<p>21. Adjustment budget not made public with 10 days of approval/ The municipal Manager did not make public the approved adjustment budget within ten working days of approval by council.</p>	<p>Management will ensure that the approved budget is made public with the required period from the date of approval to ensure compliance.</p>
<p>22. Mid-year budget and performance assessment not submitted by 25 January/ The Municipality did not submit the mid-</p>	<p>Management will ensure that the mid-year budget is submitted within the set dates to the respective stakeholders to ensure</p>

year budget and performance assessment by 25 January 2014.	compliance with legislation.
23. Objectives in SDBIP/ Annual Performance Report not in IDP/ Management did not ensure that the objectives were aligned between the IDP, SDBIP and Annual Performance Report.	The IDP objective did not find expression in the SDBIP and consequentially the Annual Performance Report, for the 2014/2015 IDP review process has ensured alignment of IDP and SDBIP objective through simultaneous/concurrent development of both IDP & SDBIP objectives.
24. Key projects as per IDP not included in SDBIP / APR	(a) District Roads and Taxi Ranks are a competency of the district municipality and the provincial department of Roads and Transport. (b) The IDP serves as a planning document that integrates priorities, projects and programmes to be implemented by various spheres of government.
25. Trade Receivables - GRAP policy/ Management did not that the policies were aligned to the GRAP requirement	The Policy will be updated to be in line with GRAP.
26. Non-compliance with section 32(4) of the MFMA	Management will ensure that all relevant reports are submitted to the relevant authorities as required by legislation.
27. Use of consultants/ The municipality did not review on an annual basis whether the objectives of the institution are better achieved through the use of the consultants or permanent staff.	The municipality should on annual basis assess and analyse the effectiveness of the use of consultants.

8. APPENDICES

1. ANNEXURE (A) Audited Financial Statements for 2013/2014 Financial Year.
2. ANNEXURE (B) Auditor General Audit Report for 2013/2014 Financial Year.

3. ANNEXURE (C) Audit Committee Report for 2013/2014
4. ANNEXURE (D) Audit Action Plan for 2013/2014
5. ANNEXURE (E) Annual Performance Report for 2013/2014

9. CONCLUSION

The commencement of the 2013/2014 financial year presented yet another chance for the municipality to fulfil its mandate and quest to improve the quality of life of our people. We have during the year under review in partnership with our strategic partners ensured the provision of quality services to our people.

Taking into account a recognition award handed to the municipality by SALGA as the most improved financial management municipality corroborated by an unqualified audit opinion for the 2013/2014 we can confidently affirm that we are on an improving trajectory.

Our resolve to establish a sound administration that propels the delivery of council and the community's objectives as captured amongst others in the Integrated Development Plan and other key plans has been strengthened by filling of critical posts at Senior Management, Middle Management and Supervisory level.

In terms of private investments we have had a mixed bag of fortunes we have on the one hand observed an increased investment venture by De Beers with their Venetia Underground Project resulting in development projects in our town and creation of job opportunities, whilst we also witnessed a scale down production shutdown at Exxaro's Tshikondeni Coal Mine resulting in retrenchments and transfer of staff. Mining activities at Coal of Africa Vele Colliery remains dormant at this stage.

The 2013/2014 financial year saw dedication to instilling a sense of urgency in integrating government works towards accelerating the pace and quality of services at all spheres of government.

Optimal cost recovery remains a key priority towards ensuring a sustainable delivery of our range of services, infrastructure build programmes as well as operation and maintenance of municipal assets. The year under review saw the completion of the following capital projects Extension 7 Satellite Office, Extension 8 Satellite Office, Construction of Freedom Park Park, Nancefield Park, Renovation of MTD Stadium, Malale Sport Centre and Madimbo Community Hall.

I would be failing in my duty if I do not at this point recognize the contribution that our community, private business, municipal staff, traditional authorities, NGO's, government departments and council in our development journey. I call upon and appeal for an even intense commitment to improve the quality of our people's lives as well as improving the capacity of the current administration in line with the developmental vision of council and government in general.

The challenges facing our people remain huge calling on all agents of change to battle going forward in grafting solutions and opportunities for the multitude of our people whose hope lies in us.

The 2014/2015 marks the commencement of yet another year of opportunity my appeal to you is that lets not spare any energy waste any time in making the municipality work a high priority and agenda item for all of us. Its only when we work and act in unison that we shall

progress even further than we manage to do during the 2013/2014 financial year, together we move South Africa forward.