



Vaal River City, the Cradle of Human Rights

**2014/2015 ANNUAL REPORT**

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## LIST OF ABBREVIATIONS

AG:	Auditor-General
CAPEX:	Capital Expenditure
CBP:	Community Based Planning
COSO:	Committee of Sponsoring Organizations of the Treadway Commission Framework
DPLG:	Department of Provincial and Local Government
DORA	Division of Revenue Act
CPMD:	Certificate Programme of Leadership, Management, and Development
DWAF:	Department of Water Affairs and Forestry
EE:	Employment Equity
ELM:	Emfuleni Local Municipality
EPWP:	Expanded Public Works Programme
ERM	Enterprise Risk management
ERP:	Evaton Renewal Programme
GDACE:	Gauteng Department of Agriculture Conservation and Environment
GAMAP:	Generally Accepted Municipal Accounting Practice
GRAP:	Generally Recognized Accounting Practice
HR:	Human Resources
IDC:	Industrial Development Corporation
IDP:	Integrated Development Plan
IMFO:	Institute for Municipal finance officers
KPA:	Key Performance Area
KPI:	Key Performance Indicator
LED:	Local Economic Development
LLF:	Local Labour Forum
MAYCO:	Executive Mayoral Committee
MFMA:	Municipal Finance Management Act (Act No. 56 of 2003)
MIG:	Municipal Infrastructure Grant
MM:	Municipal Manager
MMC	Member of Mayoral Committee
MOU:	Memorandum of Understanding

MPAC:	Municipal Public Accounts Committee
MSA:	Municipal Systems Act No. 32 of 2000
MTEC:	Medium Term Expenditure Committee
NGO:	Non -Governmental Organization
NT:	National Treasury
OPCA:	Operation Clean Audit
OPEX:	Operating Expenditure
PIER:	Public Information Education Relation Relations
PMS:	Performance Management System
PMT:	Political Management Team
PT:	Provincial Treasury
SALGA:	South African Local Government Association
SAICE:	South African Institute of Certified Engineers
SCM:	Supply Chain Management
SDBIP:	Service Delivery and Budget Implementation Plan
SMME:	Small Medium Micro Enterprise
SMT:	Senior Management Team
SDF:	Spatial Development Framework
VEM:	Vehicles, Equipment and Machinery



## Executive Mayor's Foreword 2014/15

A. **VISION:** This current term of political Office has commenced in May 2011 and is fast approaching its end this year in 2016. When we look back at any year, a number of key programs and themes seem to stand out and define it. We in the Emfuleni Local Municipality (ELM) in 2014/2015, we have had on-going and new complex programs tested and undertaken and they have undoubtedly confirmed our commitment to building united, non-racial, integrated

and safer communities.

Few things are more certain in the world of politics than change. Guided by our most appropriate vision of *A Developmental City That Continuously Improves The Quality of Life of its Community*, which is coupled by an equally well-defined mission of striving to *Provide responsive, Effective, Efficient and Sustainable Municipality Services in an Accountable Manner*, it has been necessary for the ELM to transform, adapt and consistently reinvent itself over the last few years.

We have over the years worked tirelessly to develop into a progressive Institution that can sense change, and then change gear to act with agility and flexibility to meet the multiple challenges facing our communities. This year, 2014/2015 has been no different. Perhaps it is of no surprise to some of us that our vision and mission are intended to position us to realize and adapt to much needed change meant to improve the quality of the lives of our people. We have learned that human history is the process through which people change themselves even as they pit themselves against their environment to dominate it. In the course of their history people increasingly transform their environment to make it better serve their own purposes and in the process of transforming it, they transform themselves. Our vision and mission are about nothing else but bringing change to our environment.

A lot of change happened in 2014/2015 albeit not at the pace we would have preferred. We have experienced some challenges in meeting some of the targets we have set. Our responsibility was no less demanding but we are spending time and energy focusing on the long term vision of creating a more effective, more efficient and more accountable and clean local government.

But the necessary change can only come by working together with all our people who are at the core of what we do and whom we have the greatest respect for. Our communities, political and administrative personnel are our greatest assets and remain at the driving seat of service delivery in our area. We value and must continue to work in partnership to stretch our collective capacities as each of us takes responsibility. The municipality must deliver services to its people and equally so, responsible citizens must pay for the services they receive. In this way, our area of Emfuleni will develop to be counted amongst the best local municipalities – *one which continuously strives to improve the quality of life of its people* through meaningful change. Our people are at the heart of our business. The art of service delivery is that it must be people centered.

### A. KEY POLICY DEVELOPMENTS

During the year under review, the imperatives by the fifth administration of the Gauteng Provincial Government's Ten Pillar Program started having an impact on our municipality.

The Program of Transformation, Modernization, and Reindustrialization of the Gauteng City-Region introduced the following components of Radical economic transformation, Decisive spatial transformation, Accelerating social transformation, Transformation of the State and governance,

Modernisation of the economy, Modernisation of the public service, Modernisation of human settlements and urban development, Modernisation of public transport infrastructure, Re-industrialise Gauteng and Lead in Africa's new industrial revolution.

We are an integral part of the Sedibeng District Municipality-led 2<sup>nd</sup> version of the Sedibeng Growth and Development Strategy. This 20-year plan blue print is intended to address the primary challenges of unemployment, poverty and inequality prevalent in our area and is also positioned to respond to the multiple challenges, uncertainty and unpredictable future.

During the year under review, we have had challenges of aligning it with the Gauteng Provincial Government's Ten Pillar Program of Transformation, Modernization and Re-industrialization (TMR). I have no doubt that in the coming year, our efforts to effect corrective measures and achieve this requirement will bear fruit.

The GDS2 contains the following strategic objectives that are aligned to the provincial TMR program and are also addressed through the Integrated Development Plan (IDP) of the municipality; Reinventing our economy, Renewing our communities, Releasing human potential, Reintegrating our region, Reviving a sustainable environment, Vibrant democracy and Good financial and sustainable governance.

Our IDP (IDP) identifies and describes development priorities, objectives, and strategies. It is the primary planning and policy instrument of the municipality and as such records the most critical development and transformation needs and requirements which are aimed at improving the lives of the inhabitants of Emfuleni. The IDP therefore guides and has informed our budgets and all associated operational programs, projects, and plans.

## **B. KEY SERVICE DELIVERY IMPROVEMENTS**

We remain driven by the desire to create a successful Institution that is not just financially viable but which also endures to make a positive contribution to the people of Emfuleni as a whole. During the 2014/15 period under review, the Emfuleni Local Municipality implemented, amongst others, the following service delivery improvement projects in execution of its IDP and Budget:-

### **Water and Sanitation**

We have improved on the Green Drop assessment by the Department of Water Affairs for the waste water compliance from 68% to 81% and upgraded the Leeuwkuil and Rietspruit Waste Water Treatment Plants into the Sedibeng Regional Sewer Scheme.

### **Roads and Storm water**

The construction of *Potlako Leballo* street in Bophelong and *Sekhukhune street* in Boitpatong were completed and those streets were added to the asset register of the municipality. The tarring of Leshoboro streets in Boitpatong, Dan Mofokeng and Ruth First streets in Bophelong, P1, R1 and S1 streets in Sebokeng, Zone 14 were completed. We have also upgraded the Johanna Van Der Merwe eastern bypass and the road and storm water at Sebe Street in Sebokeng, Zone 6.

### **Sport and Recreation**

We also pride ourselves for having upgraded the Rus-ter-Vaal sports stadium.

### **Governance and Administration**

At governance and administration level we implemented the Operation Clean Audit (OPCA) plan that resulted in the municipality achieving an unqualified audit opinion for the fourth (4<sup>th</sup>) year in succession, thus moving closer to obtaining a clean audit outcome. The implementation of plans, programs, and projects are associated with challenges and the related ways and means of addressing those challenges facing our beloved communities in Emfuleni Local Municipality.

Reflected in the table below are some of the service delivery related challenges that Emfuleni Local Municipality and its communities are confronted with, accompanied by the associated mitigations:-

CHALLENGES	MITIGATION/S
Ageing infrastructure.	Apply for Municipal Infrastructure Grant funding for refurbishments and/or replacements.
Limited sanitation capacity.	Work with other spheres of government to expedite the Sedibeng Regional Sewer Scheme with other spheres of government.
Water and electricity losses	Install water and electricity smart meters to curb losses and theft.
Theft of electrical cables	Work with communities and law enforcement agencies to identify, expose, apprehend and prosecute perpetrators.
Contractors damaging water and sewer lines	Blacklist contractors working without approved way-leaves.
Pothole backlog	Source additional funding that will upgrade existing road infrastructure.
Non-payment of municipal services by some residents.	Convene a Revenue Summit to inculcate a culture of paying for services, rates and taxes.
Illegal connections by individual households and businesses.	Identify and bring to book all offenders by strengthening law enforcements.
Illegal dumping by residents	Educate and conscientise communities on sustainable waste management practices like recycling and alternative waste technology
Tampering with green electrical boxes	Install new steel tamper free steel boxes with fitted alarms

### C. PUBLIC PARTICIPATION

It is by now no secret that we have the greatest respect for our communities and we take our hats off for their dedication for always participating in their government's programs. This is a dedication you espouse in making participative democracy to be in place. On this score, our communities and stakeholders remain an inspiration to all of us as our masters.

Public participation is an endeavor that seeks to ensure that communities continue to make inputs in the decisions and plans that affects them and that they know about programs that are aimed at bringing change to their lives and surroundings. This is an institutionalized function in the municipality where communities are afforded ample opportunities to make meaningful contributions to development within the municipal space.

In this period we have hosted the following 15 IDP and Budget Public Participation Meetings:-

- ❖ From the 22 April 2014 to 30 April 2014 four meetings were held – one in each of the four regions within the area of jurisdiction municipality; and
- ❖ From the 18 September 2014 to 02 November 2014, 11 meetings were held.

**D. FUTURE ACTION**

Our people will be glad to notice that we have listened to them by planning the following service delivery improvement projects for the 2015/16 financial year. The planned projects are as follows:-

**Water and Sanitation**

We are going to upgrade the bulk water supply from Quaggasfontein to Johandeo, the bulk outflow line to Evaton reservoir to Dadaville and the sewer pump station at Emerald Casino and also construct the outflow to Savannah City Development and a new outflow sewer line to Boitumelo.

**Roads and Storm water**

We have also put in place plans to upgrade roads and storm water in Sebokeng, Zone 6 Extension 5 and also begin to construct the Ace Bishopbird, roads and storm water in Beverley Hills and roads and storm water in Debonair Park.

**Electricity**

We are also proud to announce that we will be installing high mast lights in Tshepiso North, Extension 4.

**Sport and Recreation**

In this department, we will also be constructing a new Multi-purpose Recreation Facility in Palm Springs.

**E. AGREEMENTS/PARTNERSHIPS**

During the 2014/2015 period under review, Emfuleni Local Municipality entered into some of the following agreements:-

- ❖ Fleetmatics VMS: Agreement for interim provision of refuse compactors to accelerate and improve refuse collection and removal.
- ❖ Revenue Collection Agreement with MBD Credit Solutions (Pty) Ltd to make provision for the liquidation of the debtor's book and to assist with improving and increasing the levels of debt collection.
- ❖ Memorandum of Agreement with Sedibeng District Municipality on the transfer of farming equipment for the farming mechanization program.

These initiatives were entered into to forge relationships with relevant stakeholders and spheres of government in order to promote development and service delivery and also bring about sustainability.

**F. CONCLUSION**

Albeit some challenges which confronted us, we nevertheless look back with pride on our footprints in the last 12 months. We never swayed from the mandate bestowed to us. We continue to make strides and remain the only hope for our people. We promise that your aspirations as the people of Emfuleni are safe with us and will be attended to.

I hope that this Annual Report will impress our rate payers and residents and make them proud to realize that they are our architects and champions of a better Emfuleni.

My inauguration during the second last quarter of this financial year following the intervention by the ANC, saw the development of a 90-day intervention program. At the centre of this political corrective measure is to deal with service delivery backlogs such as fixing of potholes, street lights and grass cutting. This noble program is also aimed at consolidating, building and strengthening partnership with our communities. I promise that by the time of reading this Annual report, Emfuleni will be looking different and the number of public participation meetings with our communities would have risen.

On behalf of the political and administrative leadership of the Emfuleni Local Municipality, it is with humbleness to present the Annual report for the 2014/2015 period under review. This annual report comes when the Emfuleni Local Municipality undertook to go back to basics and restore itself to its former glory. We have committed ourselves to a theme "*Getting the Basics Right: Our Program For Restoration*". We are ready to make ELM one of the best municipalities even beyond the boundaries of our country. The people of Emfuleni deserve the best. Let us all play our part to make the Emfuleni area the best.

We thank Emfuleni residents for their unwavering support and cooperation. Our gratitude goes to our Mayoral Committee Members who continue to work very hard to provide invaluable counsel and advice on municipal priorities.

I also thank all our Councillors across political divide for their vibrant engagements, participation and enthusiastic support and also to our Municipal Manager and members of the Senior Management Team for managing huge tasks and responsibilities during this financial year.



COUNCILOR: MAHOLE SIMON MOFOKENG  
EXECUTIVE MAYOR



**Maipato Tsokolibane**  
Speaker



**Cllr. Mahole Simon Mofokeng**  
Executive Mayor



**Christina Sale**  
Chief Whip

## Mayoral Committee



**Cllr NR Thulo**  
MMC: Basic Services



**Cllr SE Pitso**  
MMC: Human Settlement



**Cllr SJ Radebe**  
MMC: Agriculture, Local Economic Development, Development Planning and Tourism



**Cllr BP Maseko**  
MMC: Public Safety



**Cllr B Mncube**  
MMC: Corporate and Governance



**Cllr KJM Ranake**  
MMC: Health and Social Development



**Cllr DE Tshabalala**  
MMC: Sport, Recreation, Arts and Culture, Library Information Services, Parks and Cemeteries



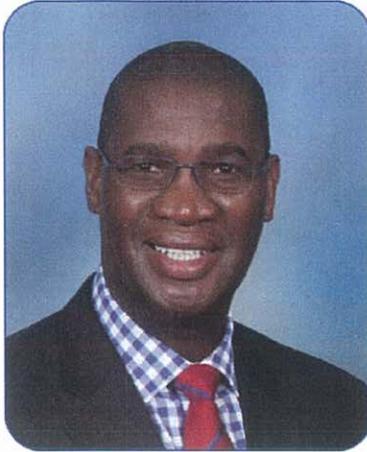
**Cllr ML Khubeka**  
MMC: Environmental Management and Planning



**Cllr R Thema**  
MMC: Finance and Revenue



**Cllr K Ntombela**  
MMC: Infrastructure Planning, Development and Asset Management



## MUNICIPAL MANAGER'S OVERVIEW

### INTRODUCTION

It is once more a humbling experience for me to report that Emfuleni Local Municipality has attained a fourth successive UNQUALIFIED OPINION from the Auditor-General. I join the former Executive Mayor in applauding the efforts of the Senior Management Team, the Audit Committee, the Mayoral Committee, the Municipal Public Accounts Committee and at the pinnacle, Council itself, as well as all staff for achieving a quadrennial of UNQUALIFIED AUDITS in the entire history of our Municipality.

Although the Auditor-General returned an unqualified opinion for the 2014/15 reporting period, some findings need to be addressed. Before addressing the findings, it is deemed appropriate to attend to the number of findings in comparison with the previous reporting period. The Municipality has managed to reduce the number of material findings raised by the Auditor-General from 11 in 2013/14 to only 2 in the 2014/15 reporting period, which constitutes a staggering reduction of 82%.

I am glad to indicate that for first time Emfuleni Local Municipality has submitted financial statements that were free from material misstatements.

Initiatives taken with regard to water and electricity distribution losses have shown improved results as the municipality managed to decrease water distribution losses by 1.2% and electricity distribution losses 4.9% during 2014/15 financial year; however such distribution losses are almost reaching the industry norms as determined by national treasury.

From a financial perspective, the material losses reported for water and electricity distribution still requires focused and dedicated interventions and the results should show during 2015/16 financial year.

Although the Liquidity test appears unfavorable as current liabilities of the current year exceed the current assets, the municipality had an accumulated surplus of R10 570 293 108.

Another financial matter that requires attention is the funding of operations with its associated finding on the municipality's ability to operate as a going concern. This matter is addressed under paragraph 1.1.4 on the Annual Report.

Another area that needs mentioning is predetermined objectives. The audit of predetermined objectives focused on the usefulness and reliability of reported performance information. The audit of the selected five development priorities – i.e. water, sanitation, waste management, roads and storm water, and electricity – concluded that on the usefulness of reported performance information, no material findings were raised on waste management, roads and storm water and electricity.

On the reliability of reported performance information, findings were raised against two of the five selected development priorities, i.e. water and sanitation. The finding was the same for both in that the validity and completeness of source documentation in support of reported actual achievements were called into question. These findings were caused by a lack of recorded standard operating procedures.

Although the findings relate directly to the selected sample, it is accepted as a diagnostic for all of the Municipality. For this reason guidelines are being developed for sources of evidence in support of reported performance information. These guidelines will be designed to identify and describe the criteria that should assist with the completeness and credibility of evidence presented in support of reported performance achievements.

In addition to these guidelines, the quarterly measurement and evaluation process of reported performance achievements, will be utilized to ensure that every performance indicator is supported by a standard operating procedure for the collection, verification and archiving of source documents. The preparation and implementation of these standard operating procedures should ensure improvement in the reliability of performance information.

### Unauthorised Expenditure

Unauthorised expenditure related to non-cash items. The municipality incurred unauthorised expenditure as reflected by the non-budgeted net deficit in the Statement of Performance for the reporting period. The expenditure breakdown is as follows:

- Additional Debtor impairment R469 180 265
- Additional non-current asset impairment R290 327 499

The municipality took a further prudent approach in applying its judgment with regard to the debtor collections under the current economic situation in the country that resulted in increased debtors' impairment beyond the budget. With regard to the asset impairment, further amounts were impaired considering the conditions of the assets at year end. The municipality implemented improvement measures to arrest both situations not to progress significantly in the future.

### Audit Findings

Management's actions to address the wide-ranging findings raised by the AG (SA) and Internal Audit was satisfactory for the 2014/15 financial year. To this end the Auditor-General South Africa raised 29 findings of which only 1 was not resolved. Internal Audit raised 103 findings of which 65 were due for follow-up at the close of the financial year. Of the 65 only 3 were not resolved.

Further, Management is committed to ensure that the control environment remain adequate to address and resolve all the findings.

### Competency Training

All Section 56 employees have been enrolled with credible institutions of higher learning for the Treasury approved Municipal Finance Management Programme (MFMP) and all have completed the program. Currently a total of 56 senior and middle managers (levels 2 and 3) completed the Certificate Program in Management Development (CPMD) with the University of the Witwatersrand (WITS).



SAMUEL SEQOANJANE SHABALALA  
MUNICIPAL MANAGER



Vaal River City, the Cradle of Human Rights



**Mr SS Shabalala**  
Municipal Manager

## Senior Management



**C P Kekana**  
Chief Operations Officer



**S J Masite** *CMAA, CFE*  
Chief Audit Executive



**E N Maseko**  
DMM: Corporate Services



**J F Mokoena**  
DMM: Public Safety  
& Community Development



**H L Sekoto**  
DMM: Agriculture, Economic  
Development Planning &  
Human Settlement



**T N L P Konyana**  
Chief Risk Officer



**H L de Hart**  
Head: Strategic Management  
Support



**M D Modiba**  
Chief Information Officer

**Vacant**  
Chief Financial Officer

**Vacant**  
Executive Director:  
Revenue Management

**Vacant**  
DMM: Basic Services

**Vacant**  
DMM: Infrastructure  
Planning & Asset  
Management:

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## CHAPTER 1: MUNICIPAL OVERVIEW

The ELM's annual report for the period 1 July 2014 to 30 June 2015 is presented in compliance with Treasury Regulations and according to 121 of the Municipal Finance Management Act 56 of 2003 and read with section 46 of the Municipal Systems Act of 2000.

The Annual Report serves as a communication tool for providing broad information on activities carried out and services provided, and for comparing actual service delivery with projected service delivery. The information in this annual report will assist the community, and the wider public to assess how the municipality has performed in relation to stewardship of community needs, efficiency, effectiveness, and cost-effectiveness of operations. Chapter 1 of the report provides an overview of the Municipality, and a brief summary of key service delivery imperatives.

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### 1.1 MUNICIPAL OVERVIEW AND SOCIO-ECONOMIC PROFILE

#### 1.1.1 Municipal Overview and Background

Emfuleni Local Municipality (ELM) is one of three local municipalities that constitute the Sedibeng District Municipality. It is the western-most local municipality of the District, which covers the entire southern area of the Gauteng Province extending along a 120 kilometres axis from east to west. It covers an area of 987.45 km<sup>2</sup>. The Vaal River forms the southern boundary of ELM and its strategic location affords it many opportunities for tourism and other forms of economic development. ELM shares boundaries with Metsimaholo Local Municipality in the Free State to the south, Midvaal Local Municipality to the east, the City of Johannesburg metropolitan area to the north.

ELM is strategically located with access to a well-maintained road network-N1 national route linking Johannesburg and Bloemfontein, which traverses Emfuleni Local Municipality. It has two main city/town centres, namely, Vereeniging and Vanderbijlpark. It forms the "heartland" of what was formerly known as the Vaal Triangle, renowned for its contribution to the iron and steel industry in South Africa. It contains six large former peri-urban townships of Evaton, Sebokeng, Sharpeville, Boipatong, Bophelong and Tshepiso.

The latter six areas lack facilities associated with town of their size. The other ten small settlement that are suburban in nature and are within six kilometres radius of the above towns: they are Bonanne, Steel Park, Duncanville, Unitas Park, Arcon Park, Sonlandpark, Waldrift, Rust-ter-Vaal, Roshnee and Debonairpark. The area also comprises of a number of large residential areas, all of which require considerable investment in infrastructure and environmental upgrading.

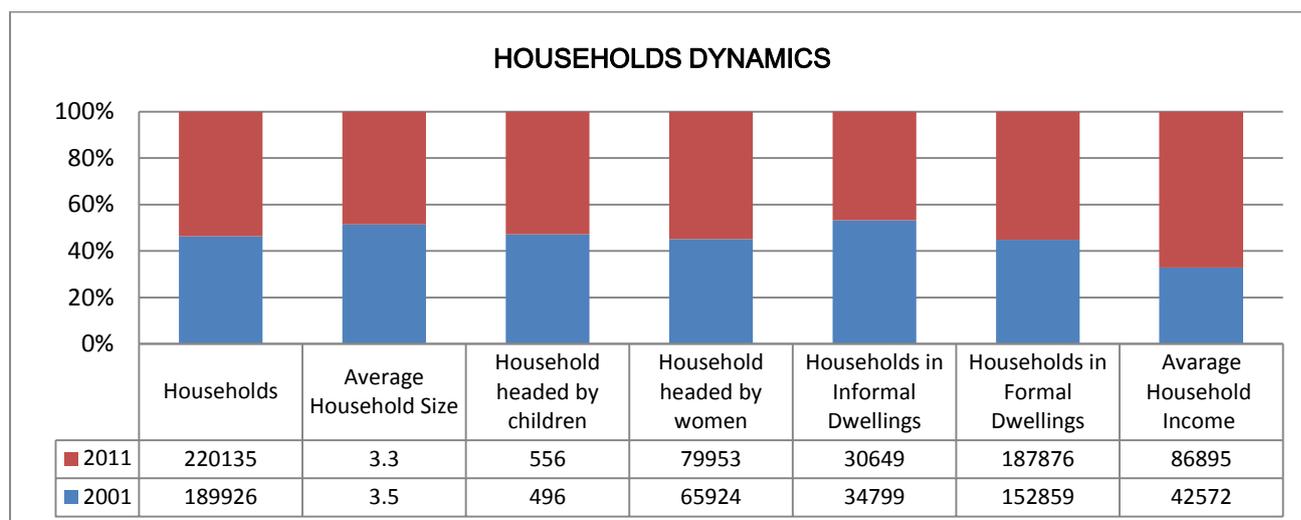
## 1.1.2 Distribution of Population by Age and Sex

DISTRIBUTION OF POPULATION BY AGE AND SEX									
Age	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	27681	28041	55722	26639	27057	53696	35524	35700	71223
5 - 9	28178	28752	56930	27910	28387	56297	29017	29434	58451
10 - 14	28167	28930	57097	29426	30458	59884	27881	26870	54751
15 - 19	28872	29523	58394	32027	32963	64989	31327	32556	63883
20 - 24	32272	32020	64292	36358	35092	71450	40016	39200	79217
25 - 29	28707	28571	57278	33900	32976	66876	36578	34253	70831
30 - 34	24956	26554	51510	27867	27918	55785	31135	29446	60580
35 - 39	22798	23644	46442	25535	27144	52680	26682	25938	52620
40 - 44	19510	19745	39255	22926	24020	46946	22322	23169	45491
45 - 49	15600	14761	30361	18321	19706	38027	19091	22167	41258
50 - 54	11212	10867	22079	14358	14243	28601	17105	19433	36538
55 - 59	8145	8418	16563	9607	10276	19883	13825	15904	29729
60 - 64	5684	7211	12894	6973	8576	15550	9935	11703	21638
65 - 69	4001	5158	9159	4466	6293	10758	6237	7647	13883
70 - 74	2440	3483	5924	2911	4448	7359	4024	5739	9763
75 - 79	1821	2793	4614	1660	2683	4342	2241	3755	5997
80 - 84	692	1413	2105	1075	2004	3079	1099	2165	3264
85 - 120	444	953	1397	495	1253	1748	825	1722	2546
<b>Total</b>	291179	300839	592018	322 453	335497	657 949	354	366 800	721 663

Source: Census, 2011

The above table represents the population details and indicates that the highest numbers of the population is concentrated on the 20-24 age groups at 79 217, with the African population being the largest. It is followed by the age group 0-4 at 71 223 and still led by the African population. Thirdly is the age group 25-29 at 7 0831.

### 1.1.3 Households



Source: Census, 2011

Emfuleni population was calculated using Census 2011 figures based on Census 2011 sub-place areas (see Figure 1.1.3 above). As depicted in Figure 1.1.3 above, the number of households headed by children has increased by 1.12% while households headed by women have increased by 1.21%. However, the household in informal dwellings has slightly declined by approximately 1.13% due to the increasing number housing developments in the area. The households in formal dwellings increased by 12% and the average household income increased by more than 100% due to a significant increase in economic growth within the Municipality during the period under review.

### 1.1.4 Socio- Economic Status

Year	Housing Backlog As Proportion To Current Demand	Unemployment Rate	Proportion Of Population In Low-Skilled Employment	HIV/Aids Prevalence	Illiterate People Older Than 14 Years
2012	16.2%	36.9%	27.3%	9.9%	11.2%
2013	16.5%	40.0%	27.0%	9.7%	11.1%
2014	16.7%	42.9%	25.8%	9.5%	11.0%

Source: Census, 2011

The current demand for housing has been steadily growing with the increasing unemployment rate of 0.7% in the last 3 years (2012-2014). The area has been facing challenges regarding the employment of low skilled residents coupled with a declining HIV/AIDS prevalence by 0.4% in the last 3 years. Significantly, the Municipality has also experienced a decline in the number of illiterate people who are older than 14 years due to the increasing number of institutions of learning in the area.

During 2013, the proportion of population in low-skilled employment decreased by 0.3% while during 2014 it decreased by 1.2%. The HIV/Aids prevalence was decreasing by 0.2% per year while the number of illiterate people older than 14 years decreased by 0.1% per year. This shows that the Municipality is doing well when it comes to the proportion of population in low-skilled employment, HIV/Aids prevalence and

illiterate people older than 14 years while more needs to be done when it comes to the housing backlog given the current demand and unemployment rate.

#### 1.1.5 Natural Resources

Major Natural Resource	Relevance to Community
<b>Natural Watercourses; Upper Barrage Catchment area in the Vaal River.</b>	Watercourses define uninterrupted greenbelts with ample opportunities to develop recreational open spaces to generate greater business opportunities and employment.
<b>Heritage and Historical precincts.</b>	The potential advantages of the rich History and Heritage precincts of the area can be used to developed and promote the Tourism Industry to its fullest potential in Emfuleni to the benefit of all.
<b>Rich coal fields close to the Vaal River.</b>	The discovery of coal close to the Vaal River led to the establishment of Vereeniging in 1892 and in 1941 a new Iron and Steel works for ISCOR was built in Vanderbijlpark and also attracts other industries that contributed to employment and economic growth of the area.

### 1.1.6 Overview of Neighbourhood

Overview of Neighbourhoods within 'Emfuleni Local Municipality'		
Settlement Type	Formal Dwellings Units	Population
<b>Towns</b>		
Vanderbijlpark	29 998	95 844
Vereeniging	31 113	99 783
Sebokeng	51 546	218 511
Boitumelo	4 809	17 688
Sharpeville	10 497	37 596
Evaton	28 614	132 852
<b>Sub-Total</b>	<b>156 577</b>	<b>602 274</b>
<b>Townships (statistics are part of "towns")</b>		
Vanderbijlpark	23 070	50 349
Arconpark, Sonlandpark, Three River and Extensions	7 677	19 032
Three Rivers East and Extensions, Sebokenong units,	52 323	221 055
Evaton and Extensions, Evaton West and	28 614	132 852
Extensions, Sharpville and Extensions,	10 497	37 596
Bophelong and Extensions, Boipatong and Extensions	18 216	46 089
<b>Sub-Total</b>	<b>140199</b>	<b>489873</b>
<b>Rural settlements</b>		
Lasiandra, Mantervrede, Van Waartshof,	303	747
Stephano Park, Staalrus, Houtkop,	348	1437
<b>Sub-Total</b>	<b>651</b>	<b>2184</b>
<b>Informal settlements</b>		
Loch vaal/Barrage, Boiketlong, Lybya	3546	10542
Vaalower, New Village, Sebokeng Zone 7	150	25191
Sonderwater, Sebokeng zone 24,	No official stats figures available	No official stats figures available
<b>Sub-Total</b>	<b>3696</b>	<b>35733</b>
<b>Total</b>	<b>721633</b>	

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## 1.2 SERVICE DELIVERY OVERVIEW

### 1.2.1 Electricity

Emfuleni Local Municipality is responsible for providing electricity in the Vanderbijlpark, Bophelong, Boipatong, Ironsyde, Eatonside, Roshnee, Rust-ter-Vaal and Vereeniging areas. Eskom has a license to provide electricity in the remaining areas.

#### *Electricity Bulk Purchases*

In accordance with the latest statistics reported to NERSA there are approximately 68938 consumers of which 64224 are residential and agricultural. The residential and agricultural consumers consume approximately 20% of the total energy distributed by the Municipality. The other 80 % of electricity is consumed by the industrial and business consumers.

#### *Energy Efficiency and Green Energy Initiatives*

Ninety five percent (95%) of the street lighting has been replaced with more energy efficient units and the plan is to replace the remaining 5% during the 2015/16 financial year. All the lights of the traffic signal systems have been replaced with energy efficient (Light emitting diode) "LED" type lights leading to a saving of 86% in the energy consumption by the traffic lights. The Municipality also encourages the developers of new areas to make use of energy efficient building methods as well as solar power systems.

#### *Achievements/Highlights*

In dealing with illegal connections, the Municipality has installed special locking mechanisms in almost all the meter boxes in the area. This was done with the aim of reducing the chances of customers connecting themselves illegally onto the system and also to keep the meter boxes locked at all times for the safety of the households situated near these meter boxes. The Municipality has also installed alarm systems and anti-intruder pepper sprays in all its main substations and selected substations in order to eradicate theft and illegal connections.

The replacement of faulty prepaid meters and bypassed meters was carried out in all Vereeniging flats and houses, Sebokeng hostels and Vanderbijlpark flats and houses. This was done as part of the Municipality's maintenance plan.

During the year under review, the load control system was installed in almost all the households who are supplied power by the Municipality. This system is used for the reduction of energy consumption at peak times of electricity usage. The system also reduces the cost of electricity by shifting the consumption of energy from the very expensive peak times to the relatively lower cost in standard or off peak times and public lighting.

Free Basic Electricity (FBE) is provided to all registered indigents at 50kWh per month. FBE is provided to approximately 3411 consumers on a monthly basis (610 consumers supplied by the municipality and 2801 consumers supplied by Eskom). Up to 99.7% of all electricity complaints received are attended to within 24 hours of being received by the control Centre.

### 1.2.2 Waste and Landfill Management

Waste management in Emfuleni Local Municipality is categorized according to the following categories: household, illegal dumps, business and industrial refuse collection, informal settlements, CBD cleansing, and landfill sites operations and management. Waste is collected once a week to a total of 188,891 out of 220,135 households in ELM areas. The remainder of the households represents the informal settlements that are serviced through the removal of illegal dumps. The Municipality collection is on average, being maintained on 85% and above on weekly curbside collection to all formal households.

Business waste is collected on a daily basis in the Vanderbijlpark, Vereeniging area, and all township areas. Street sweeping services are also being done daily in CBD areas of Vereeniging, Vanderbijlpark (and outer business centers), Sebokeng taxi rank and all main roads.

The following are 3 operational Landfill sites in Emfuleni Local Municipality:

- Boitshepi Landfill site: According to the airspace modeling utilizing the existing approved end space, the topographical survey completed during May 2015 indicates the volume of waste on site is 3,804,059m<sup>3</sup> and the volume of waste which can still be disposed to reach final shape is 624,160m<sup>3</sup> and the calculated lifespan is for 3 years.
- Palm Springs landfill site: The volume of waste on site is 617,083m<sup>3</sup> and the volume of waste which can still be disposed to reach final shape is 2,212,434m<sup>3</sup> and the calculated lifespan is for 17 years.
- Waldrift Landfill site: The volume of waste on site is 1,518,882m<sup>3</sup> and the volume of waste which can still be disposed to reach final shape is 1,192,904m<sup>3</sup> and the calculated lifespan is for 15 years.

*The highlights and Challenges of 2014/15 financial year include the following*

The afternoon / night shift cleaning program was introduced in the CBDs as part of improving service delivery. All landfill sites and transfer stations are now operating under approved individual permits issued. The backlog is reduced on weekly basis as part of the normal scheduling of waste collection. The Municipality has also rolled out wheellie-bins during the period under review. This roll-out of 240 liter bins commenced in March 2015 to the communities of Vanderbijlpark, Vereeniging and Roshnee regions. A total of 6,308 bins were delivered to individual households during the current financial year.

The challenges of shortage of resources, such as the lack of 6m<sup>3</sup> mass containers especially those to be used in mini dump transfer stations results in an additional burden of resources being utilized for this purpose instead of eradication of illegal dumps

### 1.2.3 Water Provision

Emfuleni Local Municipality supplies water to all informal and formal settlements in accordance with the National Water Act (Act no 36 of 1998). The purpose of the National Water Act (Act no 36 of 1998) is to ensure that the Nation's water resources are protected, used, developed, conserved, managed and controlled in ways which take into account factors such as:

- Meeting the basic human needs of present and future generations;
- Promoting equitable access to water;
- Promoting the efficient, sustainable and beneficial use of water in the public interest, and
- Providing for growing demand for water use.

ELM' water infrastructure includes 2882 Km water supply, 14 528 water network valves, 1482 fire hydrants, 99 pressure reducing valves, 15 reservoirs.

#### *Bulk Water Purchases*

ELM's total bulk water demand was 94,674,073 Kl at a cost of R 643,517,753.00 for the year, which is a growth of 1.87% on last year's demand. For the year under review the municipality has reduced water losses by 1.06%.

#### *Achievements and Challenges*

In compliance with the Water Act the National Department of Water and Sanitation (DWS) has implemented the Blue and Green Water Systems (Blue & Green drop) to regulate the compliance of Water Services Authorities. The Blue drop system evaluates the total management process of water regarding budget, planning, operations, water demand conservation, water quality, monitoring and evaluation. Resultant to this initiative the municipality has received Blue drop compliance for the past three consecutive years. Other initiatives include the installation of 149 000 smart water meters which is aimed at enhancing accurate billing; assist with network leak detection and improving the public satisfaction. The project's pilot installations will start in July 2015 after the Mayor's official project launch.

ELM and Rand Water signed a co-operation agreement for the implementation of Water Demand and Conservation initiatives. This project intends to implement measures that will reduce water losses in the network through active pressure management and retrofitting of internal networks.

The Municipality has also installed 42 standpipes to Boiketlong Settlement of Iraq and Riverview with funding assistance from National Cooperative Governance and Traditional Affairs. This project created 60 job opportunities for local community members to:

- ❖ Maintain 223 Pressure Reducing valves (PRV);
- ❖ Replace 491 stolen water meters;
- ❖ Repair 831 pipe bursts, and
- ❖ Attend to a total 10 170 water complaints (spillages).

The Municipality as part of the strategic plan continues to address challenges that affect service delivery in this regard due to the theft of brass water meters, vandalism of pressure reducing valves which resulted in increased water pressures with subsequent pipe bursts, ageing infrastructure etc.

#### **1.2.4 Sanitation Services**

Sanitation in the Municipality ensures that the water is protected, used, developed, conserved, managed and controlled as per National Water Act (Act no 36 of 1998). This is done in order to ensure that the following factors are achieved:

- ❖ Collection, conveyance and treatment of waste water;
- ❖ Reducing and preventing pollution and deration of water resources;
- ❖ Protecting aquatic and associated eco system and their biological diversity, and
- ❖ Promoting dam safety.

The Municipality renders sanitation services to formal settlements. Sanitation provision is still a challenge in areas that are not yet formalized as townships, but they do make use of Pit / Long drop toilets. The Sanitation gravity network provides waterborne sewer connections to 230 000 stands in the Emfuleni Local Municipal area, 5250 agricultural holdings (plots) make use of on-site sanitation systems like French drains and septic tanks. The users of Pit / Long drop toilets, French drains and septic tanks are not serviced by the Municipality.

The Municipality's sanitation infrastructure consists of 2 600 Km of gravity sewer pipe lines, 33 328 Sewerage manholes, 44 sewerage pump stations, 34 Km Sewer pump pipe lines and 94 sewer pumps. The total compliance of care works is at 76%.

Measures are put in place to address the challenges such as ageing infrastructure, shortage of resources, lack of capital funding for upgrading of care works and replacement of outfall sewer lines.

Some of the initiatives taken to enhance service delivery include the upgrading of the Secada System, maintenance of telemetry system for sewer and installed pepper spays at pump stations. Various sewer lines in Evaton and Sebokeng clay pipes were replaced. Commencement of module 6 and 7 of Sebokeng water care works which is part of Sedibeng Regional Sewer Scheme.

#### **1.2.5 Roads and Storm Water**

The Roads and Storm water function is responsible for the planning, providing and maintaining of Emfuleni Local Municipality (ELM) roads and Storm water network infrastructure. The functions are categorised into Planning and Projects, Operations and Maintenance Divisions. There are three (3) maintenance depots which are situated in Vanderbijlpark, Vereeniging and Sebokeng regions. These depots together are responsible for the cumulative maintenance of 1 510km of asphalt roads, 1 045km gravel roads, 158 445m<sup>2</sup> road markings and 14 602 number of road signs in order to provide a functional roads network.

##### *Achievements and Challenges*

As part of the annual maintenance schedule of road and storm water 36 729 meters of the storm water pipes and channels have been cleaned. At least 20.5 (km) kilometres tarred roads resealed, 33 267 m<sup>2</sup> square metres potholes patched, 1 179 (m<sup>2</sup>) square metres roads marking maintained and 116 (km) kilometres gravel roads maintained.

Despite the above service delivery achievements, there is a need to refurbish/maintain the tar roads before they can reach a level where deterioration has affected the entire pavement structure.

Efforts will be put in place to align the road maintenance programmes (e.g. rehabilitation programmes such as gravel base layer repairs, surface layer rejuvenation and resealing activities) with the budget allocation.

The poor availability of maintenance plant and machinery is also a big concern when it comes to maintaining gravel roads. The Municipality is concentrating on the re-graveling (renewal) programme and considering the current state of ELM yellow fleet. However this programme can now only be achieved through the use of hired plant and machinery. The drawback in using hired plant is the high cost factor which affects the effectiveness, efficiency and economic aspects of the maintenance budget.

Taking into account the current size of the workforce available, which has about 80% vacant positions, the Municipality is looking at recruiting qualified /knowledgeable personnel and even at expediting the process of acquiring the training and skills development programmes for existing personnel.

### 1.3 FINANCIAL OVERVIEW

The municipality managed to maintain unqualified audit report for the past four consecutive financial years despite the cash flow challenges it is faced with, the achievement was due to adherence to financial reporting standards and applicable frameworks.

2014/15			
	Adjusted Budget R'000	Actual R'000	Achievement %
<b>Operating income</b>	5 182 414	5 029 356	97%
<b>Operating expenditure</b>	(4 772 926)	(5 570 494)	117%
<b>Surplus/(deficit)</b>	409 489	(541 138)	

\*See detailed Statement of Financial Performance in Chapter 5

The municipality reported a net deficit of R541m which was below the adjusted budgeted surplus of R409m for the year under review. Operating income increase in total by 1.9% from R4.9bn in 2013/14 to R5bn in 2014/15. The municipality reported an overspending of 17% over the adjusted budget, this was mainly due to non-cash items. Operating expenditure increased in total by 8.9% from R5bn in 2013/14 to R5.5bn in 2014/15.

Analysis of operational income

Tariff increase compared to actual increase				
Services	2014/15 R'000	2013/14 R'000	Year on Year increase (%)	Approved tariff increase (%)
<b>Assessment rates</b>	541 509	469 447	15.35	5.6
<b>Electricity</b>	1 783 609	1 676 333	6.40	7.98
<b>Water</b>	976 959	897 125	8.90	8
<b>Refuse</b>	172 542	157 903	9.27	8
<b>Sewer</b>	382 060	255 648	49.45	8

Assessment rates – the tariff increase was 5.6% in 2014/15. Actual increase in revenue was 15.35%, the difference of 9.57% can be attributable mainly to the increase in valuation of properties and new developments around Emfuleni Municipality.

Electricity – the tariff increase for 2014/15 was 7.98% and actual increase in revenue was 6.4%.The difference attributable to load shedding, the impact of electricity losses and a strike in the steel industry during the financial year.

Water – the tariff increase was 8% in 2014/15 and the actual increase in revenue was 8.9%, the real increase was 0.9%, which is in line with the approved tariff increase.

Refuse – the approved tariff increase was 8%. The actual increase in revenue was 9.27%, the difference of 1.27% indicates increase in billing for refuse services.

Sewer – the approved tariff increase for 2014/15 was 8%. Actual increase in revenue was 49.45%. The difference of 41.45% was mainly due to change in billing method in the 2014/15 for sewer services, where billing for sewer services which was linked to related water consumption at 50% was increased to 70% of water consumption. This is applicable for households only.

#### Analysis of operational expenditure:

Major Key cost drivers and non-cash items are analysed below:

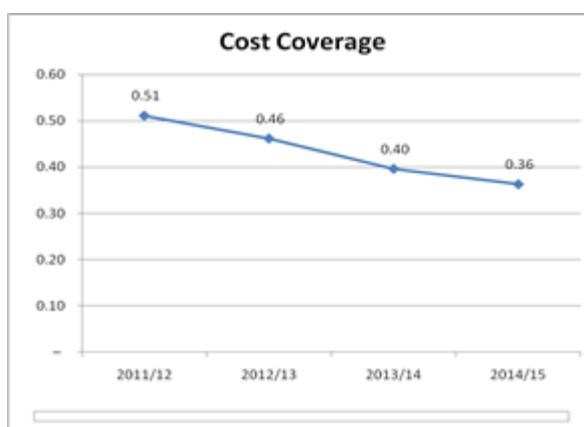
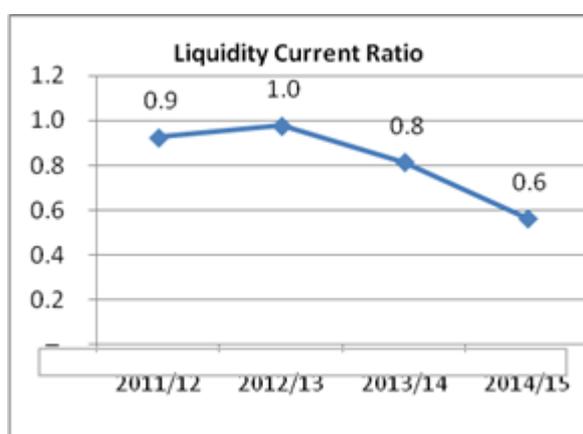
	2014/15 (Adjusted budget)	2014/15 (Actual)	2013/14 Actual)	2014/15 Achievement (Budget vs Actual)
	R'000	R'000	R'000	
<b>Cash items</b>				
❖ Employees cost	935 426	856 535	824 136	92%
❖ Repairs and maintenance	170 322	86 911	137 957	51%
❖ Bulk purchases - Electricity	1 431 468	1 411 616	1 875 520	99%
❖ Bulk purchases - Water	518 775	565 768		109%
❖ Contracted services	212 498	235 161	105 127	110%
<b>Non-Cash items</b>				
❖ Depreciation	173 523	463 851	477 059	267%
❖ Debt impairment	510 110	979 291	781 536	191%

- ❖ Bulk purchases for electricity was at 109% against the adjusted budgeted. It was slightly overspent by R27m in 2014/15.
- ❖ Repairs and maintenance ended on 51% of the adjusted budget. Part of repairs and maintenance spending is included in contracted services.
- ❖ The contribution to debt impairment ended on 191% of the adjusted budget, the relevant vote number was under-budgeted to prevent high tariff increase to cover non-cash expenditure items.
- ❖ Depreciation ended on 267% of the adjusted budget in 2014/15. The municipality under-budgeted to prevent high tariff increase in revenue to cover the non-cash items.
- ❖ Employee costs ended on 91% of the adjusted budget

Contracted services 110% of the adjusted budget, the under spending in repairs and maintenance can be linked to the overspending in contracted services as most of the payments of service providers contracted for maintenance goes through this vote number.

### Cash flow and liquidity

	Norm	2014/15	2013/14	2012/13	2011/12
Liquidity ratio	2:1	0.6 :1	08:1	1:1	0.9 : 1
Cost coverage ratio	1:1	0.51 :1	0.46 : 1	0.40 : 1	0.36 : 1
Creditors payment period	30 days	81	68	66	82



#### Challenges:

The above liquidity ratio graph indicates a decline over the past three financial years as a result of cash flow challenges facing the municipality. The 2014/15 current ratio is 0.6:1 (2013/14 - 0.8:1) which is below the norm 2:1; this is not favourable. It is an indication of inability to settle invoices within the regulated 30 days' timeframe. On average as per the above table, the current turnaround time to settle creditors' invoices is 82 days.

The cost coverage graph also indicates a decline over the past four financial years, the ratio for the year under review is 0.36 (2013/14: 0.40) which is not positive. According to the ratio, the cash reserves of the municipality can only cover about 36% of the monthly fixed operating expenditure. Meaning, the municipality cannot survive a single month without additional cash collection.

#### Remedial actions:

Interventions to have been put in place to address the liquidity challenges of the municipality, this include amongst others, a resolution by Council to establish Revenue Management Agency (RMA) to address billing and collection shortcomings, the restructuring of the debtors book and the installation of Smart Meters.

1540 smart meters have already been installed in Vanderbijlpark SE7/Falcon Ridge and the Hertz Hof Flats in Vanderbijlpark. The operation of the meters is satisfactory but there are teething problems and program design changes that are attended to on a regular basis. A service provider was appointed in July 2014 for

the restructuring of a portion of the debtors' book. The contract was amended to include the entire debtors' book in December 2014.

Subsequent to the end of the financial Council approved a turn-around plan in terms of which, among others, the budget for 2015/16 was adjusted downward and an expenditure committee was established to approve new procurement and payments.

## Solvency

	2014/15 R'000	2013/14 R'000	2012/13 R'000	2011/12 R'000
Total assets	12,125,322	12,249,516	12,340,489	12,340,947
Total liability	1,529,451	1,111,683	1,084,326	1,083,477
Solvency %	7.93	11.02	11.38	11.39
Solvency % (excluding infrastructure & community assets)	1.58	2.25	2.14	2.02

The table illustrate that the municipality has a high solvency level, with R8 in assets for every R1 of liabilities (2013/14: R11). However included in total assets is infrastructure, community and intangible assets and capital work in progress which ordinarily may not be liquidated should a funding need arise for the municipality. When one excludes these assets the ratio realistically reflects a solvency ratio of just under 1.6 times (2013/14: 2, 25). In light of the recalculated ratio, the municipality seems to be in a solvent position with some room for raising loan funding. The trend for the prior years indicates that the municipality has maintained a healthy solvency ratio.

It should be highlighted that trend has taken a downward slide and this poses a future going concern threat if not well managed.

## 1.4 ORGANIZATIONAL DEVELOPMENT OVERVIEW

The organizational development function is a quality-driven intervention and support to Emfuleni Local Municipality on matters related to design and development of functional organizational structure, maintenance of staff establishment, job evaluations, change management, business process mapping and employee health and wellness programme.

### Employees Assistance Programme

- ❖ Ongoing EAP counselling: 79 Employees consulted and 6 of those were referred for advance intervention for the spousal and substance abuse as well as for a variety of other disorders.
- ❖ Wellness Information sessions: 4 cases presenting conflict between employees were resolved. These cases were related personality, insubordination, mistrust and harassment matters.
- ❖ HIV Counselling and Testing (HCT): 393 employees tested for HIV and AIDS. This programme is a monthly intervention.

- ❖ Medical Surveillance: 406 employees took part in this survey (vital signs e.g. glucose, TB, Body Mass Index, High Blood and cholesterol, etc.)

The above are meant to address and contribute to the National Key Performance Area "Releasing Human Potential which is in line section 152 (1) (d) of Act 108 of 1996.

The following Employee Assistance Programme (EAP) interventions are continuously done for the employees. These interventions are carried out through self and formal referrals as well as by means of proactive programmes.

- ❖ Individual Therapy;
- ❖ Financial Management Workshops;
- ❖ Trauma debriefings;
- ❖ Medical Surveillances;
- ❖ World Aids Day,
- ❖ Referrals for Counseling and Psychological interventions.

#### *Human Resources*

The responsibility of the Human Resources function is to render effective and innovative HR service that addresses both skills development and administrative function. The Workplace Skills Plan (WSP) for 2015/2016 financial year together with the Training Plan was submitted to the Local Government Sector Education and Training Authority (LGSETA) by end April 2015 as required by the Skills Development Act of 2008. The amount spent on staff training was approximately R10 402 594.97 of the total ELM salary budget spent of (*R to be obtained from budget office*). A total number of 831 employees were successfully trained in different training interventions during the period under review. A full summary of training interventions is reflected upon in Chapter 4.

#### *Critical Vacancies and Turnover:*

Three vacancies occurred during the year 2013/14 in the Department. These positions were that of Executive Director: Revenue Management, Deputy Municipal Managers for Basic Services and Infrastructure Planning and Assets Management. The Deputy Municipal positions were advertised twice in the national newspapers and on the Municipality website however no suitable candidates were found. This was also exacerbated by the fact that the period of appointment for both positions was going to be for a period of less than three years due to Local Government Elections scheduled for 2016. The Municipality is in the process of filling all critical vacancies. This is planned to be achieved on a progressive basis. The Municipality is able to fill all vacancies throughout the structure of approved and budgeted posts.

#### *Vacancy Rate (2014/2015):*

The Municipality has a total of 2 746 employees. A total of 79 vacancies were filled during the period under review, 11 of which were critical vacancies.

#### ***Employee Turnover Rate (2014/2015)***

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
2012/13	330	132	4.4%
2013/14	373	322	7.3%
2014/15	79	187	6.8 %

A total number of 187 employees have left the employer of the Municipality during period under review. These exits were either through resignations, dismissals, retirements or ill health.

## 1.5 ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE REPORTING PERIOD ENDED 30 JUNE 2015

### 1.5.1 INTRODUCTION

The Chairperson of the Audit Committee has pleasure in submitting herewith the annual report of the Audit Committee for the financial year ended 30 June 2015.

### 1.5.2 LEGAL FRAMEWORK GOVERNING THE AUDIT COMMITTEE

(a) Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act number 56 of 2003 as amended) (MFMA) requires from each municipality to have an audit committee.

(b) In terms of section 166(2)(a) of the MFMA the audit committee is an independent advisory body which must "amongst others" advise the municipal council . . . on matters relating to-

- i. Internal financial controls and internal audits;
- ii. Risk management;
- iii. Accounting policies;
- iv. The adequacy, reliability and accuracy of financial reporting and information;
- v. Performance management;
- vi. Effective governance;
- vii. Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- viii. Performance evaluation; and
- ix. Any other issues referred to it by the municipality.

(c) In addition sections 166(2)(b), (c), (d) and (e) require from the committee to review the annual financial statements, respond to Council on any issues raised by the Auditor-General (South Africa) in the audit report, carry out such investigations into the financial affairs of the municipality and to perform such other functions as may be prescribed by the Council.

### 1.5.3 GOVERNANCE OF THE COMMITTEE

(a) All members of the Audit Committee are non-executive members and all meetings of the committee were held in accordance with the charter of the committee as approved by Council. The annually revised

charter for the committee has been approved by Council. The Chief Audit Executive reports operationally to the Municipal Manager and functionally to the Audit Committee.

(b) The Audit Committee has executed its responsibilities in accordance with section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act number 56 of 2003 as amended).

(c) The Council entrenched effective governance by adopting the recommendations of the King III Report on Corporate Governance for South Africa.

(d) The members of the Audit Committee and Sub-committees during the period under review were:

Name	Audit Committee	Sub-Committees		
		Performance Audit Committee	Risk Management and Anti-Fraud and Corruption Committee	Information Communication and Technology Governance Committee
Ms. M.A.F. Moja	Chairperson	Member	-	-
Mr. S. Mofokeng	Member	Chairperson	-	Chairperson
Mr. P.S. Fourie	Member	Member	Chairperson	-
Adv. H.W. Cory	Member	Member	-	-

(d) Risk Management, Anti-Fraud and Anti-Corruption Committee as the name indicates, is a management committee chaired by an independent AC member to guide and advise management while providing close Audit Committee oversight.

(e) There were no appointments and resignations during the year 2014/15 financial year. Steps to fill the vacant position of audit committee member with technical qualifications and information technology qualifications has been deferred due to financial constraints.

#### 1.5.4 INTERNAL CONTROLS

(a) Internal Audit evaluated effectiveness of municipal system of internal controls following AG (SA) Methodology and using the tool provided by AG (SA).

(b) Internal Audit reported system weaknesses and recommended corrective actions for management to address the deficiencies. Management implemented internal audit recommendations to enhance the system of internal controls to the acceptable level.

#### 1.5.5 INTERNAL AUDIT

(a) The committee is satisfied that the internal audit cluster has during the period under review effectively focused its available resources towards identified critical risk areas in accordance with the approved Risk Based Annual Audit plan for 2014/2015. The committee also approved the Risk Based Annual Audit plan

for the 2014/2015 reporting period and was given the assurance that every effort will be made by the Accounting Officer to have all the resources available to properly execute the plan.

(b) All Internal Audit activities were completed in-house in accordance with the approved Internal Audit Charter and no compromise of the independence or objectivity of the function was observed throughout for the year under review.

(c) With Internal Audit follow-up reports, the committee has noted that management has implemented an appropriate tracking system in terms of which the various action plans by management to resolve the reported issues were tracked, managed and reported to the Audit Committee.

(d) The committee noted an improvement in the percentage of audit findings resolved by management.

(e) The committee also believes that Internal Audit has effectively carried out its mandate and responsibility in accordance with the MFMA and approved Internal Audit Charter.

(f) One-on-one discussions with the Chief Audit Executive did not reveal any matters of concern.

#### **1.5.6 RISK MANAGEMENT**

(a) The Risk Management Anti-Fraud and Anti- Corruption Committee and Audit committee have assisted the Accounting Officer to execute his risk responsibilities.

(b) From the various reports received the Audit Committee is satisfied that the risk management processes were adequately designed although not effectively and efficiently implemented in some instances.

(c) Further, the committee acknowledges the progress made in risk management processes which improved the risk management maturity level of the municipality.

#### **1.5.7 MATTERS OF CONCERN**

(a) Audit Committee entered into discussions with the Accounting Officer again to emphasize the critical need for enhanced revenue management initiatives in order to effectively address the cash flow challenges faced by the municipality. The municipality needs to finalize the revenue management structure and capacitate it accordingly to enable increased revenue collections.

(b) One-on-one discussions with the Accounting Officer confirmed that all reports emanating from forensic and special investigations are being dealt with in strict compliance with the MFMA and good corporate governance. The forensic reports are finally dealt with in closed sessions of the Council.

#### **1.5.8 PERFORMANCE MANAGEMENT**

(a) Management in the year under review implemented the Council approved performance management plan.

(b) The Audit Committee noted that Management has developed a performance management policy and procedure manual which was approved by Council.

(c) The Audit Committee noted that the municipality implemented an automated Performance Management System during 2014/15.

(d) The Performance Audit Committee monitored management's evaluation of identified "external service providers" as required by section 46 of the Municipal Systems Act, 2000.

(e) The Chief Audit Executive in terms of the MFMA/MSA regulations on a quarterly basis audited the reported performance information. All system weaknesses reported were brought to the attention of the Accounting Officer.

#### **1.5.9 COMPLIANCE WITH MFMA, THE ANNUAL DIVISION OF REVENUE ACT AND ANY OTHER APPLICABLE LEGISLATION**

(a) The Audit Committee recommended improvement to the system implemented by management. The Chief Audit Executive recommended that, the system to monitor compliance with applicable laws and regulations be enhanced to ensure reliability. The Audit Committee also noted that compliance in some instances is not being addressed in a timely manner. However, the Risk Management, Anti-Fraud and Anti-Corruption Committee as a sub-committee of the Audit Committee, assisted the Audit Committee in tracking the progress by management in this regard.

(b) The Council approved a materiality framework which provide for zero tolerance for non-compliance with laws and regulations.

#### **1.5.10 ANY OTHER ISSUES REFERRED TO THE AUDIT COMMITTEE BY THE MUNICIPALITY**

(a) The Committee was requested to review the process of implementing Council resolutions within the municipality. The Committee made recommendations to enhance the processes and documentation of Council resolutions.

#### **1.5.11 REVIEW AND EVALUATION OF QUARTERLY AND ANNUAL FINANCIAL STATEMENTS**

**The committee has:**

(a) Reviewed the Quarterly Financial Statements for 2014/15 as analyzed by Internal Audit;

(b) Reviewed and discussed the Annual Financial Statements with management and Auditor-General (SA), to be included in the Annual Report;

(c) Reviewed the Auditor-General's management report and management's responses thereto;

(d) Reviewed the changes in the Accounting Policies and Practices.

#### **1.5.12 AUDITOR-GENERAL (SA) AUDIT OPINION**

(a) The committee is pleased that the municipality has maintained and retained the unqualified audit opinion with reduced matters raised by AGSA, for the fourth year in succession in the financial year 2014/15 and also noted measures put in place by management to work towards receiving a Clean Audit opinion in 2015/16.

### **1.5.13 ISSUES RAISED BY THE AUDITOR-GENERAL (SOUTH AFRICA)**

(a) The Audit Committee concurs with the issues raised by the Auditor-General (South Africa). The Audit Committee also concurs with the action plan in the annual report in terms of which management is addressing the reported issues. The Audit Committee has signed an undertaking with the AG (SA) Office to closely monitor implementation of the corrective action program and on a regular basis report to Council on the progress made by management.

(b) The Audit Committee also noted that there are no unresolved differences of opinion between the Auditor-General (South Africa) and the Accounting Officer.

(c) One-on-one discussions with the Auditor-General (South Africa) did not reveal any matters of concern.

### **1.5.14 INTERACTION WITH THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

The Chairperson of the Audit Committee has previously reported to the members of MPAC the processes followed by the Audit Committee with regard to the evaluation of the Annual Report. The members of MPAC were also briefed on the control system implemented by the Chief Audit Executive for purposes of tracking progress on the resolution of audit findings reported by the Chief Audit Executive and the Auditor-General (South Africa).

### **1.5.15 ONE-ON-ONE DISCUSSION WITH THE EXECUTIVE MAYOR**

One-on-one discussions with the honorable Executive Mayor did not reveal any matters of concern.

### **1.5.16 APPRECIATION**

In conclusion the Audit Committee expresses its appreciation towards the Accounting Officer and all other role players for the effective meetings the Audit Committee had. One-on-one discussions between the members of the Audit Committee also did not reveal any matters of concern.



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**M.A.F. Moja**  
Chairperson of the Audit Committee

# Report of the auditor-general to the Gauteng provincial legislature and the council of Emfuleni Local Municipality

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the Emfuleni Local Municipality set out on pages 1 to 83 which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act 2014 (Act No.10 of 2014) (DORA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide

a basis for my audit opinion.

## Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Emfuleni Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DORA.

## Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## Significant uncertainties

8. With reference to note 35 to the financial statements, the municipality is the defendant in various court cases. The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

## Restatement of corresponding figures

9. As disclosed in note 30 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered in the financial statements of the Emfuleni Local Municipality during the year ended 30 June 2015.

## Material losses

10. As disclosed in note 34 to the financial statements, the municipality incurred material losses amounting to R186 496 567 (2014: R175 255 483) as result of water distribution losses, which represent 32.9% (2014: 34.1%) of the total water purchased.
11. As disclosed in note 34 to the financial statements, the municipality suffered significant electricity distribution losses of 329 351 935 kilowatts with a value of R220 031 941 (2014: 456 559 002 kilowatts with a value of R278 500 991). This represents 15.5% (2014: 20.4%) of electricity distributed.

## Material impairments

12. As disclosed in note 3 to the financial statements, material impairments to the amount of R3 418 999 532 (2014: R2 680 921 630) were incurred on trade receivables of R3 601 152 338 (2014: R2 929 657 148) as these trade receivables (consumer debtors) were considered doubtful.

## Financial sustainability

13. Note 43 to the financial statements indicates that the Emfuleni Local Municipality incurred a deficit of R541 138 081 (2014: R178 775 030) during the year ended 30 June 2015 and, as of that date, the municipality's current liabilities exceeded its current assets

by R474 450 476 (2014: R140 885 876). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

## **Additional matter**

14. I draw attention to the matter below. My opinion is not modified in respect of this matter

### Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of any non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

## **Report on other legal and regulatory requirements**

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected developmental priorities presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## **Predetermined objectives**

17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2015:

- Development priority 6 : water on pages 46 to 51
- Development priority 4 : sanitation on pages 52 to 56
- Development priority 5 : waste management on pages 60 to 64
- Development priority 3 : roads and storm water on pages 67 to 74
- Development priority 1 : electricity on pages 56 to 60

18. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

19. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).

20. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. The material findings in respect of the selected development priorities are as follows:

## **Development priority 6: Water**

Usefulness of reported performance information

Measurability of indicators and targets

22. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A significantly important indicator in relation to the overall mandate of the municipality was not well defined.
23. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. The significantly important indicator in relation to the overall mandate of the municipality was not verifiable.
24. This was due to a lack of proper systems and processes to ensure that data will be collected consistently, and be easy to understand and use.
25. Performance targets should be measurable as required by the FMPPI. I could not measure the required performance for a significantly important target in relation to the overall mandate of the municipality.

Reliability of reported performance information

26. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. A significantly important target was not reliable when compared to the source information or evidence provided.
27. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance.

## **Development priority 4: Sanitation**

Usefulness of reported performance information

Measurability of indicators and targets

28. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A significantly important indicator in relation to the overall mandate of the municipality was not well defined.
29. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. The significantly important indicator in relation to the overall mandate of the municipality was not verifiable.
30. This was due to a lack of proper systems and processes to ensure that data will be collected consistently, and be easy to understand and use.
31. Performance targets should be measurable as required by the FMPPI. I could not measure the required performance for a significantly important target in relation to the

overall mandate of the municipality

## Reliability of reported performance information

32. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. A significantly important target was not reliable when compared to the source information or evidence provided.
33. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance.
34. I did not identify material findings on the usefulness and reliability of the reported performance information for the following
- Development priority 4: waste management
  - Development priority 3: roads and storm water
  - Development priority 1: electricity

## Additional matters

35. I draw attention to the following matters:

## Achievement of planned targets

36. Refer to the annual performance report on page(s) 42 to for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected development priorities reported in paragraphs 22 to 32 of this report.

## Adjustment of material misstatements

37. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of development priority 4: waste management and development priority 1: electricity. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## Compliance with legislation

38. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

## Expenditure management

39. Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA.

## **Internal control**

40. I considered internal control relevant to my audit of the financial statements, the performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on non-compliance with legislation.

## **Leadership**

41. The oversight exercised by the accounting officer on performance reporting and instances of non-compliance with certain laws and regulations was not effective.

42. The action plan developed to address the external and internal audit findings was not fully implemented on performance reporting.

## **Financial and performance management**

43. Certain cluster managers did not have effective monitoring controls in place to ensure that performance reports are supported by complete, relevant and accurate information.

## **Other reports**

## **Investigations**

44. Two investigations are being performed by independent consulting firms at the request of the municipality. These investigations cover the period 01 July 2014 to 30 June 2015 and are based on allegations of misappropriation of the municipality's funds and a lack of progress at certain capital projects.

*Auditor-General*

Johannesburg

30 November 2015



## 1.7 STATUTORY ANNUAL REPORT PROCESS

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	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 2014/15 Annual Report to Internal Audit	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of the Municipality and entities (where applicable).	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

## CHAPTER 2: GOVERNANCE

Good governance is enhanced by an effective interface between political office bearers, political structures, Councilors and officials. The delegation of appropriate powers to achieve and exercise all the powers relating to the performance on all the functions of the Municipality also displays good governance. Chapter 2 of this Annual Report integrates five pillars of good governance applicable in the Municipality.

### COMPONENT: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

Council is the principal political structure and the ultimate decision maker of the Municipality. The Speaker also carries out the duties of Chairperson of the Municipal Council under the Municipal Structures and Systems Act, enforces the Code of Conduct and exercises delegated authority in terms of the Municipal Systems Act.

The Executive Mayor of Emfuleni Local Municipality steers the development and implementation of Integrated Development in accordance with the Municipal Systems Act. The Mayoral Committee of Emfuleni Local Municipality comprised of eleven (11) Councilors and is chaired by the Executive Mayor. Each member of the Mayoral Committee heads a Portfolio Committee in terms of Section 80 of the Municipal Structures Act of 1998.

The Municipality has the following portfolios: Corporate and Governance, Basic Services, Environmental Management and Planning, Public Safety, Health and Social Development, Finance and Revenue, Agriculture, Local Economic Development and Planning, Human Settlement, and Infrastructure Planning, Development and Assets Management.

Political Parties in the Council comprise of the African National Congress, Democratic Alliance, Congress of the People, Africa National Convention, Freedom Front and the Pan Africanist Congress.

##### 2.1.1 Councilors

Emfuleni Local Municipality's Council is composed of 89 councilors and there is one vacancy. Out of the 89 Councilors, 54 are Ward Councilors and 34 are Proportional Representatives (PR) Councilors.

##### 2.1.2 Political Decision Making

Decisions are taken through Council resolutions. The portfolio committee discusses issues before they can recommend to Mayoral Committee (Mayco). The Mayco after some careful considerations then recommends to Council for final approval. The resolutions are then formulated and distributed to relevant Clusters for implementation. During the period under review a total of thirty five (35) Mayoral Committee meetings and sixteen (16) Council sittings were held. A total of 197 Council resolutions were adopted and processed.

##### 2.1.3 Council Committees

Council has in terms of Section 80 and 79 of Municipal Systems Act established a number of committees that specialize in specific areas in which they have become experts. These committees make recommendations to Council and do not make final decisions where applicable.

### *Section 79 Committees*

(a) Audit Committee

The Audit Committee of the Municipality is chaired by an outside independent person -Ms MFA Moja. The committee gives technical advices on financial matters and issues related to performance at organisational level and for all Section 57 employees. Eleven Audit Committee meetings were held for the reporting period.

(b) Municipal Public Accounts Committee

The Municipal Public Accounts Committee has been established (MPAC). Cllr BP Maseko is the Chairperson of the MPAC. The MPAC is the custodian of the Annual Report and also heads up all forms of community or public participation on the annual report. The committee held two (2) meetings to give an expression on the annual report.

(c) Land Tribunal

This committee considers and decides on the development proposals as contained in development applications lodged with the Municipality. Proposals may range from the removal of restrictive conditions of titles as listed in several title deeds to rezoning of parcels of land, applications proposals on land development not in line with development policies such as the SDF. The bulk of lodged applications are approved under the delegated authority as approved by the Council. For the reporting year, seven hearings were held. During these hearings twenty applications were attended to, one is pending, four are not approved and fifteen are approved.

(d) Ethics Committee

The Ethics Committee was established by Council in order to ensure compliance with the Code of Conduct as set out in Schedule 1 of the Local Government: Municipal Systems Act 32 of 2000 as amended. The Code requires that a Municipal Council may establish a special committee to investigate and make a finding on any alleged breach of the Code and make appropriate recommendations to the Municipal Council. Cllr MP Gqeloshe is the chairperson of the committee. For the year under review, no meetings were facilitated.

(e) Petitions Committee

The Petitions Committee consists of 12 members who are members of different political parties within Council and Cllr NP Matsei chairs the committee. Petitions Management Committee manages and processes petitions from the public through a unit called the Petitions and Ethics Unit. The Committee records and acknowledges the petitions received and refers these petitions to the relevant departments for attention and execution.

### *Section 80 Committees*

These portfolio committees were established in terms of Section 80 of the Municipal Structures Act to support

Council in discharging its executive mandate:

<b>Chairperson</b>	<b>Portfolio</b>	<b>Number Meetings</b>
<b>Cllr. KS Ntombela</b>	Corporate and Governance	10
<b>Cllr. MT Ronyuza</b>	Finance and Revenue	15
<b>Cllr. ML Kubheka</b>	Human Settlement	9
<b>Cllr. KJM Ranake</b>	Environmental Management and Planning	4
<b>Cllr. NR Thulo</b>	Basic Service	3
<b>Cllr. K Malindi</b>	Agricultural, Local Economic Development, Development Planning and Tourism	7
<b>Cllr. WV Mcera</b>	Public Safety	3
<b>Cllr. SE Pitso</b>	Health and Social Development	3
<b>Cllr. SJ Radebe</b>	Sports, Recreation , Arts, Culture, Libraries and Information Service, Parks and Cemetery	3
<b>Cllr. VM Godoli</b>	Infrastructure Planning and Asset Management	5
<b>Total</b>		<b>62</b>

*Other Committees*

COMMITTEE	ROLES/RESPONSIBILITIES	CHAIRPERSON	NUMBER MEETINGS
<b>IDP and Budget Steering Committee</b>	Considers the draft IDP document and Process Plan and refer them to the Mayoral Committee and Council.	Councillor NG Hlongwane	6
<b>Revenue Management Committee</b>	The purpose of the Revenue Management Committee is to take decisions regarding Revenue Management Functions and make proposals to Council in a prompt and efficient manner.	Councillor NG Hlongwane	4
<b>Remuneration Committee</b>	Considers the salary scales of Section 56 and 57 Employees and all other contracted employees who do not fall under SALGA Bargaining Council.	Councillor K Ntombela	3
<b>Performance Audit Committee</b>	Provide oversight role on all performance Systems, Policies and Procedures outcome of quarterly assessment and appraisals.	Mr S Mofokeng	6
<b>Risk Management, Anti-Fraud and Anti-Corruption Committee</b>	To review effective functioning of Risk Management Systems and to ensure that the institutions risks are properly identified and well managed.	Mr P Fourie	4
<b>IT Governance Steering Committee</b>	To review effective function of IT, systems and controls	Mr S Mofokeng	4

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## 2.2 ADMINISTRATIVE GOVERNANCE

The Municipality has appointed a Municipal Manager in accordance with the Municipal Systems and Procedures contemplated in section 67 of the Act that are consistent with sections 54A, 56, 57A and 72 of the Act. The Municipal Manager is the head of administration and is supported by a team of 12 professionals. The Senior Management Team is responsible for crafting strategic direction (Integrated Development Plan) of the Municipality as well as providing guidance to the political office bearers.

The Municipal Manager is primarily responsible for the development and implementation of an organizational scorecard and which serve as a basis for his performance assessment. The Municipal Manager upon the completion of the IDP enters into a Performance Plan with the Executive Mayor by the agreement with clear and measurable targets.

The Cluster and Technical Performance Management deals with performance management at a cluster and departmental level. The Service Delivery Budget Implementation Plans captures a comprehensive picture of the performance of each cluster. The Service Delivery Budget Implementation Plans consist of objectives, indicators and targets from and aligned to Integrated Development Planning. The cluster is therefore evaluated by means of this plan.

ELM is divided into 9 Administrative Clusters, each with focused and clear roles and responsibilities. They provide support function and service delivery to the community. Each cluster is responsible for its own planning and budget in accordance with the municipality's overall strategic plan.

The Senior Management Team meetings are conducted weekly and an extended senior management team meeting is held bi-weekly, to discuss reports that are recommended to Mayoral Committee and Municipal Council for approval. The extended senior management team is made up of senior management members from different departments in order to make informed decisions based on a collective input by various structures of the institution. For the year under review a total of 46 meetings were held.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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## 2.3 INTERGOVERNMENTAL RELATIONS

The concept of an intergovernmental system is based on the principle of cooperative governance between the three spheres of government local, provincial and national. While the responsibility for certain functions is allocated to a specific sphere, many other functions are shared among the three spheres.

The Municipality is co-operating with various departments at national, provincial and district levels, including the Chapter Nine institutions established in terms of the Constitution, particularly the South African Human Rights Commission and the Public Protector.

### 2.3.1 Provincial and District Intergovernmental Relations

There are nine departments within Gauteng and each has a standing schedule of meetings which are held quarterly, being the technical meetings and the MEC-MMC meetings, meaning that each department holds two meetings per quarter. Although the MEC-MMC's meetings are political meetings, attendance of the technical personnel is required. The departments within the municipality attend meetings which are relevant to their functions and duties at such meetings.

Above this, the municipality also attended 10 Provincial Departmental meetings ranging from meetings called by, for example the Office of the Premier, Provincial Cogta, Gauteng Standing Petitions Committee, amongst others.

Over and above these IGR structures the municipality attends the Gauteng IGR Practitioner's Forum, International Relations Forum, SALGA IGR Forums, Executive Mayors' Forum, Municipal Managers' Forum, CFO's Forum's, African Peer's Forum and the Sedibeng Regional Forum.

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

### **2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION**

Section 28 (3) and 21 of the Municipal Systems Act, 2000 (Act 32 of 2000) as well as Section 21 (1) (a) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) requires that all community members take part in IDP and Budget Public Participation Meetings.

The Act also requires that a process be followed on the preparation and finalization of the IDP to have mechanisms and procedures for public participation and stakeholder involvement. It stipulates that the community should be consulted with regard to their developmental needs and priorities.

In compliance with the Act, Emfuleni Local Municipality has developed an IDP process plan which outlines the process that should be followed when reviewing the IDP annually.

In light of the above, Public Participation is regarded as main vehicle through which the Municipality practice a culture of stakeholder engagement and participation as required by legislation.

#### **2.4.1 Public Meetings**

In terms of Municipal Systems Act, Ward Councilors are expected to hold at least one public meeting per ward per quarter but the Office of the Speaker's through its Public Participation Policy encourages Ward Councilors to hold public meetings every month to ensure constant contact and communication with their constituencies. In the months of October & November 2014, the offices of the Executive Mayor, Speaker and the IDP in collaboration with Ward Councilors embarked on public participation meetings with the purpose of collating information from the community to be incorporated into the IDP Review for 2015/2016. The notices of the meetings were placed in two local newspapers fourteen days prior to the meetings as required by the Municipal Systems Act.

A total of four (4) public participation meetings were held in order to afford the community the opportunity to consider the draft budget and IDP before adoption by the Council. Loud hailing was also used to mobilize the community for the meetings and pamphlets were distributed. Buses were organized to transport people at their pick up points through the assistance of bus coordinators.

#### **2.4.2 IDP/Budget Public Participation**

The Municipality moved further to conduct Budget/IDP public meetings. This is a program that encourages the communities to dialogue with the Municipality and its political leadership. The drafting of the Integrated Development Plan, including its consideration and adoption of the budget is done in consultation with the local communities on its development needs and priorities.

The IDP -Budget Process Plan was approved by Council in August 2014. The Process Plan outlines the schedule IDP and Budget public participation meetings. The first sets of meetings were held during the month of September/October 2014 and others were conducted during the month of April/May 2015.

The meetings aim to solicit inputs from the community that will influence Service Delivery Budget Implementation Plan. The April/May 2015 meetings ascertain whether the Draft IDP and Budget for 2015/16 have incorporated issues raised during the September and October 2014 public participation meetings. Four public participation meetings were conducted during the months of September/October 2014 and 7 (seven) were conducted during the months of April/May 2015. All meetings were well attended and successful.

### 2.4.3 Ward Committee Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)
Public participation Meetings	21-Apr-15	8	27	34	Yes
Public participation Meetings	28-Apr-15	10	25	177	Yes
Public participation Meetings	30-Apr-15	10	14	316	Yes
Public participation Meetings	5-May-15	6	26	221	Yes
Public participation Meetings	7-May-15	21	19	229	Yes
Public participation Meetings	20-May-15	6	11	239	Yes
Public participation Meetings	27-may-15	7	20	164	Yes

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they be calculated 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
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

## COMPONENT D: CORPORATE GOVERNANCE

### 2.6 RISK MANAGEMENT

The role of the Risk Management department is to provide the Municipality with comprehensive support for institutionalizing ERM, coaching management on principles and practices of ERM, coordinating efforts in determining the municipality's risk exposures and in the development of action plans by management for addressing such exposures.

During the financial year 2014/2015, the Municipality had a functional Risk Management Unit as well as a functional Risk Management, Anti-fraud and Anti-corruption Committee which has held 4 meetings during the year. The municipality maintains the following approved policy documents:

- Risk Management, Anti-fraud and Anti-corruption Committee Charter;
- Risk Management Policy;
- Risk Management Framework;
- Risk Management Implementation Plan;
- Anti-fraud and Anti-corruption Strategy which is made up of the following documents, and
- Insurance Administration Policy.

The Municipality maintains a Strategic Risk Register as well as departmental Operational Risk Registers. The following were identified as the top 5 Strategic Risks of the Municipality in terms of the residual risk values of the risks being the highest at 20;

Strategic Risk	Level of Progress Achieved
Declining Economy	Satisfactory
Environmental Pollution (Degradation and Contamination)	Satisfactory
Inadequate, Old and Ageing Municipal infrastructure	Unsatisfactory
Loss of Revenue (Cash Flow Constraints)	Satisfactory
Inability to timely and adequately recover from Major Business Interruptions and adverse Circumstances (i.e. Disasters)	Satisfactory

The Strategic Risk Profile of the Municipality reflected in Chart A below remains at a considerable high level with 14 of the risks being high, 3 risks being medium and 1 at a low residual risk level; and the risk mitigation progress registering an overall assessment of satisfactory.

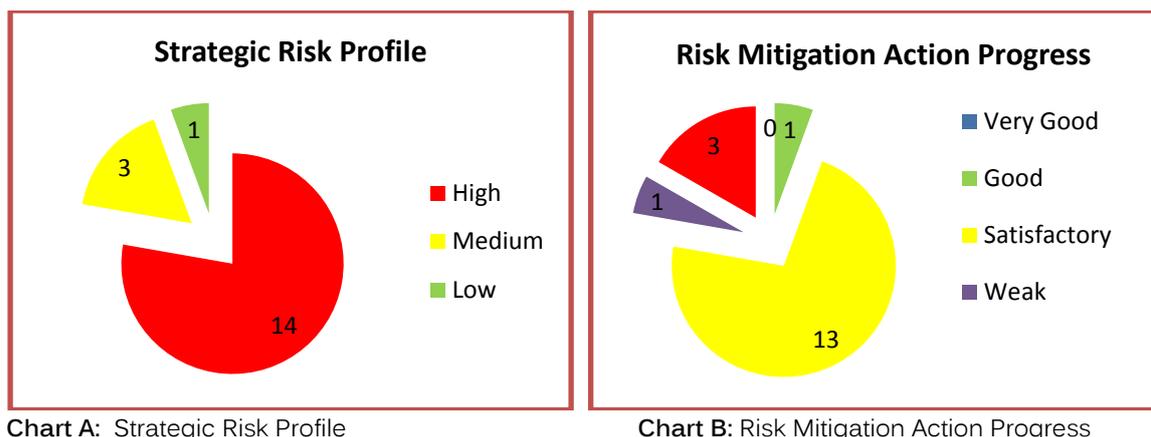


Chart A: Strategic Risk Profile

Chart B: Risk Mitigation Action Progress

The Municipality has in terms of the Risk Management Implementation Plan (RMIP), not achieved all its targets as anticipated due to staffing constraints however a critical aspect of sustaining management awareness and commitment was achieved through the risk workshops conducted for Managers at level 02 and Assistant Managers at level 03. The Municipality has once again retained a Risk Maturity Score of 4 with the following matters remaining outstanding:

- ❖ Capacitating the Risk Management Department (Staffing);
- ❖ Defining the Risk Appetite and Risk Tolerance Levels (currently defined in the framework in terms of the risk rating criteria) ;
- ❖ Risk Assessment aligned with IDP and Budget Processes (Key challenges in this regard have been considered by the Senior Management Team), and
- ❖ Creating a library of Risk Incidents (due date currently set at 31 August 2015).

The RMIP for the 2015/16 period will take these outstanding matters into account to ensure their finalization with the goal of improving the risk management culture of the Municipality and effectively its risk maturity levels.

## 2.7 ANTI-CORRUPTION AND FRAUD

The Risk Management, Anti-fraud and Anti-corruption committee plays an oversight role over the function of fraud and corruption prevention in the Municipality, and reports its findings on fraud risks to the Audit Committee. The Municipality has an approved Anti-fraud and Anti-corruption Strategy and Fraud Prevention Plan in place and they are multidisciplinary and cross-functional.

The Anti-fraud and Anti-corruption Strategy is made up of the following documents:

- ❖ Anti-fraud and Corruption Strategy;
- ❖ Fraud Prevention Policy;
- ❖ Forensic Investigation Policy;
- ❖ Whistle Blowing Policy;
- ❖ Code of conduct, and
- ❖ List of Fraud Risks.

The Municipality has for the 2014/15 period, conducted the following operational and forensic investigations:

Name of Investigation	Nature of Investigation	Status
Technical Investigation into Capital Projects for the period 2013/14	Forensic	On-going
Allegations of Irregularities within the Sanitation Section	Forensic	On-going
Allegations of suspected corruption between employees of the Municipality and Estate Agents	Forensic	Concluded
Performance of the recalculation of the remuneration purportedly overpaid to the Municipal Manager and the Review of processes and procedures followed by the Municipality to implement Council Resolutions	Operational	Concluded

## 2.8 SUPPLY CHAIN

The Supply Chain Management of Emfuleni Local Municipality has been implemented in terms of Chapter 11 of Municipal Finance Management Act No.56 of 2003; SCM Regulations of 2005. Relevant MFMA circulars clearly set out the required processes and guidance manuals to help ensure that SCM processes provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. These pieces of legislation and guidelines referred to were the basis for the formulation of ELM's Supply Chain Management (SCM) policy.

SCM is an integrated function, which deals with the following key functions:

- Demand Management;
- Acquisition Management;
- Logistic and Disposal Management, and
- Risk and Performance Management.

The SCM Policy and Procedure Manual were reviewed during the financial year so as to cater experienced challenges, intensify controls, streamline processes and promote fairness, cost-effectiveness, efficiency and local economic development. Furthermore, the review was also intended to accommodate National Treasury's circular 62.

## 2.9 WEBSITE

Section 75 of the Municipal Finance Management Act, 56 of 2003, requires the accounting officer of a municipality to place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality:

Information to be placed on the website	2014/15	Date placed
1. Adjustment budget 2014/15	Yes	23 April 2015
2. Mid-Year and Performance Report 2014/15	Yes	06 June 2015
3. MTREF Budget 2015/16 to 2017/18	Yes	03 June 2015
4. Final Draft IDP 2015/16	Yes	02 June 2015
5. All budget related policies 2015/16	Yes	02 June 2015
6. SDBIP 2014/15	Yes	09 July 2014
7. Annual Report 13/14	Yes	26 January 2015
8. Oversight report for 2013/14	Yes	19 May 2015
9. Performance Agreements as per s57 (1) (b) of MSA 2014/15	Yes	28 August 2014
10. All service delivery agreements	No	
11. All long-term borrowing contracts	Yes	20 March 2013
12. All SCM contract above R100 000 per quarter	Yes	04 June 2015
13. Public-private partnership agreements	Yes	15 September 2014
14. All quarterly reports tabled in the Council in terms of s52 (d)	Yes	20 May 2015
15. Contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;	N/A	
16. Information statements containing list of assets over prescribed value that have been disposed off in terms of s14 (2) or (4) during the previous quarter	Yes	15 June 2015
17. 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	Yes	

## 2.10 INTERNAL AUDIT

The Emfuleni Local Municipality (ELM) has a fully functional Internal Audit Cluster which is mandated to provide independent, objective assurance and consulting services geared towards adding value to ELM and improved quality of the service delivery. Internal Audit is an independent cluster which is a significant contributor to corporate governance within the municipality by providing assurance services.

To this end, the Internal Audit Cluster has developed and implemented a risk-based Annual Audit Plan which is aligned to the ELM strategy (IDP) and Strategic Risk Register which was adopted and approved by the Audit Committee and Council respectively.

**Contributions to Corporate Governance and Operation Clean Audit (OPCA): Audit Committee and Performance Audit Committee-** Internal Audit contributed to strengthening of the governance mechanisms within ELM by supporting the Audit Committee and Performance Audit Committee presenting audit reports of value adding and system enhancing nature at meetings and in so doing assisting them in exercising their legislative mandates. This observation was endorsed by the evaluation made by the Office of the Speaker, Executive Mayor and Senior Management on the functionality of the committees as follows:

The Aggregate Rating of the Audit and Performance Audit Committees' performances on a 1-5 scale during 2014/15 were:

<b>AUDIT COMMITTEE AND PERFORMANCE AUDIT COMMITTEE PERFORMANCE EVALUATION EVALUATED BY THE EXECUTIVE MAYOR; SPEAKER OF THE COUNCIL; MUNICIPAL MANAGER; SENIOR MANAGEMENT TEAM AND AUDIT COMMITTEE MEMBERS</b>		
<b>2014/15</b>	<b>Audit Committee</b>	<b>Performance Audit Committee</b>
Collective expertise and the know how displayed during consideration of items tabled during the meeting	4.6	4.7
Collective knowledge displayed of Local Government and its objectives	4.6	4.8
Collective participation in considering items tabled at meeting	4.7	4.7
Expression of collective judgment in general on matters considered by the committee	4.5	4.8
Insight of and commitment to the Committee's duties and responsibilities	4.7	4.8
Members attendance of meetings	4.6	4.8
Members' display of a complete inquiry attitude, objectivity and independence during meetings	4.4	4.8
The member's timeous response to matters tabled for consideration at meetings	4.7	4.8
<b>Average</b>	<b>4.6</b>	<b>4.8</b>
<b>Percentage</b>	<b>92</b>	<b>95</b>

Overall Ratings		
-----------------	---	---

**MPAC-** Further, the Cluster contributed to strengthening other governance mechanisms within ELM by providing technical support to the MPAC as well as by providing quality reports, which the Audit Committee used to exercise its oversight responsibility effectively in terms of its charter.

**Consulting Services-** Internal Audit plans includes a consulting services framework, strategy and methodology, aimed at increasing the range of value-added services that internal audit provides to its stakeholders, while maintaining its independence in relation to assurance services. Consulting services comprise a wide range of activities based on management’s needs. These services are tailored to resolve specific issues that senior management identifies as requiring attention which ranges from advisory, educational and/or facilitative in nature.

**Continuous Auditing-** Internal Audit has introduced a continuous auditing/real time audit technique which is used to provide a snapshot of the internal controls in order to enable timely and regular assurance of ELM control effectiveness by monitoring the compliance with key controls. This approach assists to identify the internal control gaps or deficiencies and send the warning signs to management timeously. The full benefits of this process materialized during the 2014/15 financial year as the continuous audit solution starts to mature.

**Internal Audit Outcomes for 2014/15**

*Execution of the risk based Annual Audit Plan*

Based on the approved risk based audit plan Internal Audit provided assurance and reported on the adequacy and effectiveness of controls in ELM’s business processes as well as in specialized areas such as Management, Supply Chain Management, Performance Management, Value for Money Audit, Compliance, Financial, IT Governance, Risk Management and Internal and External OPCA follow-up which resulted in a **90%** audit coverage.

**AG (SA) Dashboard:** Internal Audit has facilitated the AG (SA) Dashboard Reports on the Key Control Environment which are quarterly signed off by the Executive Mayor. These reports contributed to key leadership commitments made by the key role players, including the ELM Executive Mayor in order to strengthen the executive leadership and oversight in maintaining clean governance. Further, continuous key control environment assessment by management and evaluation by internal audit indicated improvement on Leadership, Financial and Performance Management and Governance processes.

**Key Commitments:** Internal audit facilitated and followed up on key commitments and initiatives for 2014/15 financial year as committed by various Assurance Providers. The results were agreed upon by the Accounting Officer, Senior Management, Audit Committee, Executive Mayor, Mayco and Council. Internal Audit reached the same assessment results and/or conclusion as reported on the Auditor-General management report.

Below are the results of the assessment by Internal and External Audit for 2014/15 financial year

Key role players	Assurance levels
<b>Senior Management</b>	Provide some assurance

Accounting Officer	Provide some assurance
Executive Mayor	Provide assurance
Internal Audit	Provide assurance
Audit Committee	Provide assurance
Coordinating Institutions	Provide some assurance
Municipal Public Accounts	Provide assurance
Municipal Council	Provide assurance

**Internal and External OPCA Follow-up**, the Internal Audit contributions in terms of Operation Clean Audit was realized when Management resolved a significant number of the audit findings raised by AG (SA) and Internal Audit which resulted in the ELM receiving an unqualified audit opinion.

Further, management is committed to the OPCA process by continuously implementing the internal and external audit recommendations so as to retain an unqualified audit opinion and move towards the clean audit opinion, demonstrating a clean administration.

The table below provides the status of the implementation of AG (SA) audit findings raised for the financial year 2014/15:

CLUSTER	TOTAL NUMBER	NOT APPLICABLE	APPLICABLE FINDINGS	RESOLVED	PARTIALLY RESOLVED	NOT RESOLVED	INFORMATION SUBMITTED STILL NEEDED TO BE VERIFIED
		N/A					
Corporate Services	2	0	2	2	0	0	0
Public Safety and Community Development	1	0	1	1	0	0	0
Municipal Manager	12	0	12	10	2	0	0
Finance Cluster	13	2	11	9	1	1	0
Basic Services	1	0	1	1	0	0	0
IPAM, Revenue Management, Internal Audit and Economic Development Planning	0	0	0	0	0	0	0
Total	29	2	27	23	3	1	0
Percentage				85%	11%	4%	0%

The table below provides the status of the implementation of audit findings raised by Internal Audit for the financial year 2014/2015:

Cluster	Total Audit Findings	Less Audit finding not due for Follow up	Total Audit Finding due for follow up	Resolved	Partially Resolved	Not Resolved	Management put internal control systems in place and further follow up review will be performed during Financial year 2014/2015 processes
Basic Service	14	13	1	1	0	0	0
Corporate Service	4	1	3	1	2	0	0
IPAM	8	7	1	0	1	0	0
Finance	27	10	17	16	0	1	0
Revenue Agency	6	0	6	3	3	0	0
EDP	7	0	7	4	3	0	0
Public Safety and Community development	15	7	8	8	0	0	0
Municipal Manager	22	0	22	10	10	2	0
	103	38	65	43	19	3	0
				66%	29%	5%	0%

#### Annual Assessment of the ELM internal controls

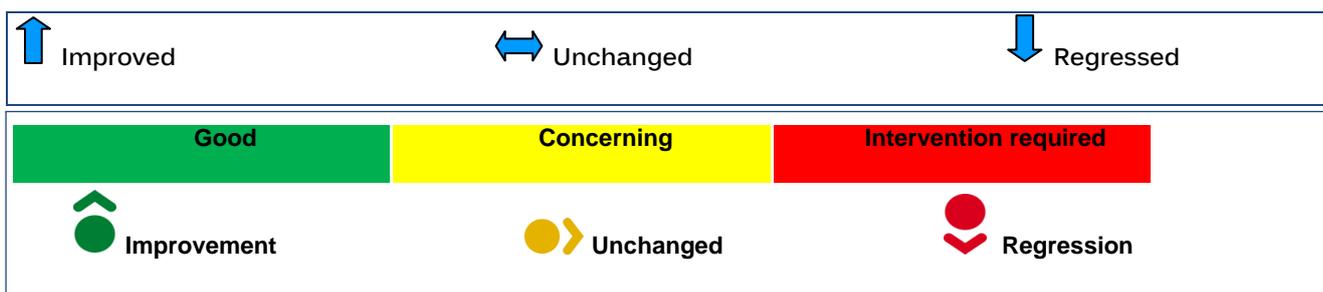
Internal Audit provided assurance in respect of the adequacy and effectiveness of controls in all the clusters. Based on the outcomes of these audits, Internal Audit provided the Audit Committee with a written assessment on the status of the ELM internal controls for the 2014/15 reporting period.

For seamless approach on the achievement of clean administration at ELM this process was aligned to the Auditor-General Dash Board Report-Drivers of Internal Control which also contributes to commitments made by the Executive Mayor to improve the audit outcomes. Internal Audit reached the same assessment results and/or conclusion as the Auditor-General.

#### Summary of the status of driver of internal controls for financial year 2014/15

Status of drivers of key controls					
Leadership		Financial and performance management		Governance	
Effective leadership		Proper record keeping		Risk management	
Oversight responsibility		Processing and reconciliation controls		Internal audit	

HR management	↔	Reporting	↑	Audit committee	↔
Policies and procedures	↔	Compliance	↑		
Audit Action plans	↑	IT system controls	↑		
IT Governance	↔				



*Quality assurance improvement programme*

The Internal Audit Cluster maintained and implemented a quality assurance and improvement program to ensure the quality of audit products and services are realized by ELM. The program is designed to enable evaluation of the cluster in order to conform to the Internal Audit International Standards and Code of Ethics as well as its own approved Internal Audit Charter and audit methodology. To that end client satisfaction surveys were implemented to measure the quality of internal audited projects for strengthening the governance processes within the Municipality. The said process is conducted through providing management with recommendations which resulted in improved governance, risk management and internal controls in the Municipality.

**Evaluation of Internal Audit cluster by all the stakeholders**

Internal Audit was evaluated by all the stakeholders on a scale of one to five. The Internal Audit Cluster is operating within the commitment of the entire ELM and internal audit staff where everybody is striving towards meeting agreed upon deadlines.

In overall the Internal Audit Cluster had a very successful 2014/2015 reporting period.

The following results indicate that internal audit was continuously adding value to the ELM control, risk management and governance process during the 2014/15 reporting period:

<i>Performance Evaluation of Internal Audit Activity Self-Evaluation and Audit Committee 2014/15</i>	
<i>CRITERIA</i>	<i>RATING</i>
Managing the Internal Audit Activity	4.37
Status of the IAA	4.67
Nature of Work	4.51
Continuing professional development	4.18
Risk-Based Auditing	4.37
Forensic Investigations	3.47
Technology	3.06
Resources	4.01
Quality assurance and improvement	3.95
Communications	4.31
Relationship with Stakeholders	4.05
Audit Plan	4.27
Operational Requirements	4.31
Overall Performance	4.50
<b>Average</b>	4.15
<b>Percentage</b>	83
<b>Overall rating</b>	

## Internal Audit Highlights and Successes for 2014/15

- Successfully performed a cluster-audit approach;
- Executed a 100% performance audit methodology which is aligned to National Treasury Framework on performance management adding value to the service delivery quality, to this end ELM has attained an AG (SA) 100% unqualified audit opinion on “usefulness of information”;
- Reviewed Quarterly Financial Statements which resulted in ELM submitting Annual Financial Statements which were free from material misstatement;
- Executed the continuous auditing model;
- Participated and assisted in the OPCA process which contributed towards the Municipality retaining an unqualified audit opinion for the third financial year in succession; and
- Followed a communication strategy to build good communication and client relations with management and all related stakeholders.

### 2.11 BY LAWS DIVISION

For the 2014/15 Reporting Period the Municipality has established a By-law unit that will work on the coordination of all municipal bylaws. The municipality in the process of capacitating the unit with the relevant human resources required. The following by-laws were drafted and public participation processes were conducted and will be promulgated.

Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws	Dates of Public Participation	By- Laws Gazetted	Date of Publication
Community Fire Safety Bylaws	New	No	No	No	No
Public Health	New	No	No	No	No

### 2.12 PUBLIC SATISFACTION SURVEY

The Gauteng City Region Academy (GCRA) has conducted a Quality of Life Sample Survey to establish the satisfaction level of communities within the area of jurisdiction of the Gauteng Province. The first survey was conducted in 2009 and realised a sample of 6 636 respondents. The second survey, conducted in 2011, nearly tripled in size and reached 16 729 respondents, this time all from within Gauteng. In 2013 the sample grew still further to 27 490 respondents, making QoL III probably the largest survey of social attitudes ever conducted in the province.

The services used in the survey index were government provided dwellings, water, sanitation, waste, energy, street lighting, roads, storm water, municipal billing, cost of municipal services, libraries, public health services, education, and public safety and security. The satisfaction level of service delivery within the municipality, with specific reference to provision of basic services varies when compared with other municipalities in the Sedibeng Area.

Across municipalities in Sedibeng more than 50% of respondents indicated that they were either satisfied or very satisfied with the 14 services measured by the index (55% for percentages fell below the provincial average of 67%). Satisfaction (satisfied and very satisfied) with water was relatively high across municipalities in Sedibeng, with Emfuleni at 87%. Terms of water cleanliness that they received water that was always or usually clean. Comparatively, the highest ratings for water cleanliness in the province were in Emfuleni at 96. Respondents who were satisfied with their government provided dwelling dropped to 59% in Emfuleni.

Satisfaction with sanitation services was also high, although not as high as for water. As shown across Gauteng, the satisfaction levels are reflected the type of toilet facility that is accessible to the respondent. Respondents' satisfaction with waste removal services varied across Sedibeng and Emfuleni is at 63% and fell below the Gauteng average of 80%.

Municipal billing was identified as a general problem across all municipalities in Gauteng, with only 44% of respondents indicating that they were either satisfied or very satisfied with the means by which they were billed. Compared with other municipalities, satisfaction levels were lowest in Sedibeng. The cost of municipal services was also a province-wide concern, but this was worse in Sedibeng where only 29% of respondents in Lesedi, 32% in Emfuleni, and 39% in Midvaal were satisfied with the cost of municipal services. In Emfuleni 78% of respondents were satisfied with energy services, the highest satisfaction rate of any municipality outside of the metros.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Chapter 3 of this annual report focuses on the service delivery milestones achieved against the Municipality's strategic objectives. These strategic objectives have been captured into the 2014/2015 IDP and translated into cluster Service Delivery Budget Implementation Plans and linked to the Sedibeng Growth and Development Strategy and the National Outcomes.

### COMPONENT A: BASIC SERVICES

This component includes water, sanitation, electricity and waste management and human settlement functions and a summary of free basic services.

#### 3.1 WATER PROVISION

Emfuleni Local Municipality supplies water to all communities in its boundaries. The water supplied in this regard is in line with the Blue Drop regulations and the SANS 241 standards, complying with the international standards of water quality for human consumption.

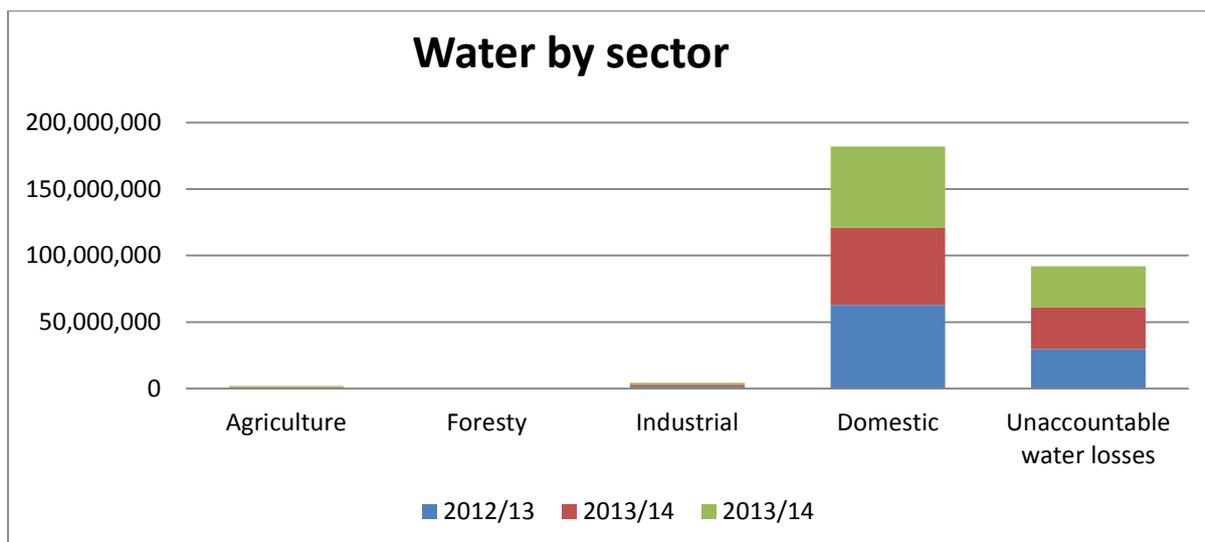
The Municipality prides itself as being one of the leaders in the provision of safe potable water all its communities. This is demonstrated by the receipt of the Blue Drop Certification for 2 consecutive years with an increase in compliance from 94.75% in 2011 to 96.87% in 2012.

The provision of quality water supply and water treatment is attributed to initiatives such as conducting, on monthly basis 33 water quality tests, dedicated reaction team for water quality complaints and resolution, 24 hour pressure control, daily monitoring of main water supply infrastructure. The Municipality has also implemented an Active Water Safety Plan and Incident Management Protocol as part of water quality management. The Municipality is also participating in a "Project 15%", a directive from the Department of Water Affairs to save 15% on the total water supply of each Water Service Authority by the year 2016.

The RISK PAT audit was also done on the potable water purification plants. The purpose of the audit was to establish whether the different purification plants are ready for the stricter regulations of the new SANS 241:2011 document which will become applicable in 2016. The Municipality was awarded a risk rating of 12.5% during the period under review. This indicates that the Municipality is ready to comply with the new water quality regulations. In 2014 a full audit was also done and the results are still pending. ELM's total water demand for the year under review was 94,268,787 Kl of which 99% were received from Rand Water and 1% was purified through the Vaaloewer water purification plant that only provides water to the Vaaloewer community.

##### 3.1.1 Total use of water by sector

TOTAL USE OF WATER BY SECTOR(CUBIC METERS)					
	Agriculture	Forestry	Industrial	domestic	Unaccountable water losses
2012/13	638 853	0	1,360,250	62,812,996	29,696,231
2013/14	615 086	0	1,576,542	58,138,576	31,549,282
2014/15	603 213	0	1,435,099	61,006,954	30,556,625



### 3.1.2 Water Service Delivery Levels

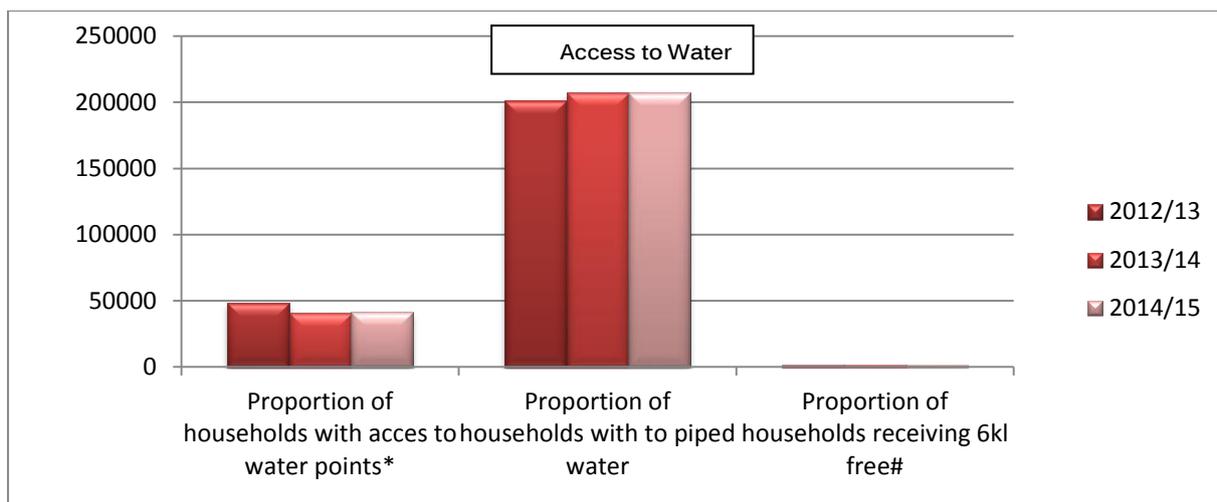
Water Service Delivery Levels				
Households				
Description	Year - 3	Year - 2	Year - 1	2013/14
	Actual No.	Actual No.	Actual No.	Actual No.
<i>Water: (above min level)</i>				
Piped water inside dwelling	154	173	173	173
Piped water inside yard (but not in dwelling)	53	34	35	35
Using public tap (within 200m from dwelling )	7	14	14	14
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-total</i>	215	221	221	221
<i>Minimum Service Level and Above Percentage</i>	98%	100%	99%	100%
<i>Water: (below min level)</i>				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	5	-	2	1
No water supply				
<i>Below Minimum Service Level sub-total</i>	5	-	2	1
<i>Below Minimum Service Level Percentage</i>	2%	0%	1%	0%
Total number of households*	220	221	223	223

### 3.1.3 Household –Water Service Delivery Levels below minimum

Households - Water Service Delivery Levels below the minimum						
Households						
Description	Year -3	Year -2	Year -1	2014/15		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	220	221	248	248	250	250
Households above minimum service level	215	221	248	248	249	249
Proportion of households above minimum service level	98%	100%	100%	100%	100%	100%
Informal Settlements						
Total households	220	221	248	248	250	250
Households below minimum service level	5	–	2	2	1	1
Proportion of households below minimum service level	2%	0%	1%	1%	0%	0%

### 3.1.4 Access to Water

	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6kl free#
2012/13	48496	201504	1632
2013/14	41056	207344	1632
2014/15	41577	207344	1632



The water demand shows an increase which is attributed to the rise of the domestic use. This can be attributed to the improvement of the community's living standards with the allocation of RDP housing. Although the bulk water purchases increased, the unaccounted water losses were reduced due to the ongoing public awareness and educational programs to educate consumers in water conservation. The free 6kl basic water is only applicable to those consumers who are registered on the indigent register. The largest portion of water customers has access to piped water within their properties and houses.

### 3.1.5 Employees: Water

Employees: Water							
Job Level	Total Posts	Employees 2013/14	Resigned	Appointed	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	3	1	1		0	3	100%
4 - 6	18	12		2	14	4	10%
7 - 9	46	18	1	1	18	28	5%
10 - 12	30	26	1		25	5	50%
13 -15	17	3	3		0	17	10%
16 -	146	92	2		90	56	80%
	<b>260</b>	<b>152</b>	<b>8</b>	<b>3</b>	<b>147</b>	<b>113</b>	<b>43%</b>

### 3.1.6 Water Provision: Service Delivery and Budget Implementation Plan

Water Services: Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
	*Previous year	*Previous year	*Current year	*Current Year	*Following year
Reduce water losses compared to the baseline of 2013/14 of 31,549,282 kiloliters. As per final water balance calculations	28,779,905	31,549,282 kls	30,255,765 kls	31,049,113 kls (1.06%)	29,711,636 kls
Water supply to all households complies with the access to basic level of water, either through separate connections or communal stand pipes. As per asset register	99%	99%	100%	99%	100%
Compliance to blue Drop certification and SANS 241; 2011 standards for the water supply. As per Blue Drop certification	97.0%	99%compliance to SANS241 water quality	97.5%	99%complaine to SANS241 water quality	98.0%

### 3.1.7 Water: Financial Performance

<b>Water Services</b>					
<b>Financial Performance 2014/15: Water Services</b>					
<b>R'000</b>					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	918 261	956 696	956 696	1 007 774	5%
<b>Expenditure:</b>					
Employees	32 714	28 551	28 551	30 239	6%
Repairs and Maintenance	7 977	13 886	10 886	-3 650	480%
Other	770 974	604 727	603 327	580 508	-4%
<b>Total Operational Expenditure</b>	811 665	647 164	642 764	607 096	-7%
<b>Net Operational (Service) Expenditure</b>	-106 596	-292 407	-288 007	-400 677	27%

### 3.1.8 Water Services Performance Overall

The Municipality's water balance currently indicates unaccounted for water of 32.94% on the input volume. This is a 1.06% decrease from last year's losses. There was however an increase in the bulk water purchases of 1.27% and increase of 2.5% in non-revenue water in relation to the previous financial year. The excessive consumption above flat rate has been reduced from 36kl/household/month to 35kl/household/month. This is largely due to Boloka Metsi initiatives and the sustained awareness and education programs in the year after the project ended. The physical water losses increased with 1.7% this can be contributed to shortages in resources effecting turnaround times of attending to complaints.

The contractors were appointed as and when required for assistance in water network maintenance, which will assist in reducing maintenance backlog which is currently at 39%. A large increase in contractors breaking water lines and theft of water meters also had a large impact on physical water losses during the year. The theft of brass water meters increased dramatically since November 2014 and cost the municipality total of R750, 000.00 in losses. To mitigate this risk a decision to only install plastic water meters was taken.

The Municipality is in the process of installing smart water and electrical meters which will provide flow control to each property and will automatically relay water and electricity meter readings to the billing system.

The first phase of the project was to establish the data capturing center and has already been completed. The pilot phase of the project commenced in July 2015 by installing electrical meters in SE7 and Bedworthpark. During September 2015 water and electrical meters were installed in Eatonside. This project will be extended to all areas under the jurisdiction of the Municipality during the next reporting period.

### 3.2 WASTE WATER (SANITATION)

The sanitation networks consist of 2900 Km of gravity sewer pipelines, 33328 sewer manholes, 44 pump stations and 94 sewer pumps. The sanitation network is maintained and operated by 14 sewer maintenance teams attending to sewer blockages, maintenance, and cleaning as well as pipe repairs.

Emfuleni Local Municipality has three Waste Water Care Works namely, Leeuwkuil, Sebokeng and Rietspruit. All the Works are classified in terms of the National Water Act. Rietspruit Water Care Works are categorized as class A, Leeuwkuil WCW as class A and Sebokeng WCW as class A in terms of the National Water Act, These Water Care Works are to receive and treat Wastewater from all areas in Emfuleni Local Municipality and discharge it to receiving water resources of Rietspruit and Vaal River at acceptable compliance as per Water Use License and Green Drop required.

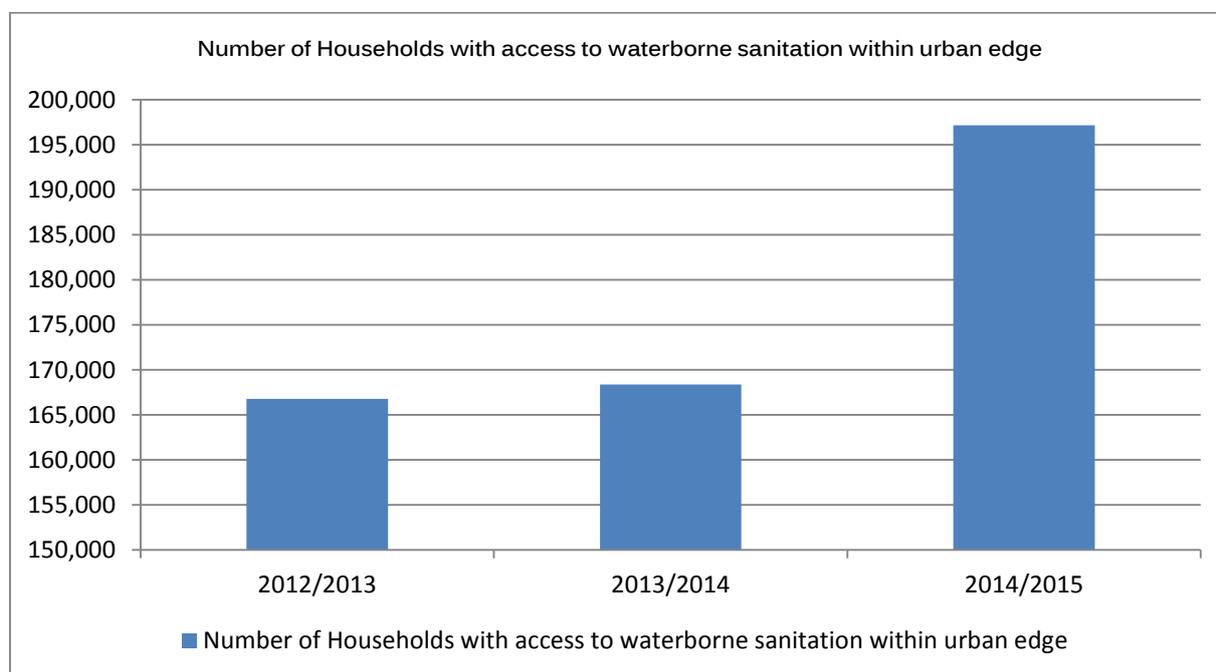
#### 3.2.1 Sanitation Service Delivery Levels

Sanitation Service Delivery Levels				
*Households				
Description	2013/14	2013/14	2014/15**	2014/15**
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
<i>Sanitation/sewerage:</i> (above minimum level)				
Flush toilet (connected to sewerage)	168,374	168,374	197,167	197,167
Flush toilet (with septic tank)	N/A	N/A	N/A	N/A
Chemical toilet	N/A	N/A	N/A	N/A
Pit toilet (ventilated)	N/A	N/A	N/A	N/A
Other toilet provisions (above min.service level)	N/A	N/A	N/A	N/A
<i>Minimum Service Level and Above sub-total</i>	0	0	0	0
<i>Minimum Service Level and Above Percentage</i>				
<i>Sanitation/sewerage:</i> (below minimum level)				
Bucket toilet	N/A	N/A	N/A	N/A
Other toilet provisions (below min. service level)	N/A	N/A	N/A	N/A
No toilet provisions				
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>				
Total households	-	-	-	-

### 3.2.2 Households - Sanitation Service Delivery Levels

Households - Sanitation Service Delivery Levels						
Households						
Description	2012/13	2013/14	2014/15	2014/15		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
<b>Total households</b>	166 776	168 374	197,167	197,167	0	197,167
<b>Households below minimum service level</b>	0	0	0	0	0	0
<b>Proportion of households below minimum service level</b>	0%	0%	0%	0%	0%	0%
Informal Settlements						
<b>Total households</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Households below minimum service level</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Proportion of households below minimum service level</b>	100%	100%	100%	100%	100%	100%

### 3.2.3 Access to Sanitation



During the 2012/2013 financial year the number of households with access to water borne sanitation within the urban edge was 166 776. During the 2014/2015 financial year, the number of households with access to waterborne sanitation within the urban edge was 168 374, whereas during the 2014/15 financial year, the number of households with access to sanitation was 197 167. The variance between 2013/14 and

2014/15 is due to the adoption of the STATS SA figures which is also in line with the IDP, WSDP and Asset management Policy.

### 3.2.4 Employees: Sanitation

Employees: Sanitation							
Job Level	Total Posts	Employees 2013/14	Resigned	Appointed	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	2	1		1	2	0	0%
4 - 6	17	9		4	13	4	10%
7 - 9	53	10	2	3	11	42	5%
10 - 12	56	29	2		27	29	50%
13 - 15	39	2	2		0	39	10%
16 -	200	129	3		126	74	80%
	<b>367</b>	<b>181</b>	<b>9</b>	<b>8</b>	<b>179</b>	<b>188</b>	<b>26%</b>

### 3.2.5 Sanitation: Service Delivery and Budget Implementation Plan

Water Services: Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Number of House Holds(HH) with access to water borne sanitation within the urban edge	168 374	191 478	168 374	191 478	197 167

### 3.2.6 Sanitation: Financial Performance

Sanitation Services					
Financial Performance 2014/15: Sanitation Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	263 179	262 654	262 654	0	
<b>Expenditure:</b>					
Employees	51 413	47 814	47 814	2 174	-5%
Repairs and Maintenance	28 848	22 081	22 801	0	
Other	244 047	46 632	110 962	49	-94%
<b>Total Operational Expenditure</b>	324 307	116 527	181 577	2 223	-7%
<b>Net Operational (Service) Expenditure</b>	61 128	-146 127	-81 077	2 223	-7%

### 3.2.7 Sanitation Performance Overall

In its quest to improve service delivery the Municipality has been able to resolve a total of 8614 of 9777 reported complaints within 48 hours during the period under review. This represents a turnaround time of 88%. The reduction of sewer spillages due to ageing infrastructure is addressed through the replacement of various sewer lines in Evaton and Sebokeng areas. There is also an ongoing Installation of a new line of 400mm diameter X 180 Meters UPVC from extension 15 Evaton connecting to the 1500mm diameter Poortjie line.

The ageing infrastructure, lack of capital funding for replacement of outfall sewer lines and rising mains of sewer pump stations, rapid development in the area, high level of sewer blockages in Palm Springs, storm water ingress which increases the hydraulic loading of the Waste water care works and continuous theft and vandalism e.g. Cable and electrical instruments theft at sewer pump stations, theft of sewer manhole covers are some of the key challenges facing the Municipality in this regard.

For the year under review, the following achievements were noted:

- ❖ Completion of 15 new telemetry systems for sewer pump stations.
- ❖ Upgrade of the Scada System at pump stations.
- ❖ Installed 30 pepper sprays in pump station.
- ❖ Replaced 110 Meters of the 500mm diameter outfall line at Union Street.
- ❖ Replaced 165 Meters of the 900mm diameter outfall line at Bonanne.
- ❖ Routine inspection and servicing of pumps to prevent pump packing which might result in spillages.
- ❖ Daily cleaning of sieves to remove foreign objects.

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## 3.3 ELECTRICITY

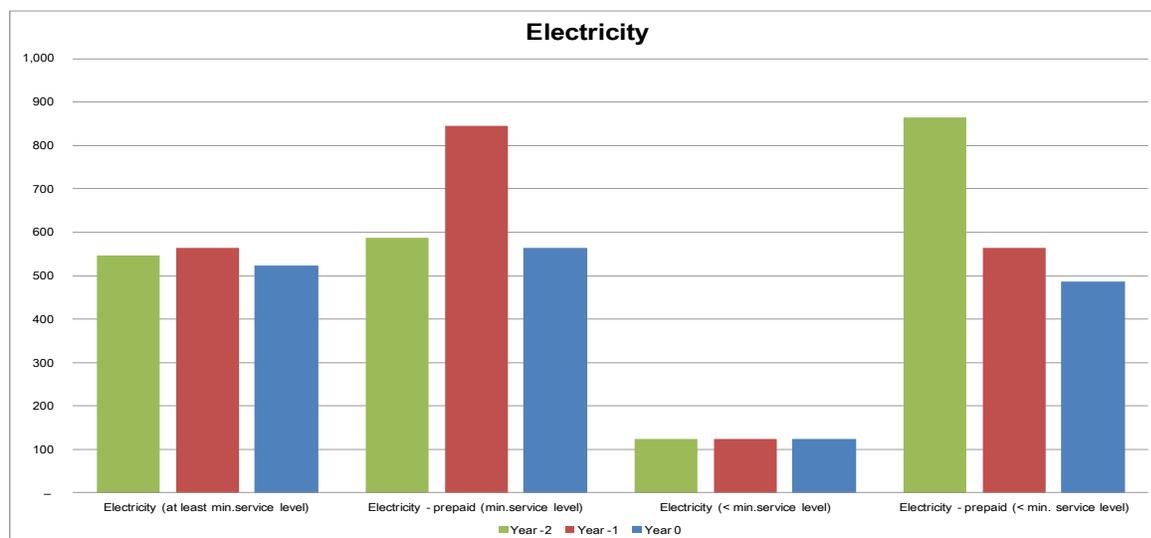
Emfuleni Local Municipality is responsible for providing electricity in the Vanderbijlpark, Bophelong, Boipatong, Ironsyde, Eatonside, Roshnee, Rust-ter-Vaal and Vereeniging areas. Eskom has a license to provide electricity in the remaining areas. All consumers connected to the electricity network receive a full service at the applicable rates/tariffs as approved by the National Energy Regulator of South Africa (NERSA) every year.

### Bulk Purchases of Electricity

The area covered by the Municipality's distribution licence consumed 2148997942 kWh during the period under review. In accordance with the latest statistics reported to NERSA there are approximately 68938 consumers of which approximately 64224 are residential and agricultural. These consumers consume approximately 20% of the total energy distributed by the Municipality.

The other 80% of energy sold is consumed by the industrial and business consumers. The bulk purchases of electricity procured from Eskom for 2014/15 amounted to R1, 406,953,846.

### 3.3.1 Electricity Service Delivery Levels



Electricity Service Delivery Levels				
Description	Households			
	2011/12	2012/13	2013/14	2014/15
	Actual No.	Actual No.	Actual No.	Actual No.
<i>Energy: (above minimum level)</i>				
Electricity (at least min. service level)	59,207	60,607	61,607	69 237
Electricity - prepaid (min. service level)				
<i>Minimum Service Level and Above sub-total</i>	59,207	60,607	61,607	69 237
<i>Minimum Service Level and Above Percentage</i>	100.0%	100.0%	100.0%	100.0%
<i>Energy: (below minimum level)</i>				
Electricity (< min. service level)	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-
Other energy sources	-	-	-	-
<i>Minimum Service Level sub-total</i>	-	-	-	-
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%	0.0%	0.0%
Total number of households	59,207	60,607	61,607	69 237

### 3.3.2 Households Electricity Service Delivery Levels below the minimum

Description	2012/13	2013/14	2014/15	Households	
	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.
Formal Settlements					
Total households	-	-	-	-	-
Households below minimum service level	N/A	N/A	N/A	N/A	N/A
Proportion of households below minimum service level	N/A	N/A	N/A	N/A	N/A
Informal Settlements					
Total households	-	-	-	-	-
Households below minimum service level	N/A	N/A	N/A	N/A	N/A
Proportion of households below minimum service level	N/A	N/A	N/A	N/A	N/A

### 3.3.3 Employees: Electricity

Employees: Electricity							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	4	4	1		3	1	25%
4 - 6	24	19	4	3	18	6	10%
7 - 9	67	52	2	2	52	15	5%
10 - 12	39	31	2		29	10	50%
13 -15	42	13			13	29	10%
16 -	63	62	3		59	4	80%
	239	181	12	5	174	65	30%

### 3.3.4 Electricity: Financial Performance

Electricity Services					
Financial Performance 2014/15: Electricity Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	1 711 006	1 995 526	1 995 526	1 818 934	0
Expenditure:					
Employees	52 794	54 453	54 453	56 276	0
Repairs and Maintenance	24 301	45 984	49 091	30 691	-1
Other	1 411 639	1 524 339	1 525 695	1 433 760	0
<b>Total Operational Expenditure</b>	1 488 733	1 624 775	1 629 239	1 520 728	0
<b>Net Operational (Service) Expenditure</b>	-222 274	-370 750	-366 287	-298 206	0

### 3.3.5 Electricity Service Delivery Objectives Taken from IDP

Water Services: Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Number or % of household with access to basic level of electricity	98%	98%	68692	69237	70178
Number of streetlights maintained	No projection	No projection	7500	7500	8000
Number of substations upgraded	No projection	No projection	8	6	10

### 3.3.6 Electricity Overall Performance

#### Maintenance

Provision is made in the annual operating and capital budgets for the maintenance, refurbishment and/ or upgrading of the electricity network. The allocation to the maintenance funding for the electricity function is being increased gradually to achieve the requirement of 6% of the electricity sales on an annual basis as stipulated by NERSA in an effort to improve the preventative maintenance actions and ensure long term continuity of supply.

Maintenance on the electricity network is done on a continuous basis and use is made of multiyear maintenance contracts to achieve this. Maintenance on public lighting is done in accordance with a predetermined programme.

### **Electricity Losses**

The total electricity losses for 2014/15 were approximately 16.38%. In order to reduce the losses, all faulty connections were corrected. The program for the replacement of the meters started late in 2012/13 and is continuing till to date.

The Municipality appointed a service provider to roll out a smart metering system of electricity to all its consumers. This is done in order to achieve accurate and instantaneous meter reading and billing. This system will provide an energy balancing system by means of which theft and/or illegal use of electricity can be detected at an early stage. The nature of this system will also provide savings in expenses related meter reading and manual up loading of meter reading as well as the dis- and reconnection of electricity as this will be achieved via remote switching. It is envisaged that the electricity losses will be reduced once accurate metering has been installed for the consumers. The roll out of this programme is estimated to run for 24 months and will therefore only be completed during the 2016/17 financial year.

### **Infrastructure refurbishment/upgrading**

Funding has been made available in the capital budget to address the upgrading/refurbishment of older infrastructure such as cables, overhead lines, transformers and switchgear. This will assist largely in ensuring a continuous supply of electricity to all consumers.

### **Electrification**

Electrification of new low cost housing developments was done with the assistance of the Department of Energy (DoE). However the funding received from DoE was not sufficient to install an electricity network that will be sustainable for the medium to long term in these new areas. The Municipality therefore provides additional funding to ensure that a sustainable electricity network is installed.

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## **3.4 WASTE MANAGEMENT**

Environmental Management and Planning is categorised into 2 components of Service Delivery, namely, Waste and Landfill Management and Environmental Management.

Waste and Landfill Management is responsible for collection and transporting of waste, cleansing services and managing landfill sites. Residential waste is collected once a week to and a total of 188,566 was recorded for the reporting period. Again a total of 443 newly completed households to a total of 189 009 formal households being serviced on a sustainable curbside weekly basis serviced was noted. This is in line with the National Environmental Management Waste Act (Act 59 of 2008) and National collection Standards for weekly household collection services.

Environmental Management is rendered in terms of the National Environmental Management Act 107 of 1998 and Specific Environmental Management Acts (SEMAS). The main function is to develop and implement the Environmental Management Framework. The key areas of the framework include the Environmental Impact Management; Environmental Compliance Monitoring and Enforcement; Industrial Environmental Impact Management; Air Quality Management; and Environment Related Projects.

### 3.4.1 Solid Waste Service Delivery Levels

Solid Waste Service Delivery Levels				
Description	Households			
	2011/12 Actual No.	2012/13 Actual No.	2013/14 Actual No.	2014/15 Actual No.
<i>Solid Waste Removal: (Minimum level)</i>				
Removed at least once a week	174,904	188,254	188,566	188,009
<i>Minimum Service Level and Above sub-total</i>	174,904	188,254	188,566	188,009
<i>Minimum Service Level and Above percentage</i>	94.7%	85.3%	85.3%	85.9%
<i>Solid Waste Removal: (Below minimum level)</i>				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	9,800	32,360	32,360	31,126
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
<i>Below Minimum Service Level sub-total</i>	9,800	32,360	32,360	31,126
<i>Below Minimum Service Level percentage</i>		14.7%	14.7%	14.1%
Total number of households	185	221	221	220

### 3.4.2 Household –Solid Waste Service Delivery Levels below Minimum

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2011/12	2012/13	2013/14	2014/15		
	No.Actual	Actual No.	Actual No.	Original Budget	Adjusted Budget	Actual
Formal Settlements						

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2011/12	2012/13	2013/14	2014/15		Households
	No.Actual	Actual No.	Actual No.	Original Budget	Adjusted Budget	Actual
Total households	165,656	188,254	188,566	188,566	188,830	189,009
Households below minimum service level	27,581	32,360	31,608	31,608	31,305	31,126
Proportion of households below minimum service level	17%	17%	17%	17%	17%	16%
Informal Settlements						
Total households	199,590	199,590	220,887	220,614	220,614	220,887
Households below minimum service level	27,581	27,581	27,581	26,894	26,894	32,360
Proportion of households below minimum service level	14%	14%	14%	12%	12%	15%

### 3.4.3 Employees

Employees: Waste Management							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	4	3	1		2	2	50%
4 - 6	9	6	1		5	4	10%
7 - 9	16	13	4	1	10	6	5%
10 - 12	70	62	11		51	19	50%
13 - 15	23	14	14		0	23	10%
16 -	354	316	16	2	302	52	80%
	476	414	47	3	370	106	34%

### 3.4.4 Waste Management: Financial Performance

<b>Employees: Solid Waste Magement Services</b>					
<b>Financial Performance 2014/15: Solid Waste Management Services</b>					
<b>R'000</b>					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to
<b>Total Operational Revenue (excluding tarrifs)</b>	161 050	172 777 250	172 777 250	180 993	5%
Expenditure:					
Employees	66 268	75 439 643	75 439 643	65 987	-14%
Repairs and Maintenance	5	70 325	10 325	8	-30%
Other	78 220	28 768 751	28 613 086	13 488	-112%
<b>Total Operational Expenditure</b>	144 492	104 278 719	104 063 054	79 483	-31%
<b>Net Operational (Service) Expenditure</b>	-16 558	-68 498 531	-68 714 196	-101 510	32%

### 3.4.5 Waste Management Services: Service Delivery and Budget Implementation Plan

<b>Waste Management Services: Service Delivery and Budget Implementation Plan</b>					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Additional households completed for weekly curbside collection services	700	687	700	226	700
Wheelie bins rolled out	New Performance target		20,000	5795	20,000
Compliance of landfills with minimum requirements			100	100	100

### 3.4.6 Waste Management Service Overall Performance

Overall, a total of 141,364m<sup>3</sup> (increase of 35% of annual estimate) of waste was removed in all 45 wards in a continuous clean-up removal programme. The Municipality in collaboration with Provincial and National governments conducted the Industrial audit compliance in industries such as Arcelor-Mittal and was successfully concluded.

The lack of sufficient number of inspectors and vehicles to deal with industrial management is some of the key challenges facing the Municipality in this regard. This limitation of resources has contributed to severe backlogs and hampers effective service delivery in driving the environmental function.

The Waste and Landfill Management challenges includes lack of functional ward environmental committees outdated by-laws, illegal dumpings and lack of funding to improve the landfill sites. However processes are underway to mitigate these challenges. These processes include the acquiring of additional 8 new compactors and the reprioritization of work and a new shift system. Resultant to these interventions, a total of 141,364 m<sup>3</sup> of waste was removed against the target set of 130 000 m<sup>3</sup> for the reporting period.

Weekly services were rendered to all formal households within the urban edge with very few backlogs spilling over to the next week of collection. As part of the process to normalise services during this financial year, a night shift to clean the inner circles and especially linked to the Vereeniging and Vanderbijlpark CBD's was introduced on a 7 day per week basis on a 07:00 to 22:00 during the week basis and to 20:00 over weekends on Saturdays only. This also extended to keeping all main routes and boulevards clean that is also assisted by the continued use of EPWP workers throughout the region.

#### *Estimated life span of three operational landfill sites*

Based on the formal valuation of the Auditor General requirements for all landfill sites, the extent and volume of waste in place and the remaining available airspace was determine by a topographical survey. The airspace modeling was based on the end shape model based on approved permits for the individual landfill sites and the estimated calculation conclusion for the respective operational landfill sites are as follows:

- ❖ Boitshepi Landfill site calculated lifespan to final closure: 3 years.
- ❖ Palm Springs Landfill site calculated lifespan to final closure: 17 years.
- ❖ Waldrift Landfill site calculated lifespan to final closure: 15 years.

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## 3.5 HOUSING

The Human Settlements function is committed to the delivery of diversified habitable houses, with all social amenities in a secure and development friendly environment. This is done by implementing the National Outcome 8 - breaking new grounds and policy to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in the municipal areas.

The Municipality upholds the Batho Pele principles by ensuring cost effective and affordable services; being responsive and sensitive to the social and housing needs of our communities and providing a range of affordable shelter options. The identification of suitable land for the establishment of new housing projects to reduce the housing backlog on the Gauteng waiting list; and adhere to the 5 attributes to

security, namely, affordability, accessibility, habitability, location and innovation and designs are key activities that defines the scope of the Human Settlements division.

### 3.5.1 Percentage of Households with Access to Basic Housing

Percentage Of Households With Access To Basic Housing			
Year end	Total households informal settlements (including in formal and	Households in formal settlements	Percentage of HHs in formal settlements
2012/13	53058	7318	13.8%
2013/14	55133	11536	29.9%
2014/15	721663	15915	72%

### 3.5.2 Employees

Job Level	Employee: Housing				
	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	2	2	2	0	0%
4 to 6	13	17	13	4	24%
7 to 9	0	2	0	2	100%
10 to 12	6	11	6	2	18%
16 to 18	0	8	0	8	100%
<b>Total</b>	<b>21</b>	<b>40</b>	<b>21</b>	<b>16</b>	<b>40%</b>

### 3.5.3 Financial Performance: Housing

Housing Services					
Financial Performance 2014/15: Housing Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	8 398 869.08	10 826 662.00	10 826 662.00	8 219 505.57	-32%
Expenditure:					
Employees	9 275 581.95	9 701 337.00	9 701 337.00	9 298 621.88	-4%
Repairs and Maintenance	61 191.77	1 167 006.00	367 006.00	65 015.20	-1695%
Other	9 847 620.91	5 044 777.00	3 914 174.00	5 206 499.29	3%
<b>Total Operational Expenditure</b>	19 184 394.63	15 913 120.00	13 982 517.00	14 570 136.37	-9%
<b>Net Operational (Service) Expenditure</b>	10 785 525.55	5 086 458.00	3 155 855.00	6 350 630.80	20%

### 3.5.4 Housing: Service Delivery and Budget Implementation Plan

Housing :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Management of rental housing stock % of valid lease agreements	100%	100%	100%	100%	100%

### 3.5.5 Human Settlement (Housing) Overall Performance

In summary ELM is one of the municipalities identified by the National Department of Human Settlements for National Upgrading Support Programme technical assistance and capacity building support, in agreement with the Gauteng Department of Human Settlements. This technical assistance and capacity building support to provinces and municipalities is guided by the following objectives:

- ❖ Contribute to the achievement of the Outcome 8 Delivery Agreement targets;
- ❖ Promote incremental upgrading in line with the National Housing Code's aim to provide secure tenure, upgradable basic services and build community empowerment;
- ❖ Capacitate state and community structures to continue the development of sustainable human settlements, and
- ❖ Formalize an Informal Settlement Upgrade strategy for Emfuleni Local Municipality.

The first phase of the National Upgrading Support Programme has been completed. Currently the Informal Settlement Upgrade Strategy is in the process of securing an approval from Council. The second phase will continue in the following 2015/16 financial year. In an effort to provide effective service the Human Settlement function provides the following services:

- ❖ Rental Accommodation;
- ❖ Eradicating informal settlements – through the provision of proclaimed townships, with serviced stands and houses;
- ❖ Identifying suitable land for the establishment of new housing projects to reduce the housing backlog on the Gauteng Waiting list;
- ❖ Rental Housing Information Offices where Rental Tribunal Administration is performed, and
- ❖ Issuing of Title Deeds received from Gauteng Human Settlements Department.

During the current year under review, 191 Title Deeds were received and 106 were issued. The following housing units will be transferred to the tenants/purchasers through the Retro Programme:

- ❖ Leeuhof Extension 1;
- ❖ Sonhof Flats;
- ❖ CW5 Low Cost Housing units in Vanderbijlpark; and
- ❖ Housing units in Rust-ter-Vaal.

Furthermore it must be stipulated that the provision of houses is the competency of Gauteng Department of Human Settlements. The land availability is the function of Emfuleni Local Municipality with the view to facilitate the building of houses and ultimately delivery to the deserving community members. After the land transfer to Emfuleni Local Municipality, Gauteng Department of Human Settlements interact with the relevant departments before commencing with a project. (E.g. Water and Sanitation, Electricity, Roads and Storm water and Land Use Management).

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### 3.6 FREE BASIC SERVICES

#### 3.6.1 Free Services

Free basic electricity (FBE) of 50kWh per month is made available to all the registered indigents. In the areas where Eskom is the supplier of electricity the Municipality compensates Eskom for the issuing of free electricity to its consumers. 6kl free basic water is made available to households that are registered and approved in terms of the indigent policy of the municipality. Water and Solid waste is also made available to every household of ELM areas.

## COMPONENT B ROADS

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### 3.7 ROADS

Roads and Storm Water Department plays a significant role in the economic development of the Municipality through planning, provision and maintenance of the road and storm water infrastructure. The function is classified into three sections, namely: planning, operations and auxiliary each with a different focus but taking an integrated approach in rendering the service to the community.

The Municipality is also responsible for the development, implementation and management of various electronic management systems and master planning for all roads infrastructure. It is also responsible for the quality of implementation of capital projects, administration of the capital budget and approval of applications for new development. The road infrastructure of Emfuleni Local Municipality links directly to national roads thus making access to other key strategic economic hubs like Johannesburg, Ekurhuleni, and the City of Tshwane etc. easy and convenient.

### 3.7.1 Gravel Road Infrastructure

The maintenance of gravel roads includes operations such as the grading of the gravel roads to improve the riding quality, the re-graveling process i.e. to re-work and re-compact the pavement layers, and the operation also includes drainage improvements on gravel roads.

Gravel Road Infrastructure				
	gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Kilometers Gravel roads graded/maintained
2012/2013	229	0	14	215
2013/2014	963	0	12	951
2014/2015	296	0	29	267
				<i>T 3.7.2</i>

In the 2014/2015 reporting period a total of 29 kilometres of gravel roads were upgraded to tar and this represents an increase of 142% when compared to the 12 kilometres achieved in 2013/14. The maintenance of existing gravel roads in 2014/15 has decreased quite significantly when compared to 2013/14, and this is a result of challenges in terms of the availability and shortages of resources.

### 3.7.2 Asphalted Road Infrastructure

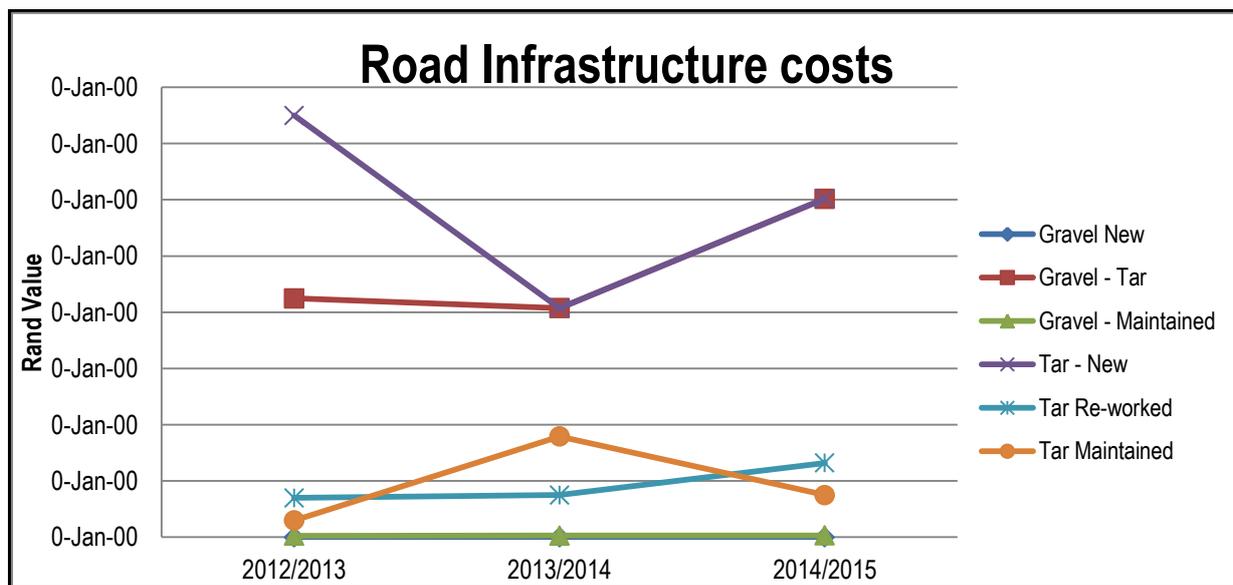
In the 2013/2014 SDBIP the department had planned to reseal 60km of existing tar roads, however due to budgetary constraints only 9.35km of resealing was achieved. During 2014/15 at total of 20.55 kilometres of existing tar roads were re-tarred and 28.834 gravel roads were upgrades to tar through MIG funded projects.

Tarred Road Infrastructure					
Kilometers					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2012/2013	67	25	12	0	30
2013/2014	29.87	11.52	9.35	0	9
2014/2015	69.94	28.834	20.55	0	21

The maintenance of tarred roads through patching of potholes programme has been negatively affected by cash flow constraints even though funds were appropriately budgeted

### 3.7.3 Gravel Roads - Cost of Construction/Maintenance

Cost of Construction/Maintenance						
R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2012/2013		84,964,000.00	509,000.00	50,000,000.00	4,000,000.00	6,000,000.00
2013/2014		81,495,586.13	600,000.00	81,495,586.13	5,000,000.00	35,848,114.65
2014/2015		120,380,570.97	660,000.00	20,380,570.97	26,400,000.00	15,000,000.00



In the 2014/2015 period the MIG budget for upgrading gravel roads to tar had increased to R120 380 570.97 when compared to 2013/2014 budget of R81 495 586.13. Maintenance costs for existing tarred roads in 2014/2015 included the R26 400 00 and R15 000 000 which was spent on reseal programmes and patching of potholes. The cost of maintaining existing tar roads has increased from R6 000 000 (2012/2013) to R35 848 114.65 (2013/2014) and this represent an increase of 83%.

#### 3.7.4 Employees Roads

Employees: Roads							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	3	2	1		1	2	67%
4 - 6	17	12	3	2	11	6	10%
7 - 9	45	14	2		12	33	5%
10 - 12	137	39	3		36	101	50%
13 -15	70	9	2		7	63	10%
16 -	546	116	4		112	434	80%
	818	192	15	2	179	639	37%

3.7.5 Financial Performance: Roads

Roads Services					
Financial Performance 2014/15: Roads Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	0	0	0	0	
Expenditure:					
Employees	28 451	7 325	7 325	27 855	-8%
Repairs and Maintenance	43 033	76 545	52 550	48 185	-18%
Other	3 636	28 312	24 872	24 847	-1%
<b>Total Operational Expenditure</b>	75 120	112 182	84 747	100 887	-11%
<b>Net Operational (Service) Expenditure</b>	75 120	112 182	84 747	100 887	-11%

3.7.6 Financial Performance: Storm water

Stormwater Services					
Financial Performance 2014/15: Stormwater Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	0	0	0	0	
Expenditure:					
Employees	23 550	22 804	22 804	22 414	-2%
Repairs and Maintenance	3 600	4 511	4 511	926	-387%
Other	-1 226	236	226	210	-12%
<b>Total Operational Expenditure</b>	25 923	27 550	27 540	23 550	-17%
<b>Net Operational (Service) Expenditure</b>	25 923	27 550	27 540	23 550	-17%

### 3.7.7 Employees: Storm water

Employees: Storm water							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	1	1		0	1	100%
4 - 6	3	2			2	1	10%
7 - 9	2	0			0	2	5%
10 - 12	59	8			8	51	50%
13 -15	28	6			6	22	10%
16 -	480	71			71	409	80%
	572	87	1		87	486	43%

### 3.7.8 Roads Overall Performance

The safety of the community and protection of property from uncontrolled water flow due to rain and floods is managed through a network of 508km of storm water pipes, 60km of lined canals and 169km of unlined canals supported by 12, 270 catch-pits. The planning of roads also includes provision of storm water pipes in the previously disadvantaged areas as part of the equalization of services.

The tarred road network hierarchy comprises of 245km of primary roads, 204.4km of secondary roads, 206.1km of main tertiary roads and 772.4km of tertiary roads giving a total of 1,484 km of tarred roads. There is a concerted effort on the part of the Municipality to have the other parts of the road network hierarchy to be tarred which comprises of 1,031 km of gravel roads. Safety on the roads is enhanced by 14,602 traffic signs and road markings standing at 158,445 square meters. To address the problem of tarred roads, the department is also looking at alternative road construction methods to transform the 1,034km of gravel roads into tarred roads.

The maintenance of the road and storm water infrastructure is done through three maintenance depots strategically located in Vanderbijlpark, Vereeniging and Sebokeng. Cumulatively they maintain 1 484km of tarred roads, 1 031km gravel roads, 144 041m<sup>2</sup> road markings and 9691 road signs in order to provide a functional roads network.

## 3.8 STORMWATER

Strategically the storm water section strives to be a dynamic community centred service provider that continuously improves and renews the quality of lives. To provide an efficient, competitive and responsive economic infrastructure network. The storm water section strives to fulfil the mandate for Local Government in terms of section 152 of the Constitution by implementing its strategic objectives on the following principles:

- ❖ To provide a storm water drainage system for the convenience of the community and traffic;
- ❖ To prevent loss of life by runoff from storms;
- ❖ To reduce damage to property by runoff from storms;
- ❖ To prevent land and watercourse erosion, and

- ❖ To preserve natural watercourses and their eco-systems.

The Department operates in three regions namely: Vanderbijlpark, Vereeniging and Sebokeng. In each region there are storm water maintenance teams placed to undertake the cleaning of existing catchpits, pipes and channels.

In terms of the service delivery and budget implementation plan for 2014/2015, the storm water section has managed to exceed the set targets. However the storm water section as part of the Roads and Stormwater, the Department is faced with challenges such as cash constraints, aging infrastructure, poor plant availability and high vacancy rate.

### 3.8.1 Stormwater Infrastructure

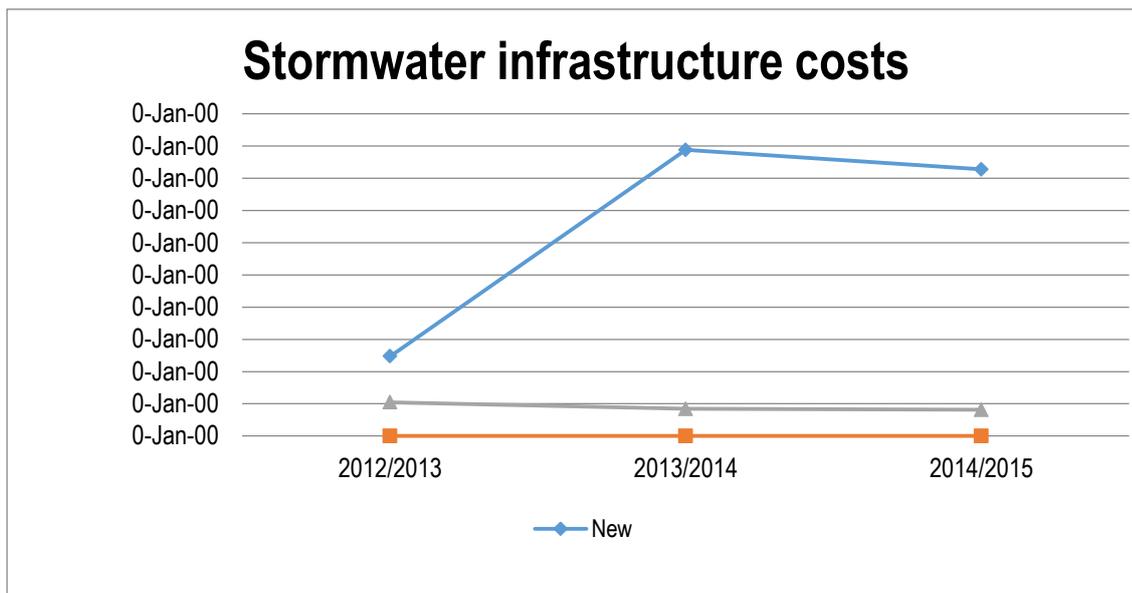
The storm water operations include the maintenance of concrete lined channels and grave earth channels. The processes of maintenance focuses on new pipes laid, existing channels cleaned and number of catchpits rebuilt.

Stormwater Infrastructure				
Kilometers				
	Total Stormwater measures	New storm water measures	Stormwater measures upgraded	Stormwater Measures maintained
2012/2013	78,950	8,250	0	70,700
2013/2014	70,070	8,326	0	61,744
2014/2015	44,158	3	18	44,136

The annual target for the maintenance of storm water channels for 2014/15 was 20 000m which represents 67% increase when compared to 2013/2014 period. In this respect the achievement made was 44 136 kilometres of stormwater channels maintained. A significant increase in the upgrading of existing storm water with a total of 18 kilometres achieved during 2014/15 period.

### 3.8.2 Cost of Construction/Maintenance

Cost of Construction/Maintenance			
R' 000			
	Stormwater Measures		
	New	Upgraded	Maintained
2012/2013	12,375,000	0	5,230,000
2013/2014	44,396,959	0	4,208,406
2014/2015	41,386,372	0	4,080,000



The cost of storm water construction was slightly less by approximately 7% in 2014/2015 when compared to 2013/2014. The maintenance cost which was affected by cash constraints was also slightly less in 2014/15 when compared to 2013/2014.

### 3.8.3 Employee: Storm Water Services

Employees: Road Services					
Job Level	Year 2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	3	3	0	0%
4 - 6	9	19	11	8	42%
7 - 9	7	17	7	10	59%
10 - 12	14	46	14	32	70%
13 - 15	31	82	31	51	62%
16 - 18	66	108	66	42	39%
19 - 20	0	0	0	0	0%
Total	128	275	132	143	52%

### 3.8.4 Service Delivery and Budget Implementation Plan

Service Objectives	Outline Service	2013/2014		2014/2015		2016
		Target	Actual	Target	Actual	
	Service Indicators	Previous Year	Previous Year	Current Year	Current Year	

Implement Stormwater Maintenance Plan	Kilometers of Storm water Pipes and Channels Maintained	40 km	61.744 km	40 km	20 km	44 km	23 km
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### 3.8.5 Capital Expenditure 2012/13: Storm-Water Services

Capital Expenditure Year 2014/2015: Storm water Services					
R' 000					
Capital Projects	Year: 2014/2015				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	17,604,307.00	19,077,799.00	5,938,714.16	-196%	
Water Canal in Zone 17	4,175,452.00	4,175,452.00	332,843.37	-11.54	
Water Canal in Zone 10	3,367,613.00	3,367,613.00	1,168,233.62	-1.88	
Beverly Hills Storm water Management Plan	4,001,669.00	4,001,669.00	394,693.86	-9.14	
Concreting SW Channel Sebokeng Zone 10	3,059,573.00	3,357,613.00	1,048,878.71	-1.92	22,139,860.83
Concreting A SW Chanel Sebokeng Zone 17	3,000,000.00	4,175,452.00	2,994,064.60	0.00	10,297,843.44

### 3.8.6 Stormwater Overall Performance

The Municipality has appointed a service provider to consolidate all Stormwater Master Planning. The completion of the storm water master planning will assist the Department in addressing the following challenges:

- ❖ Capacity to carry out on-going analysis and research which cannot be outsourced;
- ❖ Lack of design capability;
- ❖ Ageing infrastructure, and
- ❖ Rapid development of formal and informal settlements which results in traffic increases in our roads, and increases the roads backlog.

## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.9 PLANNING

The Land Use Management (LUM) functions include evaluation and processing of received development applications (rezoning, consent uses, townships establishment, removal of restrictive conditions of title,

subdivisions, and divisions of land, site development plans, building plans and other development planning related applications).

Spatial Planning is a component of the Land Use Department that deals with the development of the Spatial Development Frameworks (SDFs) of the Municipality. In developing the SDF it is required that various land development policies such as local spatial development plans, precinct plans, urban renewal strategies and growth development strategies to guide public and private investments. Other related areas are also important, including local economic and community planning. Spatial planning integrates vertical alignment of plans (local, district and provincial level) in order to guide the development, investments and at ensuring annual compliance in terms of the Local Government: Systems Act (no.32 of 2000).

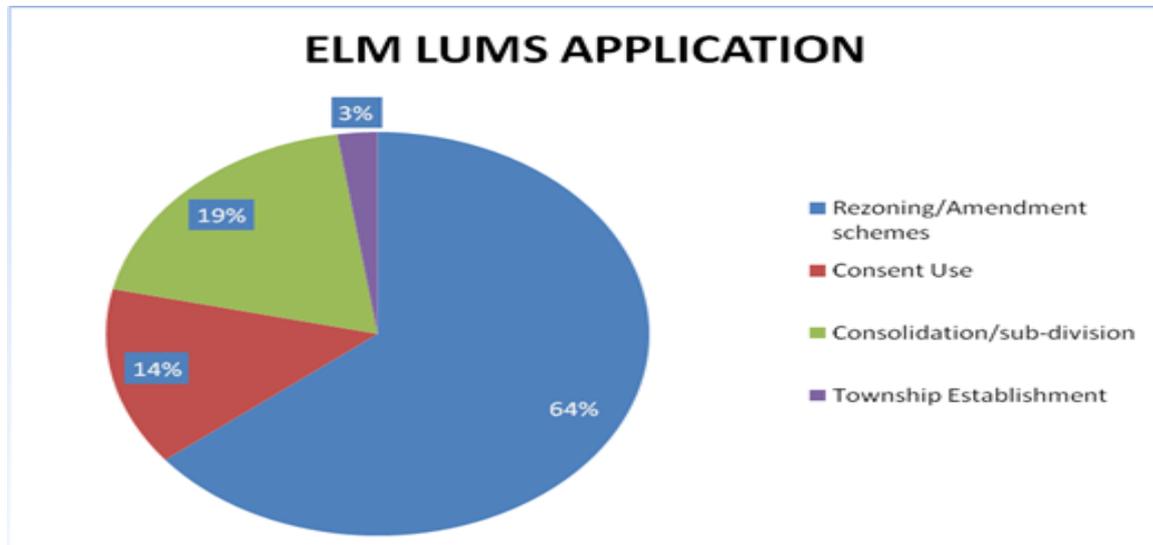
The Spatial Development Framework Review Process Plan for 2014/2015 was approved by the Council at its seating of May 2015. The review process entails updating of the status quo information; correction of identified miniature technical errors and refinement of development proposals broadly constituting the main thrust of the overall Spatial Development Framework Plan.

The Municipality has Geographic Information System (GIS) as a section mainly for the capturing, storing, integrating, manipulating and analyzing and displaying its spatial data. This section has a primary function providing and technically encoding geographic and spatial information to the ordinary members of the public, councilors and officials for infrastructural planning purposes. GIS has progressively succeeded in helping the Council to uncover municipal properties that would not been discovered by other asset identification tool. The use GIS as a revenue enhancement tool has also assisted the Council to increase its rate and taxes collection rate.

### 3.9.1 Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	5	6	104	125		
Determination made in year of receipt	1	4	49	9		
Determination made in following year	0	0	40	62		
Applications withdrawn	0	0	0	0		
Applications outstanding at year end	4	2	15	54		

Application for land development entails the administration of development applications that includes (i) Rezoning,(ii) Removal of Restrictions, (iii) Township Establishments, (iv) Consent Uses, (v) Consolidations, (vi) Subdivisions and (vii) Evaluation and assessment of building plans. The Table above reflects the number of land development applications that were processed and ate still in the system to date in respective areas of the Municipality.



The Municipality has received a total of 144 applications for Amendment of Town Planning Schemes and approved 75; received 3 Township Establishment and approved 1, received 13 Subdivision applications and approved 10; received 8 Consolidation applications and approved 5, received 54 Consent Use applications and approved 24; received 12 Removal of Restrictions and approved 10. The outstanding application (Backlog) at the end of the current financial year was 86.

Applications for Land Use Development				
Detail	Received and still in process for reporting			Approved
	PDA Areas	Vanderbijlpark Areas	Vereeniging Areas	Total
Amendment of Town Planning Scheme	9	64	68	75
Township Establishment	0	3	0	1
Subdivisions	2	11	0	10
Consolidations	3	5	0	5
Consent uses	14	21	19	24
Removal of Restrictions	0	4	8	10
**Outstanding applications - Backlog (total only) In Process	21	28	37	86

Name of Site/ Description	Quantity/ Size	Economic Impact	Value
<b>Township Establishment of Sebokeng x 28 Development</b>	Industrial development	200 temporary jobs 150 permanent jobs	20-30 million
<b>Sebokeng CBD Precinct Development</b>	Commercial development	100 temporary jobs 60 permanent jobs	5 million
<b>Bedworthpark X 8 (River City Development)</b>	Commercial development	600 temporary jobs 1000 permanent jobs	300 million
<b>Powerville Park</b>	500 Residential and mixed use development	120 temporary jobs	10-20 million
<b>Johandeo X 1</b>	74.6 Ha (Residential Development)	120 temporary jobs	10-20 million
<b>Johandeo X 2</b>	104.2 Ha (Residential Development)	140 temporary jobs	10-20 million
<b>Johandeo X 3</b>	140.9 Ha (Residential Development)	180 temporary jobs	10-20 million
<b>Johandeo X 4</b>	57.16 Ha (Residential Development)	150 temporary jobs	10-20 million
<b>Johandeo X 1</b>	69.39 Ha (Residential Development)	120 temporary jobs	10-20 million
<b>Inception of the Vanderbijlpark Inner-City CBD (Urban renewal framework )</b>	Vanderbijlpark CBD area	Attracting business back to the CBD and stimulation economic growth	5-8 million
<b>Bedworthpark, Vanderbijlpark SE 7 and surrounding areas LSDF</b>	10 townships	Improved land uses (student housing, law-enforcements and compliance to norms and standard of Council	700 million

The Table above reflects an expected economic impact based on the number of major land use developments that were instituted by the Municipality during the reporting period. As shown in the Table above a few jobs were created throughout the Emfuleni area through these developments. It must be indicated that the economic impact is based on the need and desirability of the land use development of the Municipality.

### 3.9.2 Land Use: Employees

Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	3	2			2	1	33%
4 - 6	20	15	1		14	6	10%
7 - 9	2	2			2	0	5%
10 - 12	5	3		1	4	1	50%
13 -15					0	0	10%
16 -					0	0	80%
	30	22	1	1	22	8	31%

### 3.9.3 Financial Performance: Land Use

Planning					
Financial Performance 2014/15:Planning					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	55 314	16 296	16 346	11 883	-37%
Expenditure:					
Employees	44 927	48 572	48 572	46 785	-4%
Repairs and Maintenance	61	1 867	367	65	-2772%
Other	13 852	13 065	9 779	10 434	-25%
<b>Total Operational Expenditure</b>	58 840	63 504	58 718	57 284	-11%
<b>Net Operational (Service) Expenditure</b>	3 526	47 209	42 372	45 401	-4%

### 3.9.10 Land Use Management: Service Delivery and Budget Implementation Plan

Land Use Management: Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Review Spatial Development framework	Review ELM SDF	Reviewed Council approved SDF	Review ELM SDF	Reviewed Council approved SDF	Council Approved SDF

### 3.9.11 Land Use Overall Performance

There were three projects that were successfully performed in this regard during the reporting period. These projects were the following: the Opening of a Township Register, the Review of the Emfuleni Spatial Development Framework (ESDF) and the development of the Bedworthpark, Vanderbijlpark S. E. 7 and surrounding areas Local spatial Development Framework (LSDF). These projects were developed to guide, facilitate and coordinate land developments, attract investments and ensure legislative compliance to land use development of the municipality. The Review the 2014/2015 (ESDF) was approved by Council at the end of June 2015.

The Opening of Township Register that was initiated during the 2013/2014 financial year and was also successful where five out of the 6 township registers, namely, Sebokeng Unit 10, 11, 12, 13 and Sharpeville ext. 1 were finalized. However, Sebokeng unit 10 Ext.1 is still opened and the process will be finalized in the 2015/2016 financial year. In addition, four (4) additional townships, namely, Boipatong, Sebokeng Unit 10 ext 2, ext 3 and ext 4 have been opened. Once registers are duly opened, normal property related economic activities such as payments of rates and taxes including property transfers will be easily facilitated to the benefit of the Municipality and the local economy. The four (4) outstanding of these townships will be finalized in the 2015/16 financial year.

The Municipality has set 40 applications before the Land Tribunals and 15 have been finalized and the remaining 35 will be finalized in the 2015/2016 financial year. The Municipality is facing a challenge regarding several late postponements by members and as such most hearings could not take place. During the period under review there were about 720 Land use inspections, 380 transgressions (non-compliance to land use legislations). Due to prolonged court dates, only 40 court summons and cases were finalized.

Geographic Information System (GIS) Function which is designed for capturing, storing, integrating, manipulating, analyzing and displaying data spatially referenced has assisted in providing usable information to officials, councilors and ordinary members of the public. The updating and verification of cadastral data has assisted the Municipality to plan, manage and implement infrastructural projects including asset management verification and alienation of municipality-owned parcels of land.

Land Use Management inspectors have established a proper work plan according to which all reported Land Use transgressions are dealt with and owners prosecuted. This has a positive effect on the minimizing of the total Land Use transgressions in the Emfuleni-area. Through land development tribunals, many outstanding land development applications were concluded. However, it must be mentioned that there are applications that are seen as backlog where all comments (internal and external) have been received and all the required documentation has also been submitted by the applicant and only reporting is outstanding.

LUM has reduced applications processing periods by 70%; thus promoted development by reducing the cost of doing business in ELM area. Spatial Planning/Forward Planning responsibilities include the use of

methods to influence the distribution of people and activities in spaces on various scales. The municipality has also the Law Enforcement Division (Inspectorate) that include investigations of alleged transgressions of the town planning schemes in operation and other planning related pieces of legislation and promotion of remedial measures.

The Municipality investigates alleged transgressions of the town planning schemes in operation and other planning related pieces of legislation; issues notices to transgressors to cease illegal use or activities; issues summonses for transgressors of the provisions of the Town-planning and Townships Ordinance 15 of 1986 or related legislation; to inform interested parties of town planning provisions; and instituting of litigations (opening of criminal cases) against transgressors.

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### 3.10 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) at the Municipality involves identifying and using local resources to create opportunities for economic growth and employment creation. The function also focuses on forming local partnerships with key and relevant stakeholders such as national, provincial and district government and private sector structures. This is done to promote and support local economic development initiatives aimed enhancing economic growth and to provide infrastructure for investment attraction and promotion.

*Other key functions of LED and Tourism include:*

- ❖ **Enterprise development** : Encouragement, support and promotion of SMME's and Cooperatives;
- ❖ **Advertisement:** Approvals of advertising in the area, monitoring and removals of illegal advertising and advertising by-law enforcement;
- ❖ **Informal Trading:** Enforcement of informal street trading by- laws in the entire area of, demarcation of trading spaces, identifying places which can be used for informal street trading markets, Issuing of trading permits to traders, Identifying where stalls can be erected for traders to conduct their business, interacting with the Provincial Government for more support for the sector;
- ❖ **Business Retention And Growth:** Urban regeneration, renewal and retention, Identification of ways to improve business climate. 3. Maintenance of relationships with business associations, forums and business service providers. Develop and maintain the data system to track trends within the business community;
- ❖ **Tourism:** Promotion and marketing of Tourism within the municipality; and
- ❖ **Agriculture:** Promotion and facilitation of agricultural development in the Municipality.

### 3.10.1 Economic activity by sector- Gross Value Added (GVA)

Economic Activity by Sector			
R 000			
Sector	Year -2	Year -1	Year 0
Agric, Forestry and Fishing	303,502	303,914	320,932
Mining and Quarrying	921,487	944,497	915,944
Manufacturing	16,080,604	16,275,763	15,946,277
Wholesale and retail trade	4,037,540	4,033,844	4,068,497
Finance, property, etc.	8,269,094	8,227,994	8,190,307
Govt, community and social services	7,007,694	7,043,841	7,210,217
Infrastructure Services	1,314,310	1,339,489	1,376,563
<b>Total</b>	<b>37,934,231</b>	<b>38,169,342</b>	<b>38,028,737</b>

Source: Global Insight (2012-2014)

The above Table illustrates total growth of the sector from 2012-2014. Since 2012 the Municipality has been averaging growth rates of 235 111. From 2012, the growth rate declined to 140 605 slumping to negative growth. This can be attributed to the continual decline of the manufacturing sector, as the Municipality economy is largely driven by this sector. Given the aforementioned matter, it shows that manufacturing (16 080 604; 16 275 763; 15 946 277), finance (8 269 094; 8 227 994; 8 190 307), and mining (921 487; 944 497; 915 944) sectors are declining.

Agriculture (303 502; 303 914; 320 932), Community and social services (776 679; 784 203; 773 126) are the sector where ELM is recording a great improvement. Trade (4 037 540; 4 033 844; 4 068 497) and Infrastructure (1 314 310; 1 339 489; 1 376 563) also show minimal improvement.

### 3.10.2 Economic employment by sector

Sector	Year -2 No.	Year -1 No.	Year 0 No.
Agric, Forestry and Fishing	1,243	1,274	1,268
Mining and Quarrying	3,010	2,914	2,814
Manufacturing	30,993	30,963	30,222
Wholesale and retail trade	30,692	30,954	31,410
Finance, property, etc.	24,498	24,383	24,252
Govt, community and social	35,818	36,331	37,420

Sector	Year -2 No.	Year -1 No.	Year 0 No.
services			
Infrastructure Services	6,416	6,480	6,565
<b>Total</b>	<b>13,2670</b>	<b>13,3299</b>	<b>13,3951</b>

Source: Global Insight (2012-2014)

The Table above indicates that due to the declining of manufacturing sector, community services has become the largest employment sector of people followed by manufacturing. There is insignificant activity in mining and quarry sector. This also shows that ELM has experienced a lot of economic development challenges. Economic growth has in the past been slow as ELM's development potential has not been exploited fully. This is further attributed to the inability of the national formal economy to create sufficient employment for the relatively fast growing labour force.

### 3.10.3 Jobs Created through Local Economic Development Initiatives

Jobs Created during Year 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.	
Year-2012/13 Community Works Programme	925	0	925	Signed Contracts/payment schedule
Year 2013/14 – Community Works Programme	1018	0	1018	Signed Contract/payment schedule

The community Works Programme was initiated in 2010 by GoGTA. This is an employment programme providing part time work in collaboration with EPWP. CWP projects include agriculture, food security, social and community projects, basic services, education and skills training. Through this programme Emfuleni has managed to create 1018 part time employment.

### 3.10.4 Employees: Local Economic Development

Employees: Local Economic Development							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	3	3	1		2	1	33%
4 - 6	8	7		1	8	0	10%
7 - 9	12	5			5	7	5%
10 - 12					0	0	50%
13 -15					0	0	10%
16 -					0	0	80%
	23	15	1	1	15	8	31%

### 3.10.5 Financial Performance: Local Economic Development

Local Economic Development Services					
Financial Performance 2014/15: Local Economic Development Services					
R' 000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	281	426	476	227	-110%
<b>Expenditure:</b>					
Employees	6 635	6 992	6 992	7 225	3%
Repairs and Maintenance	0	0	0	0	
Other	1 996	2 156	1 091	638	-71%
<b>Total Operational Expenditure</b>	8 631	9 148	8 084	7 863	-3%
<b>Net Operational (Service) Expenditure</b>	8 351	8 722	7 608	7 636	0%

### 3.10.6 Local Economic Development and Tourism: Service Delivery Budget Implementation Plan

Local Economic Development and Tourism: Service Delivery Budget Implementation Plan						
Service Objectives	Outline Service Targets	2013/2014		2014/2015		2015/2016
		Target	Actual	Target	Actual	Target
		Previous Year	Previous Year	Current Year	Current Year	Following Year
<b>Sustainable Livelihoods through decent employment</b>	Approved LED Strategy	Approved LED strategy	Target not achieved	Approved LED Strategy	Target not achieved	Approved LED Strategy
	Number of Jobs created through LED initiatives	No project	No project	50	1018	Not Projected

### 3.10.7 Local Economic Development and Tourism Overall Performance

The following were successfully implemented by the Department in the last financial year:

- Implementation of the Annual Vaal River Carnival;
- Training of SMME's and Cooperatives in Agriculture and Tourism;
- MEGA Agri Park Pilot Project: To secure agricultural Land and job creation both for Farmers and Farm Dwellers;
- Trained 60 Farmers on Plant invaders;
- NYDA Training workshop on Youth in agriculture, and
- Fish Farming for 20 trainees.

Informal trading stands allocations were as follows:

❖ Vanderbijlpark	2014	(187)	2015	(82) = 269
❖ Vereeniging	2014	(58)	2015	(18) = 76
❖ Surrounding Areas	2014	(168)	2015	(78) = 246

Advertising

A Billboard tender was finalized during the period under review. Three companies have been appointed for three different regions within the Municipality to manage billboard advertising within the juristic area of the Municipality.

### **Proposed Logistical Hub**

The proposed logistical hub project intends to attract new investment, economic development and job creation opportunities in the Vaal, based on international best practice principles. It will afford local people who have been disadvantaged from entering the economy through partnering, business establishment, training and skills development access to finance and marketing opportunities. The aim is to target specific groups of people, especially women, youth, people with disabilities, SMME's and BBBEE for procurement of goods and services from the full spectrum of a world class project.

This logistical hub will also create a new demand for the basic iron and steel manufacturing plant from the world class producer, Arcelor Mittal, in order to increase its economic impact in the Vaal with higher demand and supply of products and services from the local community. Furthermore, it will diversify and grow the economy of the Vaal following international trends in establishing the Vaal Logistical Hub.

## **COMPONENT D: COMMUNITY AND SOCIAL DEVELOPMENT**

### **3.11 LIBRARIES**

Emfuleni Library and Information Service is aiming at preserving the past and securing the future by providing free access and guidance to information which fulfill the intellectual, educational, social and recreational needs of the people of Emfuleni in order to improve their quality of life. The community Library acts as a development agent providing dynamic Library and Information services to all the people of Emfuleni in their quest for lifelong learning, literacy, cultural expression, recreation and economic development. All community libraries within ELM are managed and controlled under various legislative stipulations. The following pieces of legislation are, among others, key in this regard.

**The Constitution of the Republic of South Africa:** According to schedule 5A Public Libraries are the competency of Provincial Government and as such it is an unfunded mandate. This situation is addressed by receiving conditional grants and equitable share transfers from Provincial Government.

**The South African Public Library and Information Services Bill (Draft :** The draft Bill will set uniform minimum norms and standards, principles for Library and Information Services, Institutional arrangements, Inter Governmental arrangements and Assignment of functions.

#### **3.11.1 Service Statistics for Libraries**

The Municipality has initiated, among other programmes, the Born to Read Programme. Under the guide of Born to Read the following programmes were successfully implemented: the Soccer Legends Reading Programmes - 6 Vegetable Gardens at Clinics and Libraries established Early Childhood Development Program – Presented at 16 Crèches in rural areas Holiday Programmes. A total of 11 134 participants took part in the programmes listed above.

### 3.11.2 Employees: Libraries

Employees: Libraries							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	10	3			3	7	70%
4 - 6				1	1	-1	10%
7 - 9					0	0	5%
10 - 12			1	3	2	-2	50%
13 -15					0	0	10%
16 -			2		-2	2	80%
							38%

### 3.11.3 Financial Performance: Libraries

Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Financial Performance 2014/15: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	3 005	4 809	4 859	4 318	-13%
Expenditure:					
Employees	19 876	21 474	21 474	20 850	-3%
Repairs and Maintenance	28	388	362	0	
Other	2 966	4 388	3 679	3 326	-11%
<b>Total Operational Expenditure</b>	22 870	26 249	25 515	24 176	-6%
<b>Net Operational (Service) Expenditure</b>	19 865	21 440	20 656	19 858	-4%

### 3.11.4 Libraries: Service Delivery and Budget Implementation Plan

Libraries :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Promote a culture of reading and learning. Procuring additional Library material	3 000	3 000	3 000	3 755	4 500

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### 3.12 SPORT, RECREATION, ARTS AND CULTURE

The Municipality, through its Sport, Recreation, Arts and Culture Divisions strives to achieve a non-racial and integrated local community which is committed to healthy lifestyles. The Department encourages the community to actively participate in sport and recreational activities through a number of sport development programmes that are implemented in the underprivileged areas, specifically.

Some of the programmes which were implemented during the period under review included inter alia, sporting codes such as swimming, cycling, soccer, softball, boxing, netball, korfbal, indigenous games, rugby and athletics. It is estimated that a number of more than 3 000 participants took part in these programmes. A number of officials/coaches were also reached through these programmes.

#### *Sporting Facilities*

By maintaining, operating and managing facilities up to a reasonable standard, Emfuleni Local Municipality is proving its commitment to professional and responsive municipal administration. Through its sections for sport, recreation, arts and culture, a quality municipal service is rendered with facilities that are accessible to the local communities.

#### **3.12.1 Service Statistics for Sport, Recreation, Arts and Culture**

- ❖ Learn to Swim Programme – 600 Participants Cycling Development Program including Mountain Biking – 10 participants.
- ❖ OR Tambo Games – 180 Participants.
- ❖ Hosting National Karate Championships – 450 Participants.
- ❖ Support Falcons Rugby Development Programme – 30 Participants.
- ❖ Soccer development Programme – 120 Participants.
- ❖ Korfbal Development Programme – 125 Participants.
- ❖ Participating in SA Life Saving Championships – 6 Participants.
- ❖ Support the promoting of Boxing as sport code – 40 Participants.
- ❖ National Arts Festival Preparations.
- ❖ Scouting Local Designers By Deep Rooted.
- ❖ Ke Qati Ya Lomisanwa Book Launch.
- ❖ Emfuleni Dance Festival.
- ❖ Emfuleni Theatre Festival.
- ❖ Heritage Day Celebration 2014.
- ❖ Deep Rooted Arts Expo 2014.

- ❖ Emfuleni Fashion Expo.
- ❖ Emfuleni Festive Prayer with Deborah Fraser, Israel Mosehla, Lebo Sekgobela and Local Brass Bands.
- ❖ Human Rights Arts Expo: Fashion Mentorship with Mantsho.
- ❖ International Mother Tongue Awards Celebration.
- ❖ Human Rights Theatre Performances.
- ❖ Human Rights Dance Festival.
- ❖ Human Rights Arts Expo.
- ❖ Puisano Live Jazz Concert.
- ❖ Emfuleni Street Parade.
- ❖ My Rich Father, My Music And All Book Launch and All Africa Sport Tournaments.

### 3.12.2 Employees: Sports and Recreation

Employees :Sports and Recreation							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	2	2			2	0	0%
4 - 6	5	5	1	1	5	0	10%
7 - 9	8	7	1	1	7	1	5%
10 - 12	30	21		3	24	6	50%
13 -15	30	13	5		8	22	10%
16 -	92	60	3		57	35	80%
	167	108	10	5	103	64	26%

### 3.12.3 Financial Performance: Sports and Recreation

Sport and Recreation					
Financial Performance 2014/15: Sport and Recreation					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	65	63	63	571	89%
Expenditure:					
Employees	29 014	28 495	28 495	29 028	2%
Repairs and Maintenance	2 370	6 349	3 959	3 844	-3%
Other	5 083	5 127	4 323	5 768	25%
<b>Total Operational Expenditure</b>	36 467	39 972	36 778	38 640	5%
<b>Net Operational (Service) Expenditure</b>	36 402	39 909	36 715	38 069	4%

### 3.12.4 Sports and Recreation: Service Delivery and Budget Implementation Plan

Sports and Recreation :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Maintain Sport & Recreational Facilities	21	23	25	25	25
Conduct Sport Development Programmes	7	7	7	9	9

### 3.12.5 Overall Performance of Sport and Recreation

During the period under review the total number of those who visited the Municipality's sports and recreational facilities increased by approximately 4%. This proves that the standard of maintenance of these facilities has indeed increased since the 2013/14 financial year.

## 3.13 PARKS AND CEMETERIES

The parks and cemeteries are not only provided areas of remembrance to honor the deceased. They serve as open spaces promoting social cohesion and civic pride but also provide opportunities to create green footprints and an aesthetically pleasing and livable environment within Emfuleni Local Municipality.

The Municipality is responsible for the maintenance and management of 11 cemeteries. 6 cemeteries are fully operational while 5 of them are passive (Passive cemetery refers to a cemetery that still accommodates second burials for re-opening and reserved graves only).

The three top service delivery priorities for Parks and Cemeteries are grass cutting; arboricultural work and greening. Through these ongoing programmes the Municipality has created a few job opportunities. Some of these job opportunities are listed below as follows:

- ❖ Poverty stricken families collect our tree branches and sell as fire wood;
- ❖ Two SMME's collect our tree branches and the one makes planks and the other one makes garden furniture. In the process this has created jobs for families living in poverty, and
- ❖ More job opportunities, through the use of EPWP and contractors were created in the maintenance of public open spaces, parks, green belts and cemeteries.

The Parks and Cemeteries function also focuses on grass cutting in 110 developed parks, 613 undeveloped parks, 110 000 formally planted street trees, 18 green belts around clinics, 45 municipal gardens and flower beds, 12 green belts around libraries and 35 fire breaks around electrical substations.

### 3.13.1 Service Statistics

The following business plans were approved by National Treasury for Municipality Infrastructure Grant funding during the period under review:

- ❖ Expansion of Rus-ter-Vaal cemetery – R 5 737 115.00;
- ❖ Upgrading of Vanderbijlpark cemetery – R38 538 220.91;
- ❖ Construction of internal roads at Evaton cemetery – R6 194 639.79;
- ❖ Upgrading of Nanescol cemetery – R17 542 344.13, and
- ❖ Upgrading of Tshepiso cemetery – R10 176 797.59.

Given the high demand which is fueled by the high mortality rate in the area the identification of new burial sites is underway. A tender in this regard was advertised on the 28th of July 2015.

### 3.13.2 Cemeteries Employees

Employees: Cemeteries							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	1	1		0	1	100%
4 - 6	4	2			2	2	10%
7 - 9	17	5			5	12	5%
10 - 12	5	5			5	0	50%
13 -15	29	0			0	29	10%
16 -	46	24			24	22	80%
	102	37	1		36	66	43%

### 3.13.3 Parks: Employees

Employees: Parks							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	2	2			2	0	0%
4 - 6	8	4	1		3	5	10%
7 - 9	44	13	1		12	32	5%
10 - 12	20	5			5	15	50%
13 -15	250	53	4	2	51	199	10%
16 -	595	65	3		62	533	80%
	919	142	9	2	135	784	26%

### 3.13.4 Financial Performance: Cemeteries

Financial Performance 2014/15: Cemeteries and Crematoriums					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	0	6 893	6 893	10 173	32%
Expenditure:					
Employees	39	7 407	7 407	7 351	-1%
Repairs and Maintenance	0	65	25	5	-77%
Other	2 833	18 961	10 264	6 465	-59%
<b>Total Operational Expenditure</b>	2 872	26 433	17 696	13 821	-28%
<b>Net Operational (Service) Expenditure</b>	2 872	19 540	10 803	3 648	-196%

### 3.13.5 Cemeteries: Service Delivery and Budget Implementation Plan

Cemeteries :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
<b>Maintained public cemeteries</b>	Cut grass in twelve eleven (11) cemeteries	Achieved grass cutting in eleven (11) cemeteries.	Cut grass in eleven (11) cemeteries	Achieved grass cutting in eleven (11) cemeteries.	Cut grass in eleven (11) cemeteries. Grass cuts per cemetery (11 x 5 cuts per cemetery)
<b>Cemetery Capacity</b>	100% turn-around time	Effective service delivery was rendered as per burial	Provide graves per application received	Achieved	100% turn-around time %Compliance to Turnaround

		applications received			time for provision of graves (3 days)
Arboricultural and horticultural maintained parks, public open spaces and green belts in urban areas	Cut grass on 95 develop parks	Achieve to cut grass on 95 develop parks	Cut grass on 95 develop parks	Achieve to cut grass on 95 develop parks	Develop 95 parks
Arboricultural maintenance on parks, public open spaces and green belts in urban areas	Feathered and prune 100 trees in sidewalks, parks and public open spaces	Achieve to feathered and prune 100 trees in sidewalks, parks and public open spaces	Feathered and prune 100 trees in sidewalks, parks and public open spaces	Achieve to feathered and prune 478 trees in sidewalks, parks and public open spaces	Arboricultural and Horticultural maintenance. 100 Trees

### 3.13.6 Parks and Cemeteries Overall Performance

#### a) Public space provision

Public Open Space Master Plan for the Northern Region was implemented in that:

- I. The various types of Public Open Spaces were characterized and management mode determined.
- II. The Public Open Spaces in the Northern Region were classified.
- III. The characterization is being used to determine the respective developmental mode.
- IV. International standards of Public Open Space per 1000 population indicated that the Northern Region, namely Sebokeng; Evaton was below such stands. Remedial action, such as addressing encroachments and not selling off of public open spaces, is being pursued

#### b) Landscape Development and Maintenance

- o GDARD funded the development of one (1) new park on erf 12847. The development consisted of:

- I. Planting of 1200m<sup>2</sup> of lawn;
- II. Erection of one set of swings;
- III. Installation of one park bench, and
- IV. Erection of seventy five concrete bollards.

- V. The costs of the development were R130, 000

#### c) Conservation of environmentally sensitive areas.

Green belts along wetland areas in Sebokeng were cut so as to ease run-off water into these areas. However the extent of environmental damage to the wetlands is still of concern. Challenges of illegal dumping therein; encroachments thereof and uncontrolled foraging by cattle and pigs pose serious concerns.

The Department is busy sourcing funding to develop the Tshepiso Dam into a bird sanctuary. During this year the surrounding green belt was maintained.

#### d) Veld Management

Long vegetation along the aprons / pavements of roads posed challenges. An estimated 200ha along the Municipality's roads were maintained. Gautrans have been engaged to formalize the horticultural maintenance along Provincial roads that run through Emfuleni e.g Barrage road. This provincial road could effectively be considered the main road of Emfuleni.

The Department has also conducted grass cutting of the veld around informal settlements located along Mareka Street and south west of Phelindaba cemetery, and the one adjacent to the Vuka cemetery.

#### e) Inscapes

Floral decorations improve the aesthetics to facilities and create an impression of being warm and user friendly.

Floral were constructed at the following major events: State of the District Address (SODA); the State of the Municipality Address (SOMA) and Human Rights Day celebration.

Floral displays were established in the foyers of Trust bank building; OK building and in the nook on the first floor at Head Office.

Office plants were provided to some political office bearers and senior staff's offices.

Floral displays were constructed in the display area on the first floor at Head Office. These floral displays try to depict the topical issues e.g. Youth Day; Mother's Day, etc

#### f) Environmental awareness

In partnership with Gauteng Department of Agriculture and Rural Development, tree planting was conducted at a community garden in Sebokeng.

#### g) Urban Greening

The number of trees that were feathered during the period under review was 1251. The number of trees that were removed because they posed a danger to life or property was 284.

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### 3.14 SOCIAL DEVELOPMENT

Social Development is multi-disciplinary in nature and cuts across numerous sectors. This Department is driven by the social work profession in caring out its services. This function render social work services to various target groups namely; children, youth women, families, older persons and people with disabilities. Social Programmes rendered to these target groups entails socio-economic, moral regeneration,

empowerment, and poverty reduction programmes. Levels of intervention utilized in rendering services to these target groups are: Prevention, Early Intervention (Non-Statutory) and re-integration. As an example various communities have been educated and informed on Child abuse and how to protect and prevent children from being victims of physical, sexual, emotional and financial abuse.

The door to door campaigns, distribution of educational materials and carrying out workshops and meetings took place during the period under review as part of prevention and early intervention to protect children from abuse. Cases which needed statutory interventions were referred to Provincial Social Development, Legal Courts and other relevant government departments. A referral system enhances continuous and successful services to concerned groups. Nine qualified social workers render social services to the community of Emfuleni. These social workers utilize four methods of social work, namely: Primary methods such as casework, group work, community development and research in rendering social services to Emfuleni Local Municipality residents.

### **3.14.1 Achievements**

The strategic objective of Social Development Services is to provide an array of prevention and intervention services to children and families, particularly children who have been or are at risk of abuse or neglect; children with special medical or mental health needs; delinquent children; and children who do not have adult caregivers. The service statistics regarding the above mentioned community support programme includes the following:

- ❖ Imfundo Primary school and Lakeside high were reached and educated on rights and responsibilities of children and crime prevention.
- ❖ A partnership with SASSA took place to reach out on clients who are in need of relief aid and assistance regarding grants and any other relevant aid.
- ❖ An awareness campaign took place in Bophelong regarding Burial schemes and societies and over 200 people were reached.
- ❖ HIV/AIDS Counselling and Testing program – four training workshops took place on HIV/ AIDS Counselling and Testing and 200 lay counsellors were trained on counselling, and testing for HIV/AIDS.
- ❖ 16 Days of activism on Women and Child Abuse: Community awareness on Child and Women abuse done and 243 community members were reached.
- ❖ School holiday programme: Ramosukula Secondary School: 38 Children were involved and learners were educated on Life Skills.
- ❖ Drugs and Substance Abuse Campaign was conducted and 120 learners were reached.
- ❖ 2 Workshops on Drug and substance abuse carried out in partnership with Department of Social Development.
- ❖ In partnership with Department of Social Development, 1200 participants participated in older persons' games and choir competition/s.
- ❖ 450 therapeutic sessions were initiated for families in distress in the four regional services.

The following activities were presented for older persons:

- ❖ Render Old Age programmes to Rhoda Yende (gerontology): 100 older persons were reached.
- ❖ Six public participation meetings were attended and presentations were done / sharing of information on Indigent programmes was carried out.
- ❖ Share information on SASSA grants.
- ❖ Awareness to the elderly about Loan Sharks were carried out.

- ❖ Centenary events 26 June 2015: Emfuleni Communities for Older persons over the age of 100 was done.
- ❖ ICROP (Integrated community outreach programme) community awareness was done on services rendered by different departments and stake holders, 1000 older persons were targeted in Evaton.

### 3.14.3 Service Statistics

#### *Indigent Programme*

Another program currently championed by Social Development is the Indigent Programme. This programme is governed by the Indigent Household and Consumer Subsidy Policy and Indigent burial Policy. The key purpose of an indigent household subsidy is to ensure that household consumers with no or less income are not denied a reasonable service and that the Municipality is not financially burdened with non-payment of services. In order to qualify as an indigent, an applicant needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated in the Policy.

Communities who cannot afford to bury their loved ones due to poverty are also assisted by the Municipality through its indigent burial programme.

- 121 Indigent applications were verified under the Indigent programme during the period of reporting.

#### *Indigent and Pauper Burial*

Indigent burial programme is aimed at providing assistance to poor families who are unable to bury their beloved ones due to socio-economic factors. Due to the Indigent and Pauper burial programme, affected families are able to bury their loved ones with respect and dignity through the assistance of the Municipality.

A total of 121 indigent and pauper burials were finalized during the 2014-2015 financial year at a total cost of R450000. Investigations were conducted to verify and establish whether applicants qualify for the Indigent burial subsidy. Families who qualified for the Indigent subsidy were able to bury their loved ones in a dignified and respectable manner. Applications from non-South Africans are still referred to the Department of Health and Social Development. The clients continue taking the deceased to private Undertakers, who demand to be paid for the storage and transportation of the corpse. Awareness on Indigent burial procedures and processes were carried out in the third quarter of the period under review to educate and inform community about Indigent burial Policy.

#### *Geyodi Programme Gender Sub-Programme*

Gender awareness training in partnership with Gender Links' "I Story Programme" was implemented with a total of 25 women trained. Two of the women won the "I Story" award and were nominated to represent Emfuleni at the SADC Gender protocol summit in Botswana on the 11-15 August 2015.

### *# Bring back the Girls programme*

The GEYODI Programme locally championed the mobilisation and advocacy programme of 'Bring Back the Girls' programme. The programme was aimed at raising awareness and at highlighting the plight of women and girl children in civil wars, with specific reference to the kidnapping of the Nigerian schools Girls by the Boko Haram Militia group. The movement seeks to mobilize the public to protest and demand that the Nigerian government act and save the girl children from Boko Haram Militia. A number of successful awareness campaigns were conducted in this regard. These included the march to the Nigerian embassy.

### *Lesbian, Gays, Bisexual and Transgender Programme*

In September 2015 the Municipality together with its social partners implemented the 2<sup>nd</sup> Annual Vaal Gay Pride at Boipatong stadium, commemorating the signing into law of the Civil Union Bill as well as to celebrate the life of the prominent first black gay activist Mr Simon Nkoli.

### *Disability Annual General Meeting*

Annual General meeting of Emfuleni disability forum was held in November 2014, the annual General meeting foresaw the elections of the new executive committee for EDOF.

### *Induction of EDOF*

Induction and training of the executive members of the EDO was conducted on 29 June 2015 at Tshepiso.

### *Epilepsy awareness 19<sup>th</sup> June 2015 - Saul Tsotetsi Sport Complex*

The Municipality partnered with Monossy Trading to host very a successful Epilepsy awareness programme. A total of three 300 Hundred People were reached through this awareness campaign. Positive media coverage was achieved as the event was profiled in the local newspapers and community radio stations.

### *Disability HIV & AIDS awareness programme*

On the 26 November 2014 the Municipality hosted HIV & AIDS an awareness programme for people living with disabilities. This purpose of the programme was to highlight the importance of safer sexual activity among people with disability. The notion among service providers and health provision personnel was to disregard the sexual activeness of people with disability. The programme thus highlighted challenges that are faced by people with disability and the serious sexual exploitation among each other and the demystification for HIV and AIDS among the disabled.

### *HIV & AIDS Outreach Programme*

The Municipality appointed 134 Ward based HIV& AIDS coordinators and supervisors. The coordinators conduct HIV & AIDS related ward based awareness programme. A total of 298 268 households and 503 357 people were reached through the programme and a total of 415 909 Male condoms 47 566 female condoms were distributed during the period under review.

On the 14 February 2015 High five soccer games which form part of the HIV in Sport programme were held with a total outreach to 300 people. A candle light memorial was held at Boipatong community hall and was attended by a total of 437 people. This memorial was expanded through live radio feed to the community by VUTFM and as such reached a broader audience and more community members.

#### 3.14.4 Employees: Social Development

Employees: Social Development							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	1	1		0	1	100%
4 - 6	26	12		1	13	13	10%
7 - 9	13	1		1	2	11	5%
10 - 12	20	14		1	15	5	50%
13 -15					0	0	10%
16 -					0	0	80%
	60	28	1	3	30	30	43%

#### 3.14.5 Financial Performance: Social Development

Financial Performance 2014/15: Child Care; Aged Care; Social Programmes					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	0	0	0	0	
<b>Expenditure:</b>					
Employees	3 400	3 753	3 753	6 580	43%
Repairs and Maintenance	0	0	0	0	
Other	99	614	497	-6 574	109%
<b>Total Operational Expenditure</b>	3 499	4 367	4 249	6	-76430%
<b>Net Operational (Service) Expenditure</b>	3 499	4 367	4 249	6	-76430%

### 3.14.6 .Social Development: Service Delivery and Budget Implementation Plan

Social Development :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Process of application within 20 working days after receipt	Process of application within 20 working days after receipt	All applications received, verified and approved	3700 indigent applications to be verified	3961 indigent applications received and verified and	3800

## COMPONENT E: ENVIRONMENTAL PROTECTION

### 3.15 ENVIRONMENTAL HEALTH

The function includes the provision of a comprehensive Environmental Health Services (EHS) to enable the community to live in a healthy and hazard free environment. Environmental Health is rendered in terms of National Health Act 61 of 2003. Municipal Health Services comprises of nine (9) elements or focus areas, which are the mandate of ELM with regard to Municipal Health Services, namely:

- o Food Control;
- o Health surveillance of premises;
- o Vector control;
- o Prevention of communicable diseases;
- o Disposal of the dead;
- o Water Quality Monitoring;
- o Environmental Pollution Control;
- o Control of hazardous waste, and
- o Chemical Safety.

Important to note is that the definition of MHS includes aspects of at least the following Schedule 4 Part B and Schedule 5 Part B functions. These functions are to be performed by the Environmental Health Division:

- Air Pollution;
- Noise Pollution;
- Solid Waste removal and disposal;
- Water and Sanitation;
- Licensing and Control of undertakings that sell food to the public;
- Control of Public Nuisances;
- Child Care Facilities, and
- Municipal Abattoir.

## **Achievements**

### **3.15.1 Service Statistics**

Environmental Health functions as stipulated in the National Health Act, 2003 (Act 61 of 2003).

Water quality control:

- Monitoring and sampling of potable water (394 samples);
- Monitoring and sampling of open water (437 samples) as well as all other sources, and
- Awareness programs during suspected disease out breaks.

**Food control:**

- Regular inspections (8533 inspections) and monitoring of all food premises to ensure compliance with legislation and that a safe and wholesome product is provided to the public.
- 88 food samples were taken.
- 28 Special events were monitored for the safe provision of foodstuffs to the public.
- 178 Certificates of Acceptability were issued.
- 2279 Inspection Reports were issued.
- A total of 51 152 kg of foodstuffs was surrendered for destruction (unfit for human consumption).

**Waste management:**

- Monitor environment in respect of illegal dumping and littering and take the necessary remedial actions.
- 417 Inspections of Medical Waste Generator Premises.
- Established a Data list of all Medical Waste Generators.

**Health surveillance of premises:**

- Conduct inspections at premises to ensure compliance to legislation and Council policies.
- Standard Operating Procedure for the handling of complaints was drafted and workshops with all the Environmental health Practitioners to have a common understanding were conducted.
  - ❖ Investigate complaints and ensure that remedial actions are taken.
  - ❖ 3249 Pre-School inspections were done.
  - ❖ 824 Inspection Reports were issued.
  - ❖ Pre-school owners were workshop on Environmental Health related topics.

**IGR operational matters**

Interdepartmental meetings were held regarding the application processes of the ECD's. Further engagements were also done through the IGR meetings with Department of Social development (Province), Department of Health (Province), ECD forum and Practitioners. Education and awareness exhibition was also done at River Square based on the requirements of ECD's, application procedures for ECD's, and food safety.

**Surveillance and prevention of communicable diseases, excluding immunizations:**

- ❖ Trace sources of infections and take samples for analysis if necessary.
- ❖ Take preventative measures to prevent spreading of outbreaks by means of information.
- ❖ Environmental Health plan drafted to ensure a preventative/action plan that would assist in curbing the consequences that may be caused by Cholera/Waterborne diseases in the area of Emfuleni Local Municipality. No infectious water-borne diseases were reported.
- ❖ A total number of 7 notifications were received from Province for investigation and Feedback reports were submitted to Province.
- ❖ Liaison with the District and Provincial Outbreak response team.

**Vector control:**

- ❖ Eradication of vectors on Council property by means of poisoning or fumigations.
- ❖ Investigation of complaints regarding vector and ensure that remedial actions are taken if necessary.
- ❖ The following inspections/actions were conducted at Council property:
  - Rodent Control – 53;
  - Vector Control – 45, and
  - Bees/Wasps – 99.

**Environmental pollution control:**

- ❖ Investigate sources and complaints (53) regarding all forms of pollution.
- ❖ Monitoring of air quality using the relevant equipment.
- ❖ Ensure compliance and adherence to relevant legislation.

**Disposal of the dead:**

- ❖ Regular inspections of funeral under takers and mortuaries.
- ❖ Supervises exhumations.

A total of 312 inspections of funeral undertaker premises have been conducted.

**3.15.2 Financial Performance: Environmental Health**

Pollution Control					
Financial Performance 2014/15: Pollution Control					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	10 495	9 872	9 872	11 083	11%
Expenditure:					
Employees	13 291	18 225	18 225	14 793	-23%
Repairs and Maintenance	58	745	1	7	-11007%
Other	256	1 280	1 007	16 589	93%
<b>Total Operational Expenditure</b>	13 605	20 250	19 233	31 389	35%
<b>Net Operational (Service) Expenditure</b>	3 110	10 378	9 361	20 306	49%

### 3.15.3 Employees: Environmental Health

Employees: Environmental Health							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	1	1	1	1	0	0%
4 - 6	10	10			10	0	10%
7 - 9	32	13		1	14	18	5%
10 - 12					0	0	50%
13 -15					0	0	10%
16 -	4	1			1	3	80%
	47	25	1	2	26	21	26%

### 3.15.4 Environmental Health: Overall Performance

In summary the Municipality was challenged with the mushrooming of unregulated funeral undertakers and early childhood development centres. This was informed by the understanding that these centres could seriously compromise the objective of rendering a healthy and safe environment for ELM communities if left unattended. In dealing with these challenges, the Municipality increased its inspections and conducted workshops to assist role players to comply with the relevant legislative requirements. In terms of the Environmental Health Services policy all complaints and related matters, in respect of which investigations were required, received immediate attention. The Municipality speedily attended to all matters falling under its jurisdiction in this regard, while matters concerning other departments were referred to the departments concerned for their necessary attention.

## COMPONENT E: HEALTH

### 3.16 PRIMARY HEALTH CARE

Primary Health Care services (PHC) derive its mandate from the National Health Act, Act 61 of 2003 and other relevant legislation. PHC services include provision of the following comprehensive personal health services:

- Antenatal Care, Postnatal Care services and cervical screening;
- Immunizations against communicable diseases;
- Integrated Management of Childhood Illnesses;
- Reproductive health including family planning;
- Chronic Diseases Management;
- Management of Sexually Transmitted Infections;
- TB and HIV/AIDS management, and
- Health Education.

The above mentioned Primary Health Care Core Package is rendered in 18 fixed Clinics and 3 mobile clinics. The Primary Health Care function is the competency of Gauteng Provincial Health Department. ELM is rendering the function on behalf of Gauteng Department of Health. ELM priorities in this regard include the following:

- Improving access to comprehensive PHC service delivery;
- Provide extended operational hours at clinics;
- Provide extended mobile clinic points to informal settlement and rural communities;
- Ensure access to antiretroviral treatment and Essential Drug List (EDL), and
- Improve TB cure rate.

#### 3.16.1 Financial Performance: Clinics

Clinics					
Financial Performance 2014/15: Clinics					
R' 000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	287	45 587	45 587	0	
Expenditure:					
Employees	29 346	64 496	64 496	34 960	-8%
Repairs and Maintenance	624	1 059	980	463	-56%
Other	1 647	8 262	6 968	1 863	-75%
<b>Total Operational Expenditure</b>	31 617	73 818	72 445	37 287	-12%
<b>Net Operational (Service) Expenditure</b>	31 330	28 230	26 858	37 287	-11%

### 3.16.2 Employees: Primary Health

Employees: Primary Health							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	1	1	1	1	0	0%
4 - 6	38	32		1	33	5	10%
7 - 9	102	48			48	54	5%
10 - 12	24	10			10	14	50%
13 -15	25	4			4	21	10%
16 -	33	17		1	18	15	80%
	223	112	1	3	114	109	0%

### 3.16.3 Primary Health Care: Overall Performance

Gauteng province is the most densely populated province due influx of people from other province and neighboring SADC countries in search of work opportunities. ELM is no exception and this phenomenon is characterized by the increase burden of diseases, overcrowding in clinics, long queues and compromised infection control to the general public. The Municipality has put the following initiatives in place to respond to challenges alluded to above.

A total of 854 000 uninsured public health users had access to a comprehensive PHC core package within the clinic of ELM. TB cure rate has improved from 80.3% - 82.4%. Sixteen out of eighteen clinics are now offering Ante Retroviral Treatment. Human Papilloma Virus campaign was conducted during the period under review. This campaign targeted girls between the ages of 9 and 13 years.

## COMPONENT G: SECURITY AND SAFETY

### 3.17 TRAFFIC AND SECURITY

ELM's Traffic and Security services are aligned to the National Crime Prevention Strategy, the Provincial Crime prevention Strategy and the District Crime Prevention Strategy. The function is divided into three regions and has successfully implemented the Emfuleni Traffic & Security Law Enforcement Year Plan and all the set targets were met.

Joint road blocks were also held with SAPS and different Provincial Traffic Departments. 17 road safety promotional campaigns were conducted in schools and in the community, based on vulnerability and risk assessments conducted and as per the request from the community. Social Crime Prevention campaigns were held with the Departments of Education, Correctional Services, Provincial Community Safety, SAPS and the CPF's. These campaigns were targeting school safety, drug abuse, and reintegration of offenders to the community as per Correctional Services guidelines and policies, domestic violence and all forms of abuse.

### 3.17.1 Service Statistics

Traffic & Security Service Data					
	Details	2013/2014	2014/2015		2015/2016
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	7393	7450	7159	7219
2	Number of all by-law infringements attended (include parking meters)	4649	6000	9426	9000
3	Number of Traffic officials in the field on an average day (Traffic Officers & Traffic Wardens)	130	136	94	100
4	Number of all Traffic personnel on duty on an average day (includes Traffic Officers Security, By laws, Crime Prevention, General Workers, admin personnel)	160	170	132	145

Traffic services are provided in all 45 municipal wards within Emfuleni. For ease of access the municipal area is subdivided into 3 regions. The number of Traffic Officers is therefore divided into 3 to staff each of the regions according to its own needs. The regions are performing duties on a 2 shift basis (morning and afternoon).

All administrative functions are centrally located in the Vereeniging region. Out of all the Traffic Officers, only the Regional Commanders, Deputy Chiefs, Chief Superintendents, Superintendents, Training Officers, Crime Prevention, VIP Unit, Admin & Logistics, CCTV Officers, Accident Office and Control Room Staff are deemed to be office bound.

### 3.17.2 Highlights and Achievements

- ❖ The Emfuleni Traffic and Security Annual Law Enforcement Plan was implemented and targets set by the plan were met with the exemption of arrests for drunken driving due to the shortage of funds for overtime during weekends (most offences occur late at night and on weekends after hours). Operation Fieyela from SAPS is a Joint Venture and is an ongoing operation to curb crime in general. Through this campaign weekly joint operations were conducted during the period of reporting.
- ❖ *By-Law Enforcement* Unit successfully conducted joint by-law enforcement operations with SAPS, Home Affairs, Dept. of Labour and internal departments such as LED, Electricity, Health, etc.
- ❖ *Social Crime Prevention Campaigns* were held with the Departments of Education, Correctional Services, Provincial Community Safety, SAPS, and the CPFs targeting school safety, drug abuse, re- integration of offenders to the community as per correctional services guidelines and policies, domestic violence and all forms of abuse. A successful crime prevention policing Imbizo for the Vereeniging Policing Precinct was held in conjunction with the SAPS and the Provincial Department of Community Safety.
- ❖ *Road Safety promotions* were conducted for schools and the community in general based on the conducted vulnerability assessments and the requests from the community. *Security and Investigations* -All theft of municipal property and misuse of Council property were investigated in order to prevent and minimize future theft or loss of municipal property.

### 3.17.3 Financial Performance: Traffic

Financial Performance 2014/15: Traffic						R'000
Details	2013/14	2014/15				
	Actual	Original	Adjustment	Actual	Variance to	
<b>Total Operational Revenue</b>	55	71 215	71 215	143 941	51%	
Expenditure:						
Police Officers	46 094	45 321	45 321	48 693	7%	
Other employees	24 149	23 154	23 154	26 260	12%	
Repairs and Maintenance	155	2 207	1 187	-74 824	10%	
Other	-21 667	55 305	52 268	257 591	53%	
<b>Total Operational</b>	<b>2 637</b>	<b>125 987</b>	<b>121 930</b>	<b>209 028</b>	<b>63%</b>	
<b>Net Operational (Service)</b>	<b>2 582</b>	<b>54 772</b>	<b>50 716</b>	<b>65 087</b>	<b>90%</b>	

### 3.17.4 Employees: Traffic Services

Employees: Traffic Services							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	1			1	0	0%
4 - 6	10	8			8	2	10%
7 - 9	197	125	4	5	126	71	5%
10 - 12	65	26	1		25	40	50%
13 - 15	4	3	1		2	2	10%
16 -	13	4			4	9	80%
19	50	5					26%
	340	172	6	5	166	124	26%

### 3.17.4 Traffic and Security: Service Delivery and Budget Implementation Plan

Traffic and Security :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Fraud and loss control - investigations	Maximum turn-around time of 24 hours	Achieved 90% of maximum turn-around time of 24 hours	Maximum turn-around time of 24 hours	Achieved 90% of maximum turn-around time of 24 hours	100% compliance to turn around time for the opening of internal dockets

Implement Crime Prevention Strategy	Conduct 24 Local Crime Prevention campaigns. (6 campaigns per quarter).	Conducted 24 Local Crime Prevention campaigns	Conduct 16 Local Crime Prevention Campaigns	Conducted 37 Local Crime Prevention campaigns	Conduct 18 Local Crime Prevention campaigns
Implement road safety Implement road safety interventions preventions	Conduct 12 road safety programs	Conducted 12 road safety programs	Conduct 12 road safety programs	Conducted 17 road safety programs	Conduct 14 road safety programs

### 3.18 FIRE AND RESCUE SERVICES

The Fire and Rescue Services is responsible for servicing all 45 municipal wards. The municipal area is subdivided into 3 regions (Vereeniging, Vanderbijlpark and Sebokeng/Evaton). The core function of the Fire and Rescue Services is to render firefighting, rescue and fire safety services and ensure the safety of human life and property. The Municipality is also responsible for Disaster Management and has established Fire Protection Associations which relates to veld and bush fires on the farms and small holdings.

#### 3.18.1 Fire and Rescue Service Data

The average turn up time for first incidents achieved not longer than 20 minutes and an average of 10 minutes was achieved.

The average turn up time for secondary incidents is between 20 and 35 minutes and an average of 27 minutes was achieved. The average amount of fire engines out of commission is approximately 10% of/or 2 vehicles at any given time. (Breakdowns, service etc.)

#### 3.18.2 Financial Performance: Fire Services

Financial Performance 2014/15: Fire Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	782	715	715	416	-72%
<b>Expenditure:</b>					
Fire fighters	45 082	45 644	45 644	47 911	5%
Other employees	1 166	1 407	1 407	1 378	-2%
Repairs and Maintenance	472	405	405	253	-60%
Other	2 527	4 458	3 593	2 883	-55%
<b>Total Operational</b>	5 644	51 913	51 049	4 513	-1050%
<b>Net Operational (Service)</b>	4 655	51 198	50 333	4 097	-1150%

### 3.18.3 Employees: Fire

Employees: Fire							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	1	1		0	1	100%
4 - 6	10	6			6	4	10%
7 - 9	57	42			42	15	5%
10 - 12	173	90		3	93	80	50%
13 -15	6	0			0	6	10%
16 -	8	4			4	4	80%
	255	143	1	3	145	110	43%

### 3.18.4 Fire and Rescue: Service Delivery and Budget Implementation Plan

Fire and Rescue :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Developed Disaster Management Plan	Approved Level 2 Disaster Management Plan by 30 June 2013	Approved Level 2 Disaster Management Plan by 30 June 2013	Develop 8 steps of Outcome 1 of Disaster Management Plan Level 3 by 30 June 2014	Developed 8 steps of Outcome 1 of Disaster Management Plan Level 3 by 30 June 2014	Developed 8 steps of Outcome 3 of Disaster Management Plan Level 3 by 30 June 2016

### 3.18.5 Overall the Performance of Fire and Rescue Services (inclusive of Disaster Management)

#### *Response Times*

During the 2014/15 financial year the Municipality attended to more than 1700 calls within applicable South African National Standards ( SANS Code) response time of 20 minutes for first calls and 35 minutes for the second calls in comparison to the 2181 in the previous financial year. These calls included all household and property fires, veld fires, provided rescue and extrication service to both fire related and motor vehicle incidents and accidents.

#### *Disaster Management*

A Disaster Management Committee was established and all the different Clusters and Sedibeng District Municipality formed part of the Committee.

#### *Event Safety Committee*

An Event Safety Management Committee was established consisting of Traffic and Security, By-Law Unit, Environmental Health, Electrical, Metsi-a-Lekoa, Fire and Rescue, Emergency Medical Services, ELM

Disaster Management and Waste. The Event Safety Management Policy was approved in 13/14. Chairmanship of the committee was taken over by SAPS as per Events Safety Management Act no 2 of 2010.

The Section achieved the following during the reporting period:

Attended to 1 windstorm and 2 floods

- Emergency relief and support were given in the form of :
  - 320 x Blankets in 14/15.
  - 8 x Salvage Sheets were distributed.
  - 1 x Tents was distributed.
  - 15 Referrals to food bank to assist families in need of relief in conjunction with Sedibeng District Municipality.
  - 15 Referrals to Social Development were also carried out.

#### *Other achievements*

- A Disaster Management Committee was formed comprising of different departments within Emfuleni Local Municipality in order to coordinate all disaster related matters. The committee manage to conduct flood assessment and developed flood management response plans. A relationship was maintained with the South African Weather Services (SAWS) and early warnings are received which assists in the coordination of early response.
- The Disaster Management Plan Level 3 Outcome 2 (5 Steps) was carried out.
- Early warnings are sent on regular basis to different groups on farms and small holdings by cell phone.

#### **Fire Safety**

1206 Fire safety inspections were conducted on premises to prevent fires and to limit dangerous hazards and to enforce fire safety.

The following performance highlights were recorded in assisting the division to achieve its objective of bringing services closer to the people and improve their quality of life:

#### *Fire Fighting Services*

The Municipality attended to a reduced number of fire related incidents due to the PIER (Public Information Education Relation programs in the area.

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### **3.19 MUNICIPAL COURTS**

The Municipal Systems Act of 2000, Section 112 authorizes municipalities to conduct prosecutions or, institute criminal proceedings and conduct the prosecution in respect of a contravention of, or failure to comply with a provision of a by-law and/or regulation of a municipality, other legislation administered by the municipality and other legislation as determined in terms of the National Prosecuting Authority Act of 1998 by the National Director of Public Prosecutions.

In terms of the Constitution of the Republic of South Africa of 1996, all spheres of government must observe and adhere to the principles of cooperative government and must conduct their activities within the perimeters of co-operative governance.

The Municipal Courts has a Constitutional mandate of bringing justice closer to the people of Emfuleni in the respective magisterial jurisdictions situated within the municipal boundary.

The Municipal Courts is responsible for the processing and adjudication of all municipal related cases submitted by the respective law enforcement agencies in Council (i.e. Land Use Management, Building Control, By-Laws, Traffic and By-law cases enforced by the SAPS etc.)

ELM consists of three magisterial areas. It is therefore necessary that Municipal Courts be established in Sebokeng magisterial area as well as in the Vereeniging magisterial area.

The establishment of Municipal Courts in the above-mentioned jurisdictions confirms government's mandate, which is "to bring justice closer to the people".

### 3.19.1 Service Statistics

Documentation processed:	2012/13	2013/14	2014/15
Section 56 Notices Captured	57 923	48 791	49 960
Section 341 Notices Captured	80 201	58 659	47 626
Camera Mailers printed	256 561	253 055	244 441
Summonses – Section 54's generated	38 418	48 751	62 810
Summonses served	16 639	12 661	5 373
Court rolls done	400	578	671
Cases on court register	78 048	58 441	55 954
Offender tracing road blocks conducted	134	96	158
Representations Received	39 735	41 726	55 395
Representations Finalized	22 369	47 367	54 160
Help Desk Calls Received	34 782	18 048	10 652
Warrants Executed	14 685	3 297	3 190
Warrants withdrawn	30 677	12 038	23 949
SMS sent to offenders	315 874	245 556	36 121
Receipts issued	111 968	80 045	58 043
Value of receipts issued	R 28 148 885	R20 152 954	R13 951 340.40
Collection Rate	15.61%	11.12%	8.36%
Annual documentation processed	694 773	541 344	566 607

Note: According to the Technical Committee on Standard Prosecution of all warrants not finalized within 24 months must be cancelled.

### 3.19.2 Employees: Municipal Courts

Employees: Municipal Court							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	1	1		0	1	100%
4 - 6	13	4			4	9	10%
7 - 9	79	22			22	57	5%
10 - 12	7	1			1	6	50%
13 -15	3	1			1	2	10%
16 -					0	0	80%
	103	29	1		28	75	43%

### 3.19.3 Municipal Courts Overall Performance

The Municipal Courts recognizes the progressive need to co-ordinate and align responses to criminal justice issues in keeping up with the demands of present day development and circumstances. The Municipal Courts has therefore implement initiatives and reforms in a collaborative fashion without risking judicial independence.

In order to sustain success, the Municipal Courts focuses on the following main objectives:

- ❖ To secure the commitment from all role players in the application of an integrated case flow management system;
- ❖ To inculcate a culture of commitment and effective leadership in all components;
- ❖ To foster accountability by implementing mechanisms to ensure compliance with performance standards for all the role players;
- ❖ To adopt measures to ensure that judicial officers manage court proceedings and maintain control of case flow;
- ❖ To ensure timely conclusion of cases consistent with circumstances of each case;
- ❖ To enhance public confidence in the judicial system and to ensure that justice is equally and timely available to all persons, and
- ❖ To ensure ongoing consultation with and education, training and development of all role-players.

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## 3.20 PROPERTY SERVICES

Property Management Department in Emfuleni Local Municipality is responsible for the disposal of Council owned properties and vacant land as well as the lease of Council owned properties and vacant land. The Department is also involved in the acquiring of land for municipal purposes if necessary.

The Municipality's responsibility regarding this Department includes ensuring that the above processes are executed in accordance with all applicable legislation and all processes as prescribed by relevant legislation. The Department is further responsible for access, monitoring, applications and registration of servitudes over Council owned land.

### 3.20.1 Service Statistics for Property Management

The Service Objective for the Property Department is included in the IDP. This includes ensuring that all leased properties of the Municipality have valid lease agreements. The target for the 2014/2015 financial year in this regard was 100% compliance. This was achieved by the Department. This means all leased properties of the Municipality have valid lease agreements.

#### Additional Statistics: 2014/2015

Lease reports approved under delegated authority	Leases Signed	Number of properties to be sold approved by Council	Number of Reports approved by council
36 reports	24 leases	67 properties	8 reports

36 reports on applications for the lease of Council land were drafted and considered under delegated authority. Short term leases up to a maximum period of three years are approved under delegated authority. 24 leases were signed. The remaining reports mentioned above form part of the applications which were declined as well as those that still undergoing certain processes such as valuations, advertising for objections and payment of fees by applicants. The signing of the lease agreements is the final step in the process and can only be done after all these processes have been finalized.

8 reports were submitted to Council for consideration. These include reports on the sale of Council land as well as compliance issues. The sale of Council owned land must, in terms of the Municipal Management Finance Act (56 of 2003), be considered by Council in an open meeting.

### 3.20.2 Employees: Properties

Employees: Properties							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	1	1		0	1	100%
4 - 6	9	8		1	9	0	10%
7 - 9	3	1			1	2	5%
10 - 12					0	0	50%
13 -15					0	0	10%
16 -					0	0	80%
	13	10	1	1	10	3	43%

### 3.20.3 Property: Service Delivery and Budget Implementation Plan

Property: Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Valid Lease agreements	90%	100%	100%	100%	100%

### 3.20.4 Overall Performance Additional Achievements

The lease register is updated very effectively and the Department has engaged on renewals on a month to month basis whereby agreements could not be renewed due to non-compliance/non-payments and outstanding legal processes. Notices are served on a monthly basis to non-compliant occupants. Council has approved that 78 stands be sold in accordance with Supply Chain procedures.

#### Building Control

Detail			
	2012/12	2013/14	2014/15
Building Plans applications received for approval	5539	2283	1285
Determination made in year of receipt	1198	1581	689
Determination made in following year	0	0	0
Applications not approved	2819	702	382
Applications outstanding at year end	1522	702	214

Emfuleni Local Municipality received 1285 building applications for consideration for approval and only 689 were approved. The remaining 214 applications are still to be assessed and 382 were not approved due to outstanding requirements as per National Building Regulations Act 103 of 1977 and the relevant requirements as per Emfuleni Town planning Schemes.

## COMPONENT I CORPORATE POLICY AND OTHER OFFICES

### 3.21 EXECUTIVE AND CORPORATE SERVICES

Emfuleni Local Municipality is categorized in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as a Category B local municipality. It has a Mayoral Committee that is headed by the Executive Mayor. The Executive Mayor is supported by ten members of the Mayoral Committee as described in Chapter 2 of this report under Political Governance.

The Accounting Officer (Municipal Manager) is appointed in accordance with the Municipal Systems and Procedures contemplated in Section 54A and is supported by a Senior Management Team as described in Chapter 2 under Administrative Governance. The functions performed and coordinated by the office of the Municipal Manager are governance related. The office of the Municipal Manager monitors and oversees the administrative components of the following political offices:

- ❖ The office of the Executive Mayor including Monitoring and Evaluation;
- ❖ The office of the Speaker, and
- ❖ The office of the Chief Whip.

### 3.22 HUMAN RESOURCES

The Human Resources Department is well established and its primary function is to render an effective as well as an innovative human resources service that addresses both skills development and generic human resources functions within the Municipality. The functions of the Department comprises of the following:

- ❖ Benefits Administration;
- ❖ Personnel Administration;
- ❖ Recruitment and Selection;
- ❖ Leave Management;
- ❖ Training and Development; and
- ❖ Human Resource Policy Development and compliance monitoring.

#### 3.22.1 Service Statistics of Human Resources Services

The following service terminations were processed during the financial year 2014/2015:

Resignations	Dismissals	Medical Boarding	Deaths	Retirements	Contract terminations	Total
35	5	5	24	103	1	187

#### 3.22.2 Financial Performance: Human Resources

<b>Employees: Human Resource Services</b>					
<b>Financial Performance 2014/15: Human Resource Services</b>					
<b>R'000</b>					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	1 484	3 041	3 041	1 793	-70%
Expenditure:					
Employees	19 539	21 021	21 021	21 662	3%
Repairs and Maintenance	-	10	10	-	
Other	11 711	21 907	18 693	24 013	9%
<b>Total Operational Expenditure</b>	31 251	42 938	39 724	45 675	6%
<b>Net Operational (Service) Expenditure</b>	29 766	39 896	36 682	43 881	9%

### 3.22.3 Human Resources Management and Development Strategy

ELM has developed a draft Human Resources Management and Development Strategy (HRM and DS). The HRM and DS is a strategic and systematic approach intended to develop people in a way that would maximise their motivation and contribution towards meeting the Municipality's objectives.

#### **The HRM and DS aims to achieve the following:**

- ❖ Ensure adequate human resources to meet the strategic goals and operational plans of ELM - the right people with the right skills at the right time;
- ❖ Keep up with social, economic, legislative and technological trends that impact on human resources in our area and in the Local Government Sector;
- ❖ Remain flexible so that ELM can adapt to change, and
- ❖ To align the HR function to modern practices as well as attract and retain talent.

#### **The strategy is underpinned by the following pillars:**

##### **Sourcing, Placing and Exit:**

Essentially Sourcing and Placing is about:

- ❖ Building strategic partnerships for talent and skills;
- ❖ Attracting people through innovative attraction strategies;
- ❖ Recruiting and selecting suitable people;
- ❖ Placing people into jobs and teams;
- ❖ Inducting and socialising people into the municipality; and
- ❖ Exit management.

##### **Workforce planning:**

- ❖ For the continued supply and retention of qualified, motivated people who are prepared to take over in case of resignation, mortality, pension or transfers of current employees; and
- ❖ Succession planning and retention acknowledges that staff will not be with an organization indefinitely and it provides a plan and process for addressing the changes that will occur when they leave.

##### **Capacity Building:**

This pillar is focussed on capacity building of employees and Councillors within the Municipality. It also ensures the enhancement of knowledge, skills and behavioural competencies of employees and Councillors to the appropriate levels required to deliver on and exceed organizational requirements, as embedded in the organizational strategy i.e. Integrated Development Plan and legislative prescripts of the Municipality.

##### **Employment Equity:**

This pillar puts emphasis on the creation of a diversified and sustainable working environment that aims at achieving broad representation of the South African society.

##### **Performance Management:**

This pillar focuses on the strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan,

continuously monitor, periodically measure and review performance of the organization in terms of indicators and targets for efficiency, effectiveness and impact.”

**Organizational Development:**

This pillar focuses on the following:

- ❖ Organizational design and post establishment;
- ❖ Job Evaluation;
- ❖ Employee health and wellness programme;
- ❖ Change management and transformation; and
- ❖ Business process mapping.

**Employee Relations:**

Employee Relations pillar involves the body of work concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale.

**Information Systems and Technology:**

The purpose of this pillar is to explore solutions that would turn raw data into useful information that can be used for decision making in an organization. Similarly, Information Technology is the application of computers and telecommunications equipment to store, retrieve, transmit and manipulate data, often in the context of a business or other enterprise.

**Risk Management:**

This pillar aims at the adoption of a systematic approach of identifying and addressing people risks (Uncertainties and opportunities) that can either have a positive or negative effect on the realisation of the objectives of an organisation. The adoption of a proactive risk management strategy to ensure successful achievement of the objectives is contained herein.

**Achievements which are aligned to the Strategy are reflected as follows;**

Noting the existing deficiencies and proposed interventions on systems, processes and procedures aimed at improving the Human Capital within the Municipality, the Department is making strides in this regard. Some of these strides are reflected hereunder as follows:

- ❖ The Human Resources Department has facilitated development of the draft strategy which is currently in consultation stages through Council Committees and Organised Labour. It is projected that the Strategy will be approved by Council during the second quarter of the 2015/16 financial year.
- ❖ The Department launched an investigation into the possibility of offering cost to company salary packages on certain levels of permanent contracts as one of the retention and attraction strategy.
- ❖ In addition to above, the Department has developed draft internal bursary policy for employees. This policy proposal is currently undergoing a consultation process.
- ❖ The Department partnered with Organisational Development and Performance Management departments in cascading performance to job level two and three.
- ❖ The Department has appointed a service provider to conduct vetting and background checks on all prospective employees.

**3.22.3 Overall Performance**

The following successes were registered during the period under review:

- ❖ Employee Head Count Intervention was embarked upon to establish if all employees are accounted for. The project was successfully completed with 2711 employees physically counted and only 11 not being counted. Investigations are currently underway on the 11 employees which were not accounted for during the Head Count.
- ❖ The Department successfully processed and filled a total of 79 vacant positions.
- ❖ The Department successfully processed 187 exits.
- ❖ A selected number of staff members were trained on the employee self-service on leave applications.
- ❖ The Department successfully submitted the Work Place Skills Plan (WSP) and Training Plan with LGSETA within the prescribed period / time.
- ❖ Council reviewed and approved HR related policies.
- ❖ New Relocation Policies and Head Hunting policies were also introduced and approved.
- ❖ A total of 881 employees were successfully enrolled and trained on various training programmes.
- ❖ A service provider was appointed to conduct verification of academic qualifications, vetting and to conduct criminal background checks on prospective employees on an as-and-when-required basis.

### 3.23 LEGAL SERVICES

The Legal Services is one of the departments which are located within the Corporate Services Cluster. The Department offers legal support and advice to the Municipality. The support offered by the Department includes, but is not limited to the following:

- ❖ Vetting of contracts and policies;
- ❖ Legal opinions and comments;
- ❖ Litigation management;
- ❖ Advice on legislation and its application/implications;
- ❖ Advising on by-laws;
- ❖ Managing legal compliance management, and
- ❖ Management of Panel of Attorneys.

For the next reporting period the Municipality will make efforts to strengthen the Department. This will be done by capacitating the Department to conduct research on all new and amended legislations, regulations and policies and to improve its advice to the Municipality. This will have a positive impact in strengthening of the Legal Materiality Framework and Compliance thereof.

#### 3.23.1 Service Statistics

**Matters and progress made by 30 June 2015:**

Status Quo On Cases	Number Of Cases
Rulings in favor of ELM	08
Rulings against ELM	02
Pending	34

Abandoned/Settled	09
Total Matters	53

The service statistics show an improvement in litigation management compared to the 2013/14 financial year. A number of finalized matters is increasing and a number of rulings against the Municipality have also decreased. Contingent liabilities are still a challenge because new civil cases are still being instituted against the Municipality. The institution of these cases can be attributed to ELM's failure to settle service providers' invoices timeously and thus leading to litigations which, had it not been for cash flow problem, they would not have come up in the first place.

### 3.23.2 Financial Performance: Legal Service

Legal Services					
Financial Performance 2013/14: Legal Services					
R' 000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	0	0	0	0	
Expenditure:					
Employees	4 714	5 257	5 257	4 404	-19%
Repairs and Maintenance	0	0	0	0	
Other	20 620	8 505	18 329	46 336	82%
<b>Total Operational Expenditure</b>	25 334	13 762	23 586	50 741	73%
<b>Net Operational (Service) Expenditure</b>	25 334	13 762	23 586	50 741	73%

### 3. 23.3 Legal Policy Objective Taken From IDP

Outline Service Targets	2012/13		2013/14		2014/15
	Target	Actual	Target	Actual	Target
	Previous Year	Previous Year	Previous Year	Previous Year	Current Year
<b>Vetting of Policies and Contracts</b>	Maintenance of Contracts and Policies Register	Maintenance of Contracts and Policies Register	Maintenance of Contracts and Policies Register	Maintenance of Contracts and Policies Register	Maintenance of Contracts and Policies Register
<b>Legal compliance management</b>	Development and approval of the legal compliance register	Legal compliance register approved/ adopted by Council	Development of the process plan Re: legal compliance register	Maintenance of legal compliance register	Maintenance of legal compliance register
<b>Litigation Management</b>	Development of litigation register and contingency register	Maintenance of the litigation register and contingency	Maintenance of the litigation register and contingency register	Maintenance of the litigation register and contingency register	Maintenance of the litigation register and contingency register

### 3.23.4 Overall Performance of Legal Services

The following achievements were registered by the Department during the period under review:

- ❖ The maintenance of the approved Legal Compliance Framework is improving and sustaining good governance within the administration and other structures of the Municipality. The Compliance Framework serves as a useful tool in the process of monitoring and recording of compliance with relevant legislation and other legal prescripts. An investigation is now undertaken to look at the feasibility of strategically linking the Legal Compliance Framework with the System of Delegations.
- ❖ The Department provided general legal advisory service and assistance to all clusters within the Municipality.
- ❖ The Department attended to all civil litigations within turn-around time as prescribed in the SDBIP.
- ❖ The Department attended to vetting of policies and contracts as briefed by various departments and clusters.
- ❖ The Department conducted due diligence on all contracts during the 2014/15 financial year. The purpose of this exercise was to assist the ELM in improving its contract management, records management as well as to ensure that there is enforcement of compliance, improvement of accuracy of contracting and proactively avoiding or minimizing litigations arising from contracts.
- ❖ The Municipality is in the process of finalizing the following key projects/interventions:
  - Finalization and approval of the revised System of Delegations with sub-delegations from the post level 02 – 06 personnel.
  - Updating of the Legal Framework to align with developments in municipal legislative environment
  - Updating the municipality's law library to enable the Legal Department to provide improved service to build internal capacity
  - Legal Materiality Compliance Framework will also be reviewed and updated during 2015 / 16 Financial Year to accord with ongoing developments in municipal legislative environment.

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### 3.24. SECRETARIAT AND ADMINISTRATION SUPPORT

The Secretariat and Administration function forms part of the Corporate Services Cluster. It is responsible for the provision of support functions to the Municipal Council and all its Committees, as well as all Clusters and departments. The co-ordination of meetings and archiving focuses mainly on the following:

- ❖ Co-ordination and sequencing of all reports;
- ❖ Updating of Policy Register and safe keeping;
- ❖ Drafting of Action Lists for implementation of resolutions by Clusters and follow-ups.
- ❖ Provision of a central archive and registry service;
- ❖ Provision and management of printing services;
- ❖ Maintains and facilitates switchboard service; and
- ❖ Safekeeping of contracts and agreements.

### 3.24.1 Service Statistics

Secretariat attended all meetings and ensured accurate compilation of minutes as required in these meetings. The following meetings were coordinated and supported:

- ❖ Council meetings(89 members with two vacancies which were reported);
- ❖ Mayoral Committee meetings;
- ❖ Senior Management Team meetings;
- ❖ Extended Senior Management Team meetings;
- ❖ Section 80 Committee meetings as follows:
  - Corporate & Governance;
  - Finance & Revenue;
  - Health & Social Development;
  - Human Settlement;
  - Basic Services;
  - Local Economic Development, Tourism & Development Planning;
  - Public Safety;
  - Infrastructure Planning and Development;
  - Sport, Recreation, Arts & Culture, Library Information Services, Parks and Cemeteries, and
  - Environmental Management & Planning.
- ❖ Section 79 Committee meetings as follows:
  - Audit Committee;
  - Ethics Committee;
  - Gender Committee;
  - Land Tribunal;
  - MPAC (Municipal Public Accounts Committee);
  - Petitions Committee, and
  - Revenue Committee.
- ❖ Ad-hoc Committee meetings:
  - Performance Audit committee;
  - Remuneration Committee;
  - IDP Steering Committee;
  - Budget Steering Committee;
  - Risk Management, Anti-Fraud & Anti-Corruption Committee;
  - Information Technology;
  - Central Health and Safety Committee;
  - Ntirhisano Task Team, and
  - Bid Adjudication Committee.

### 3.24.2 Employees: Secretariat

Employees: Secretariat					
Job Level	2012/2013	2013/14			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 to 3	2	4	2	2	50.00%
4 to 6	6	11	8	3	27.27%
7 to 9	10	24	9	5	20.83%
10 to 12	7	8	7	11	137.50%
13 to 15	2	2	2	0	0.00%
16 to 18					
<b>Total</b>	<b>27</b>	<b>49</b>	<b>28</b>	<b>21</b>	<b>42.86%</b>

### 3.24.3 Overall performance of Secretariat

- ❖ All sittings of Mayoral Committee and Council were successfully coordinated and supported;
- ❖ Finalization of Minutes of various Committees was done on time;
- ❖ All SMT/ESMT meetings were successfully coordinated and supported;
- ❖ Action Lists were issued to Mayoral Committee timeously;
- ❖ In terms of Standing Orders agendas and minutes were distributed within 72 hours before commencement of each meeting;
- ❖ A sum total of 46 contracts, agreements and general confidential documents were archived;
  
- ❖ A new File Plan for the entire Emfuleni Local Municipality was approved by Gauteng Provincial Archives on 13 February 2015 and submitted to and noted by Council on June 2015;
- ❖ Disposal authority for Records other than Correspondence files was approved by Gauteng Provincial Archives on 14 September 2014; and
- ❖ Relevant mail was collected and dispatched timeously, and
- ❖ For the 2015/2016 financial year the department, inter alia, plans to:
  - Roll out the new File Plan to all departments;
  - Improve the archiving environment by disposing ephemeral documents in terms of the disposal Authority granted by Gauteng Provincial Archives; and
  - Review Council's Standing Orders in consultation with the Office of the Speaker.

## 3.25. RISK MANAGEMENT

The Risk Management function at ELM forms part of Municipal Manager's Cluster. Its objective is to guide the Municipality's process in terms of identifying risks and ensuring that controls are in place to minimize the potential impact of the risks on the achievement of institutional objectives. This is realized among other things, through the establishment of a functioning Risk Management Department and the setting up of systems to implement risk management at an enterprise-wide level as well as conducting regular Risk Assessments (developing risk registers), continuous monitoring and reporting.

### 3.25.1 Service Standards

#### Insurance Administration

Insurance is a key component of effective Risk Management within the Municipality as it provides for mechanisms of financing municipal risks.

For the year under review, a sum total of R 26 million was set aside for the Aggregate Fund held in an Investment account with a Banking Institution. The balance as at 30 June 2015 in the Aggregate Fund amounted to R XXXX

The financial implications of the Insurance Policy are detailed as follows;

	*2013/2014	*2014/2015
Motor Aggregate	R 5, 000, 000. 00	R 3, 500, 000. 00
Buildings Combined Aggregate	R 25, 000, 000. 00	R 22, 500, 000. 00
Totals	R 30, 000, 000. 00	R 26, 000, 000. 00
Premium p/m	R 2,619,047.61*6 and R 3,090,411.19*6	R 4, 370, 246. 18
Premium p.a.	R 34,256,752.80	R 52, 442, 954. 16

\*Figures reflected as per renewal agreement

The claims summary experienced by the Municipality for the period under review is as follows:

	Claims Registered	Claims Settled	Claims Repudiated
Motor Claims	R 991, 377. 39		
Combined Claims	R 4, 409, 880. 40		
Third Party Claims	R 1, 384, 233. 02		
TOTALS			

All Insurance Claims repudiated falling within the Excess of the Municipality are reviewed by the Legal Services Department. In terms of the Operations, all claims repudiated by the Insurance Division become the liability of the Operational Department in the instances whereby the claim is legitimate but falls outside of the Insurance cover.

### 3.25.2 Financial Performance: Risk Management

Financial Performance 2014/15: Risk Management Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	81 851	0	0	74	100%
Expenditure:					
Employees	0	4 926	4 926	5 240	6%
Repairs and Maintenance	0	0	0	0	
Other	1 989	74 116	73 478	52 950	-40%
<b>Total Operational Expenditure</b>	1 989	79 041	78 403	58 190	-36%
<b>Net Operational (Service) Expenditure</b>	-79 862	79 041	78 403	58 116	-36%

### 3.25.3 Employees: Risk Management

Employees: Risk Management							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	1	0	1		-1	2	200%
4 - 6	3	1			1	2	10%
7 - 9	8	6		1	7	1	5%
10 - 12	6	4			4	2	50%
13 -15	17	11			11	6	10%
16 -					0	0	80%

Risk Management :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Risk Management Maturity	Achieve Risk Maturity Level 4	Yes	Achieved Level 5 Risk Maturity	No, Retained Level 4	Risk Maturity Level 6
Anti-fraud and Anti-corruption Awareness	Conducted fraud and corruption awareness campaigns	Yes	Established Fraud Prevention & Loss Control Committee and Forum	Partially	Functional MoU with National Anti-corruption Hotline
Occupational Health and Safety Awareness	Institutional occupational health and safety awareness campaigns	Yes	Developed OHS Manuals	No	Functional Occupational Health Clinic

#### 3.25. 4 Risk Management: Service Delivery and Budget Implementation Plan

#### 3.25.5 Overall Performance Risk Management

The Risk Management Department is severely under-capacitated and the impact of such is more evident with the critical targets remaining unachieved. The Department aims to supplement the staff shortages with the use of external service providers in the 2015/16 period to ensure that the existing gaps are closed and important targets are achieved.

### 3.26. INFORMATION TECHNOLOGY

The Information and Communication Technology Services rendered to ELM users can be divided into Operations, Technical Maintenance, Software Support, and Projects and Administration.

#### 3.26.1 Service Delivery Priorities

##### *ICT Strategic Planning*

A five year ICT Strategy has been developed and presented to all appropriate Council committees and it will also be submitted to Council for approval. The five year ICT implementation plan has at best been aligned to the IDP and the 2012/13 implementation phase includes the ICT department SDBIPs for the 2012/2013 financial year. Each and every activity in the implementation phase is supported by a process plan that outlines the timelines and steps that will be followed from the start to completion to achieve that.

##### *ICT Governance*

An ICT governance framework has been developed and the ICT Governance committee members have been appointed. All the Municipality clusters will be represented in the committee so that an overall view

of the Municipality's ICT requirements can be collated and be incorporated in the ICT Strategy implementation and align it to the IDP. The committee will monitor and measure on a continuous basis that the ICT function effectively supports the Municipality's mandate of efficient service delivery to the community.

*ICT departmental structure*

The ELM is in a process of establishing its own ICT function and to this end an ICT structure has been developed and that will be submitted for approval by Council. The structure will ensure that the ICT Department is well resourced to meet and support all the ICT requirements of the Municipality.

**3.26.2 Financial Performance: Information Technology**

<b>Information Communication Technology</b>					
<b>Financial Performance 2014/15:</b>					
<b>R'000</b>					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	-	-	-	-	
Expenditure:					
Employees	15	-	-	-14	100%
Repairs and Maintenance	990	998	998	926	-8%
Other	11 329	15 195	8 742	6 578	-131%
<b>Total Operational Expenditure</b>	12 334	16 193	9 740	7 491	-116%
<b>Net Operational (Service) Expenditure</b>	12 334	16 193	9 740	7 491	-116%

**3.26.3 Information Technology: Service Delivery and Budget Implementation Plan**

### 3.26.4 Service Statistics for ICT Services

The ICT department provide services to about 1500 users in the Municipality spread across the following areas:

Sites	Specific Area
Vanderbijlpark	Boipatong, Bophelong Sedibeng Evaton Residensia, PMU and Metsi
Vereeniging	Roshnee, Rus- ter- Vaal, Duncanville, Sedibeng Building and Leeuwuil

The access, installation, maintenance and support services that are granted to users on a need to use basis range from email, Internet and intranet, Fax-to-email, Voice Over Interned Protocol (VOIP), Venus, Payday, etc.

For the 2014/2015 there were 4607 calls that were logged by users and all were successfully resolved. An efficient and robust ICT infrastructure will be implemented as guided by the ICT Strategy Plan. Furthermore, a process to integrate the municipality's systems will be undertaken so that accurate information can be readily made available to the citizens.

Information Technology :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
% Information and Communication Technology Strategy implemented	% Milestones achieved	100%	% Milestones achieved	100%	Review Information and Communication Technology Strategy

### 3.26.5 Information Technology: Service Delivery and Budget Implementation Plan

The following e-Services will also be provided in the near future:

- Applications for public services, e.g. Healthcare, social grants, etc.;
- Census;
- Elections;
- eLearning;
- Access to forms and registers kept by the Municipality;
- Opening of businesses;
- Mobile access to Municipality's systems, and

- Access to information in private institutions, and so forth.

The installation of the regional optic fibre network is underway and once it is completed it will provide resilient network connectivity for a faster transmission of information.

### 3.27 FACILITIES MANAGEMENT

The Facilities Department plays a critical role at enhancing the working environment of all Emfuleni Local Municipality employees. This Department impacts on multiple facets of the employees comfort from their parking to an OHS Act compliant building. These services are facilities maintenance, upkeep management, space management. At the moment due to limited resources the Department is mainly focusing on corrective maintenance which is also in line with legislative maintenance. Parallel to this there is a commitment from Council to address backlogs on preventative maintenance.

#### 3.27.1 Employees: Facilities

Employees: Facilities							
Job Level	Total Posts	Employees 2013/14	Resigned etc.	Appointed etc.	Employees 2014/15	Vacancies Fulltime	Vacancies as %
0 - 3	3	1			1	2	67%
4 - 6	5	2			2	3	10%
7 - 9	30	15	2		13	17	5%
10 - 12	2	1			1	1	50%
13 -15	0	0			0	0	10%
16 -	51	31	2	1	30	21	80%
	91	50	4	1	47	44	37%

### 3.27.2 Service Delivery and Budget Implementation Plan

Facilities: Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Maintained Municipal facilities.	70	123	65%	59%	60%

### 3.27.3 Overall Performance

During the year under review the Municipality has renovated and upgraded municipal buildings and sport and recreational facilities and continued with the renovations and upgrades at its Head Office. Parking Policy was implemented at Head Office as approved by Council and currently to be rolled out to other facilities.

In an attempt to ensure both safe and secure municipal facilities unsafe buildings were demolished during the period under review. The buildings that got demolished included community halls which were deemed unsafe. The demolition exercise was carried out in collaboration with Building Control and Properties Section. The cleaning of Emfuleni facilities has continued to improve due to proper planning and continuous monitoring and supervision by this Department. The continued EPWP employment has assisted in ensuring that there is enough capacity in terms of personnel in the Department.

## 3.28 FLEET MANAGEMENT

Various departments and functions within the Municipality are dependent on the availability of required vehicles, equipment, machinery and other transportation resources in order for them to achieve their organizational mandates of rendering essential services to the community they serves. Fleet Management is a function within the Municipality charged with a responsibility of granting the necessary support to all user departments by availing the required resources.

During the year under review the Municipality managed to achieve 70% annual availability of the acquired fleet. The said achievement exceeded the projected performance target of 65% by 5%. Over 55 units of specialized vehicles ranging from aerial platforms required for provision of Electricity services to refuse collection vehicles to enable service delivery continuity were dispatched during the period under review.

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### 3.29 ASSET MANAGEMENT

The aim is to improve the management and data integrity of the asset register on a continuous basis and to improve the management of municipal infrastructure assets. Asset Management as a function is managed in two clusters, namely, Finance and IPAM, the immovable items are managed by IPAM while the Finance cluster manages movable items. The asset register is consolidated into IMQS which became operational during the 2012/2013 financial year and is used to manage all fixed assets. The movable assets are still managed on Baud.

Emfuleni Local Municipality has delivered asset register that is in compliant with GRAP 17 standards on the IMQS system from the 2012/2013 financial year and will be aiming to achieve the same goal going forward. A clean audit has been achieved on fixed assets since the 2012/2013 financial year. The Information systems for IQMS is updated and improved on continuous basis attribute information from Venus, Engineering Master Plan and other sources. This system display, current service networks, utilisation and future demand needs for upgrades and new projects.

The following outputs were achieved and put in place during the 2013/2014 financial year (these will be updated as per the Asset Management Policy):

- Asset Management Policy - Approved by Council 15 Aug 2013, Item A2716, and
- Consolidated Municipal Infrastructure Plan (CMIP) – Completed.

The Information systems for IQMS is updated and improved upon on continuous basis attributing information from Venus, Engineering Master Plan and other sources. This system display, current service networks, utilisation and future demand needs for upgrades and new projects.

The following outputs were achieved and put in place during the 2013/2014 financial year (these will be updated as per the Asset Management Policy):

- Asset Management Policy - Approved by Council 15 Aug 2013, Item A2716;
- Consolidated Municipal Infrastructure Plan (CMIP) – Completed;
- Asset Management Plan (AMP) Electricity – Completed;
- Asset Management Plan Water & Sanitation - Completed;
  
- Asset Management Plan Roads & Stormwater – Completed;
- Asset Management Plan and Community Facilities – Completed, and
- Asset Management Plan Solid Waste – Completed.

### 3.30 PROJECT MANAGEMENT

The Project Management Unit (PMU) has been established as one of the department within the Infrastructure Planning and Asset Management (IPAM) cluster. Currently the Department has 2 full time managers reporting directly to the Deputy Municipal Manager: IPAM and also created manager specialized position for civil and electrical. The unit has a technical team consisting of 9 staff members that are qualified technicians, technologists and engineers. Each member on the technical team within the unit oversees as many as 10 projects ranging from roads, water, sewer, communal buildings, high mast lights, recreational facilities and cemeteries.

The Unit at the moment has over 80 projects in various stages of construction and more than 20 projects planned to begin during the course of the new financial year, 2015/16. There has been a concerted drive to increase the portion of work allocated to local contractors and to that effect a draft strategic plan in ready for submission to council. This initiative is aimed at improving the local economy by grooming emerging contractors and transferring business and technical skills.

The largest project currently underway is the upgrading of the Sebokeng Waste Water Works which is jointly administered by Emfuleni Local Municipality and Randwater and funded through the Regional Sewer Infrastructure Grant.

This project will increase the capacity of the plant to accommodate the many developments that are underway and those planned for the next 20 years within the catchment area.

The project management unit houses the Expanded Public Works Programme that enhances job creation by encouraging labour intensive construction methods and tracking employment figures for reporting to the Department of Public Works. The PMU Business Plans for the year 2014/2015 financial year was approved by CoGTA for operational expenditure of the Department to enable optimal functioning.

#### 3.30.1 Funding

The following MIG amounts were allocated for Emfuleni Local Municipality and were spent over the past three years.

Year	MIG Allocation	MIG Expenditure	% Expenditure
2012/2013	R 154 401 000.00	R 154 401 000.00	100%
2013/2014	R 151 925 000.00	R 151 925 000.00	100%
2014/2015	R 157 727 000.00	R 157 727 000.00	100%

#### 3.30.2 Funding Allocation

INFRASTRUCTURE COMPONENT	EXPENDITURE
<b>OPERATIONAL EXPENDITURE</b>	R 7 413 326.00
WATER AND SANITATION	R 2 253 452.00
ELECTRICAL PROJECTS	R 844 902.00
WASTE MANAGEMENT	R 8 791 929.00
ROADS AND STORMWATER	R 106 095 06.00
SPORT AND RECREATION	R 27 304 911.00
PUBLIC FACILITIES	R 790 208.00
OTHER	R 3 658 308.00
<b>TOTAL EXPENDITURE</b>	<b>R 157 727 000.00</b>

### 3.30.3 Project Management: Service Delivery and Budget Implementation Plan

Project Management :Service Delivery and Budget Implementation Plan					
Outline Service Targets	2013/14		2014/15		2015/16
	Target	Actual	Target	Actual	Target
Capital budget actually spent on MIG Grant funded projects	100% Expenditure				
Capital budget actually spent on Other Grant funded projects	100% Expenditure	85% Expenditure	100% Expenditure	10% expenditure	100% Expenditure
Capital budget actually spent on ELM funded projects	50% Expenditure	21% Expenditure	40% Expenditure	62% expenditure	100% Expenditure
Compliant asset register	Maintained asset register in compliance with GRAP 17	Maintained asset register in compliance with GRAP 17	Maintained asset register in compliance with GRAP 17	Maintained asset register in compliance with GRAP 17	Maintained asset register in compliance with GRAP 17

## CHAPTER 4: ORGANIZATIONAL DEVELOPMENT

### 4.1 Introduction

Emfuleni Local Municipality currently employs 2919 employees, who individually and collectively contribute to the achievement of the broader municipal objectives. The senior management team is fully established however two (2) positions became vacant following resignations of two Deputy Municipal Managers. The team is supported by staff members employed by the Municipality to deliver on municipal services and institutional priorities as outlined in the IDP. The Human Resources function is well established and its primary objective is to render an effective as well as an innovative HR service that addresses both skills development and administrative function.

On a quarterly basis a report on the completeness of staff related costs is compiled and submitted to the Audit Committee. This intervention assists in ensuring that all employees in the staff compliment of the Municipality are accounted for.

### 4.2 MUNICIPAL PERSONNEL

#### Post establishment

The Municipality uses Org-Plus software system as a tool for the maintenance of its organogram. The benefits of Org-Plus are, among others, it ensures the professionalization of the structure, it minimizes the chances of manipulation, it assists with costing of posts and it further contributes in the completeness of employee related expenditure.

Post Establishment					
	2013/2014		2014/2015		
Descriptions	Employees No.	Approved post establishment No.	Employees No.	Variance No.	Variance %
<b>PUBLIC SAFETY AND COMMUNITY DEVELOPMENT</b>	3	5	4	1	20%
<b>Public Safety</b>	329	697	339	358	51%
<b>Environmental Management, Health &amp; Social Development</b>	182	365	170	195	53%
<b>Sports, Recreation, Arts &amp; Culture and Library Inform Service</b>	204	349	197	152	44%
<b>Parks and Cemetery</b>	180	1021	207	814	80%
<b>Super By-Law</b>	0	4	1	3	75%
<b>BASIC SERVICES</b>	3	11	2	9	82%
<b>Roads and Stormwater</b>	264	1390	266	1124	81%
<b>Electrical</b>	174	251	174	77	31%
<b>Waste Management</b>	411	490	370	120	24%

Fleet Management	43	79	42	37	47%
Metsi-A-Lekoa	368	694	368	326	47%
ECONOMIC DEVELOPMENT PLANNING	6	6	5	1	17%
Housing	27	50	17	33	66%
Land Use Management	22	30	22	8	27%
Local Economic Development	14	23	15	8	35%
Properties	11	13	10	3	23%
Building Control	23	60	30	30	50%
INFRASTRUCTURE PLANNING	3	3	2	1	33%
Asset Management	2	12	2	10	83%
Facilities Management	50	86	50	36	42%
Programmes and Administration	9	19	12	7	37%
Project Planning & Construction	7	19	7	12	63%
CORPORATE SERVICES	3	3	3	0	0%
Human Resource Management	37	50	38	12	24%
Labour Relations	5	13	5	8	62%
Legal Services	8	22	11	11	50%
Organizational Development	6	19	6	13	68%
Secretariat & Administration	28	49	27	22	45%
Employment Equity	1	1	1	0	0%
CHIEF FINANCIAL OFFICER	6	9	6	3	33%
Revenue and Customer Care	86	111	87	24	22%
Budget and Reporting	6	13	6	7	54%
Expenditure	41	47	39	8	17%
Supply Chain Management	39	81	38	43	53%
Credit Control & Debt Man	19	43	20	23	53%
Financial Control	15	27	16	11	41%
MUNICIPAL MANAGER	2	5	3	2	40%
Risk	11	18	12	6	33%
IGR	1	1	1	0	0%
IDP	8	10	8	2	20%
Performance Management	2	9	2	7	78%
Monitoring & Evaluation	8	8	8	0	0%
Chief Information Officer	1	1	1	0	0%
Communications	8	12	8	4	33%
Policy and Strategy	1	1	1	0	0%
AUDIT	9	24	7	17	71%
POLITICAL OFFICE	54	61	57	4	7%
Other i.e. Interns	14	6316	14	6302	100%
TOTAL	2745	6292	2737	3555	57%
NB. Notice must be taken that placement of Interns and contract employees does affect the outcome of information					

### 4.3 MANAGING MUNICIPAL WORKFORCE

#### 4.3.1 Employee Assistance Programme (EAP)

The below mentioned services and interventions were offered to employees during the year under review:

- ❖ Medical surveillance (assessing the general health conditions of employees);
- ❖ Financial and debt counselling;
- ❖ Awareness on excessive use of alcohol and drug & substance;
- ❖ Absenteeism and causes;
- ❖ Intervening on illegal garnishee orders;
- ❖ HIV/AIDS – testing and counseling;
- ❖ Health and Wellness Programmes;
- ❖ On-going EAP counseling : 79 Employees consulted and 6 of those were referred for advance intervention;
- ❖ Wellness Information sessions: 4 cases presenting conflict between employees were resolved;
- ❖ Trauma debriefings: 1 trauma debriefing for Fire and Rescue;
- ❖ Employees who encountered a powerful traumatic incident;
- ❖ HIV Counseling and Testing (HCT) - 393 employees tested for HIV and AIDS, and
- ❖ Medical Surveillance- 406 employee took part.

The table below depicts the information on the Medical Surveillances which were conducted the year under review:

TYPES OF SCREENING:	TOTAL EMPLOYEES TESTED
1. Tuberculosis Screening	208
o Eye Test Screening	232
2. Vital Signs	395
o Glucose Test	395
o Blood Pressure	395
o Pulse Rate	395
o Cholesterol	395
o Body Mass Index	395

The purpose of the exercise is to promote the healthy living lifestyle and to discourage unhealthy habits. It also illustrates the number of employees who participated in the financial management and Substance Abuse & Dependence workshops.

#### 4.3.2 Job Evaluation

Job Evaluation is an ongoing process. A Job Evaluation Committee is established in this regard and is made up of 12 members. Members of this Committee have been trained on the use of the TASK Job Evaluation System. The TASK tool is recommended for use by all municipalities by SALGA. Workshops were conducted with Organized Labour and all managers on the Job Evaluation policy, the policy has also served at the Sub- Committee: Basic Conditions for Local Labour Forum approval. Both Managers and Organized Labour were trained in the T.A.S.K Job Evaluation system. This is in preparation to evaluate all positions in Council in the 2015/16 financial year.

#### *Job Analysis*

Job Descriptions were reviewed for all positions in the Municipality in preparation for the evaluation of all the jobs in the approved Post Establishment to eliminate disparities and standardize all occupation category levels.

#### 4.3.3 Change Management

The following change management interventions were conducted for the Municipality:

1. Identifying and training of Change Agents for each cluster;
2. Workshop for managers on the importance of Change Management in the Municipality;
3. Change Management for introduction and roll-out of performance management system for job levels 2,  
And 4 Critical work-force segmentation.

The above-mentioned workshops were aimed at assisting and equipping/capacitating departments to be on par with the changes that are taking place within the organization.

#### 4.3.4 Vacancy Rate (Financial Year – 2014/2015)

Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S56 Managers (excluding Finance Posts)	5	0	0%
Fixed Term Contracts	4	1	20%
Fire fighters	195	91	46%
Senior management: DMM's Levels (excluding Finance posts)	6	2	20%
Middle management: Level 2 ( Finance posts)	6	2	20%
Middle management: Level 2 (excluding Finance posts)	37	12	33%
Operational management: Level 3 (excluding Finance posts)	72	30	41%
Operational management: Level 3	14	4	28%

(Finance posts)			
Highly skilled supervision: levels 4 -6 (excluding Finance posts)	559	230	41%
Highly skilled supervision: levels 4 - 6 (Finance posts)	110	56	51%
Total	<b>1011</b>	<b>428</b>	<b>42%</b>

#### 4.3.5 Employee Turnover Rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
2012/13	330	132	4.4%
2013/14	373	322	7.3%
2014/15	79	<b>187</b>	7.3%

Employee turn-over rate for the year under review decreased from 322 to 187 representing a percentage decrease of up to 7.3%. It should however be noted that the large increase in terminations in 2013/14 consists of 144 mass dismissals that took place in December 2013. Notably, all 144 employees were reinstated in January / February 2014 after a Settlement Agreement was reached with SAMWU. The other remaining percentage is made up of terminations which are attributed to a number of factors such as resignations, retirements, deaths and dismissals.

#### 4.3.6 Vacancies and Turnover

The positions of the Deputy Municipal Managers Basic Services and that of Infrastructure Planning and Asset Management became vacant in January 2015. The process of filling these positions was already at an advanced stage at the point of compiling this report. The Municipality has approved and introduced a Head Hunting Policy to assist in expediting the recruitment of people with special skills, expertise and talents.

Some critical vacancies have been filled. These include the positions of the CFO and Manager: Financial Control. It is Council's policy objective to fill all vacancies within a period of three months of them becoming available. The Municipality is currently in a drive to recruit personnel with skills and qualification in the engineering fields.

The Employment Equity Act, Act 55 of 1998, Chapter 3 Section 15(1) states that affirmative action measures are designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer.

The national performance indicator also refers to " *Number of people from employment equity target groups employed in the three levels of management in compliance with the municipality's approved Employment Equity Plan*"

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## **4.4 EQUITY**

### **4.4.1 Introduction**

The Employment Equity Act 55 of 1998, Chapter 3 Section 15(1) requires the implementation of affirmative action measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce.

Since the establishment of Employment Equity function, the Municipality has embarked on various processes to remove barriers to equitable representation and advancement of people from designated groups and to accelerate training and promotion of individuals from this category.

Through the implementation of Employment Equity and Affirmative Action programmes, the Municipality has made significant strides in creating an environment that is conducive to equitable representation of designated groups in order to achieve broad representation of the South African demographics.

### **Achievements**

The EE Department conducted four (4) roads-shows and advocacy campaigns in this reporting period. The purpose of these roadshows was to provide a common understanding of the Employment Equity Act, its interpretation and application. The Municipality was also successful in responding to the Department of Labour's recommendations following the Director General's review process, and to this end all the information requested by the Department of Labour was submitted timeously.

The Municipality drafted and facilitated the approval of the Employment Equity Plan in compliance with Section 20 of the Employment Act 55 of 1998. The plan was approved by Council on the 30 June 2015.

The Municipality has an existing Employment Equity and Skills Development Forum. The intention of the forum is to provide a platform for workers or their duly elected representatives to engage effectively with management on Employment Equity and Affirmative Action matters. The establishment of this forum has contributed to the harmonization of relations with trade unions.

### **4.4.2 Overall Performance**

- ❖ Conducted analysis of workforce profile and consulted with internal employment equity stakeholders, Organized Labour and cluster representatives.
- ❖ Developed a successive employment equity plan in terms of section 23 of Employment Equity Act 55 of 1998 and facilitated the consultation process with all stakeholders and subsequent approval by Council on the 30<sup>th</sup> of June 2015.

- ❖ Conducted assessment of Municipal Buildings to determine the level of none compliance and provided recommendations.
- ❖ Compiled and submitted the annual Employment Equity Report to the National Office of the Department of Labour for the 2014 reporting period.
- ❖ Processed 68 G47's with employment equity recommendations for targeted recruitment.
- ❖ Conducted 4 Employment Equity road-shows during this period to create awareness regarding amendments to the Act as at January 2014.
- ❖ Displayed a summary of the recent Employment Equity Report in four Municipality buildings as part of the duty to inform in line with Section 25 of the Employment Equity Act 55.

### Appointments made against the employment equity targets

The 68 appointments recorded with Employment Equity Department were assessed against targeted recruitment as depicted in Table A below. The assessed G47's resulted in 47% constituting appointments which were in line with Employment Equity targets whereas 53% did not comply with the targets. This is attributed mainly to certain designated groups not applying for positions as well as non-availability of suitable candidates from these groups. To this end the organization has to embark on vigorous recruitment of Colored and Indians in line with the national and provincial demographics.

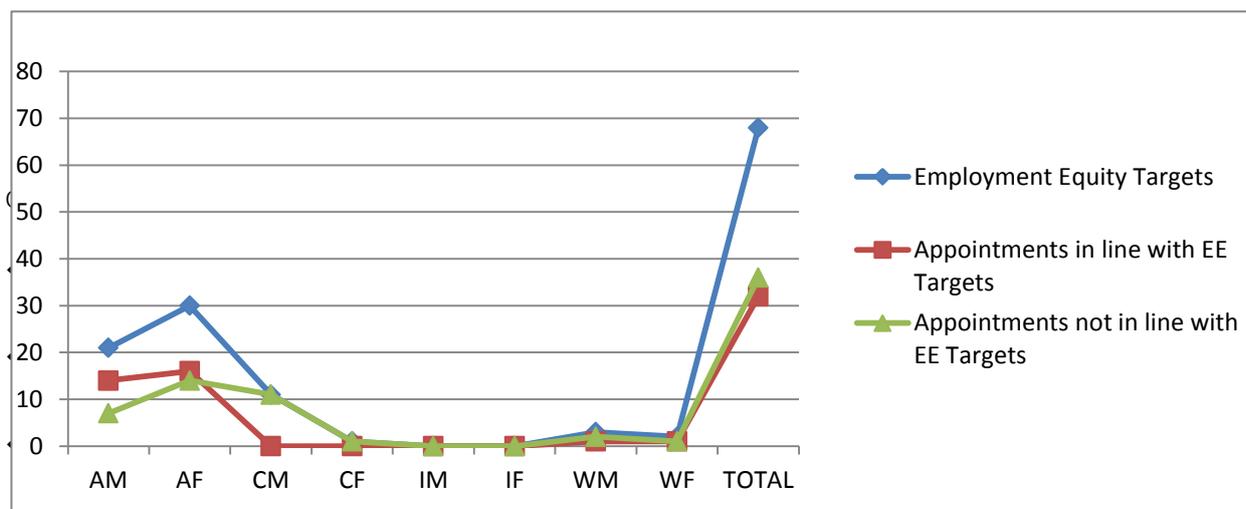
The Municipality has put measures in place to enforce compliance with equity targets across all levels in the organization. These include the Employment Equity personnel involvement in the shortlisting and interviewing processes and making inputs to the panel recommendation of suitable candidates.

AM- African Males	AF-African Female	CM-Coloured Male	WF-White Female
CF- Coloured Female	IM- Indian Male	IF- Indian Female	WM-White Male

APPOINTMENTS ASSESSED AGAINST EMPLOYMENT EQUITY TARGETS									
Gender & Race	AM	AF	CM	CF	IM	IF	WM	WF	TOTAL
Employment Equity Targets	21	30	11	1	0	0	3	2	68
Appointments in line with EE Targets	14	16	0	0	0	0	1	1	32
Appointments not in line with EE Targets	7	14	11	1	0	0	2	1	36

The Table above reflects the total employment Equity targets for the reporting period 2014/2015. Out of a total of 68 appointments made, 47% were in line with EE targets and 53% were not in line with EE targets.

The graph below represents the appointments achieved through equity targets



## 4.5 POLICIES

### 4.5.1 Human Resources Policies and

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	N/A	N/A	Incorporated in the Emfuleni Local Municipality Employment Equity Policy (01 October 2009)
2	Attraction and Retention	N/A	N/A	Will be developed concurrently with the development of the Human Resources Development.
3	Code of Conduct for employees	100%	N/A	As per Municipal Systems Act No 32 of 2000 Schedule 2
4	Delegations, Authorization & Responsibility	100%	N/A	17 October 2013, currently undergoing review process.
5	Disciplinary Code and Procedures	100%	N/A	Main Collective Agreement 21 April 2010
6	Essential Services	100%	N/A	18 September 2008
7	Employee Assistance / Wellness	100%	N/A	30 May 2014
8	Employment Equity	100%	N/A	1 October 2009
9	Exit Management	N/A	N/A	Will form part of the Recruitment and Selection policy during the review process.
10	Grievance Procedures	100%	N/A	Main Collective Agreement 21 April 2010
11	HIV/Aids	100%	N/A	30 May 2014

12	Human Resource and Development	100%	N/A	1 October 2009
13	Information Technology	100%	N/A	1 October 2009
14	Job Evaluation		N/A	Main Collective Agreement 21 April 2010
15	Leave Administration		N/A	30 October 2012
16	Occupational Health and Safety		N/A	11 November 2010
17	Official Housing		N/A	Main Collective Agreement Gazette 30306, 01 September 2007
18	Official Journeys	N/A	N/A	
19	Official transport to attend Funerals	N/A	N/A	
20	Official Working Hours and Overtime	100%	N/A	Main Collective Agreement 21 April 2010
21	Organizational Rights	100%	N/A	Main Collective Agreement 21 April 2010
22	Payroll Deductions	N/A	N/A	
23	Performance Management and Development	100%	N/A	11 November 2010
24	Recruitment, Selection	100%	N/A	25 June 2014
25	Remuneration Scales and Allowances	100%	N/A	
26	Resettlement	N/A	N/A	
27	Sexual Harassment	100%	N/A	26 October 2004
28	Skills Development	100%	N/A	30 May 2014
29	Smoking	N/A	N/A	
30	Special Skills	N/A	N/A	
31	Work Organization		N/A	Main Collective Agreement Gazette 30306, 01 September 2007
32	Uniforms and Protective Clothing	N/A	N/A	
33	Other		N/A	
34	Acting Policy (amended)		100%	25 June 2014
35	Code of Ethics	100%		28 June 2013
36	Relocation Policy	100%		25 June 2014
37	Head Hunting Policy	100%		25 June 2014

#### 4.5.2 Workforce Policy Development

The Municipality has to date developed a considerable number of workforce policies. It is envisaged that policies which includes amongst others succession planning, migration and placement and retention and

talent management which had to be dovetailed from the Human Resource Management and Development Strategy will be developed during 2015/16 financial year.

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## 4.6 INJURIES, SICKNESS AND SUSPENSIONS

### Occupational Health and Safety

Occupational Health and Safety is an area concerned with protecting the safety, health and welfare of all employees of the Municipality. The goals of occupational health and safety programmes include, among other, the fostering of a safe and healthy working environment. Occupational Health and Safety may also protect co-workers, family members, employers, customers and many others who might be affected by the workplace environment.

The main focus in occupational health and safety is on the following three objectives:

- ❖ The maintenance and promotion of workers' health and working capacity;
- ❖ The ensuring of a safe and healthy working environment, and
- ❖ The development of work organizations and working cultures in a direction which supports health and safety at work and by doing so also promote a positive social climate and a smooth operation in the workplace. This in turn may enhance productivity.

The concept of working culture is intended in this context to mean a reflection of the essential value systems adopted by undertaking concerned. Such a culture is reflected in practice in the managerial systems, personnel policy, and principles for participation, policies and quality management of the undertaking.

### Policies and Procedures

A policy is a principle or protocol to guide decisions and achieve rational outcomes. A policy is a statement of intent, and is implemented as a procedure or protocol. Policies are generally adopted by council which the highest decision is making structure of the Municipality. Procedures on the other hand would be developed and adopted by the senior management team.

One of the objectives of Occupational Health and Safety unit in the 2014/15 period was to review all the policies due to structural changes and other factors that may have a direct impact to the policy. The Occupational Health and Safety policy has been reviewed and currently sits with the Local Labour Forum (LLF) for consideration prior to its final approval by Council. Other OHS policies are in a draft format and are set to be adopted in the 2015/16 financial year, these are as follows:

- ❖ Emergency Evacuation Policy and Plan;
- ❖ Drug and Alcohol Policy;
- ❖ Smoking Policy;
- ❖ Medical Surveillance Policy' and
- ❖ Central Occupational Health and Safety Committee Charter.

The Occupational Health and Safety has successfully conducted an assessment on 3 of the critical Basic Services departments to establish the need to review the Safe Working Procedures and this will be fast

tracked with the appointment of specialist service providers in the 2015/16 period due to the capacity constraints within the division.

### **Training**

The key purpose of any training is to improve safety awareness, operational effectiveness and productivity. Internal training begins with an induction program, enabling the employee to learn how to do the job, its purpose how it fits into the corporate strategy. Ongoing support is essential to keep up with changes to the working and corporate environment.

One of the strategic objectives for Occupational Health and Safety division is to reduce the number of injury on duty cases through training and awareness campaigns. The following are the achievements made in respect of the training and awareness programmes undertaken during the period under review:

- ❖ First Aiders training = 75;
- ❖ Induction of newly appointed employees (EPW) =351;
- ❖ Compensation Commissioner = 40, and
- ❖ General Safety Training for employees = 309.

As part of the training and awareness strategy for enhancing employee health and safety, a comprehensive survey will be undertaken in the 2015/16 period to identify any gaps that may exist within the Municipality in terms of the knowledge and awareness of workplace health and safety by employees in general.

### **Inspections**

Section 8 of the Occupational Health and Safety Act 85 of 1993 places certain duties and responsibilities on the employer. Below are some of these duties and responsibilities:

To establish what hazards to the health and safety of employees are attached to any work, which is performed, and including articles and substances used.

- ❖ Taking steps necessary to eliminate or mitigate any hazard or potential hazard.
- ❖ Making arrangements to ensure the safety and absence of risk to the health of employees.
- ❖ Providing such information, instruction, training and supervision as may be necessary.
- ❖ And not to allow any employee to do any work unless above mentioned precautionary measures have been taken.

In the light of the above, the inspections focused specifically on occupational health and safety legal aspects. The Safety Officers are expected to conduct quarterly inspections and prepare a comprehensive report for the senior management for consideration and resolution of the identified weaknesses or hazards by the Facilities Management department which undertakes all maintenance and improvement works on the municipality's buildings and facilities. The Department together with the Employment Equity division conducted XXX inspections for the period under review.

In-line with Section 30 of the Occupational Health and Safety Act (Act No. 85 of 1993), the Department of Labour issued a Contravention Notice on the 10th of March 2015, for the Vaalgate building, currently leased to the Municipality, for failing to comply with certain provisions of the Act and relevant Regulations and was given 60 days to resolve the concerning matters identified. The Municipality subsequently engaged with the Department of Labour to request an extension, in which case an additional 60 days were approved by the

Department. The Municipality is still engaged in negotiations with the Vaalgate Owners in terms of continued accommodation and the landlord has completed majority of the works that needed to be performed in order to comply with the terms of the notice.

### **Fire-fighting equipment**

Fire-fighting is the act of extinguishing fires. A fire-fighter suppresses and extinguishes fires to prevent loss of life and/or destruction of property and the environment. Fire-fighting is a highly technical skill that requires professionals who have spent years training in both general fire-fighting techniques and specialized areas of expertise. The Occupational Health and Safety Act requires that the equipment used to extinguish fire be serviced on annual basis and is in a good state of use in the event of fire emergency. In our quest to comply with the provisions of the Environmental Regulations for Workplaces, a qualified external service provider was appointed through the tender process to supply, replace, repair and maintain all fire extinguishing equipment in ELM for a period of 36 months. The appointed service provider conducted an assessment to establish the status of compliance in-relation to fire prevention standards and Occupational Health and Safety Act 85 of 1993. The critical findings of the assessment were as follows:

- ❖ The fire-fighting equipment was outdated;
- ❖ Some equipment was last serviced in 2000 and in other departments in 2008;
- ❖ Hose reels water used to wash vehicle and floors;
- ❖ Equipment obstructed, and
- ❖ No signage etc was found to exist.

Emanating from the assessment report, a substantial amount of money was spent on replacing old equipment and in procuring the necessary signage. 80% of the work has been completed in this regard. The remainder of the work will be undertaken in the 2015/16 financial year.

### **Compensation/IOD**

Compensation for Occupational Injury and Diseases Act 130 of 1993 is designed to provide compensation for disablement sustained or diseases contracted by employees during the course of employment or for death resulting from such injuries and/or diseases. Basically, this Act introduced a legislative insurance scheme (Compensation Fund) whereby employers contribute to ensure that when employees are injured or contract a work related disease, they can claim from the fund not from the employer. The Occupational Health and Safety division has been entrusted with the responsibility to ensure that ELM is in good standing with Compensation Fund. The Table below illustrates the total number of injury on duty cases reported to the office of the Compensation Commissioner:

CLUSTER	DEPARTMENT	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
MUNICIPAL MANAGER	Mayor's	0	0	0	0
	Speaker	0	0	0	0
	Chief Whip	0	0	0	0
	COO	0	0	1	0
	Internal Audit	0	0	0	0
	Communications	0	0	0	0
	Information Tech	0	0	1	0
	Risk Man	0	1	0	0
	Monitoring & Evaluation	0	0	0	0
	Performance Man & IDP	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>
CORPORATE SERVICES	Legal	0	0	0	0
	Human Resources	0	0	0	0
	Secretariat	0	0	0	0
	Labour Relations	0	0	0	0
	Organizational Dev.	0	0	0	0
	Employment Equity	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
BASIC SERVICES	Roads	1	2	0	1
	Electricity	0	1	0	1
	Waste	4	9	4	8
	<b>TOTAL</b>	<b>5</b>	<b>12</b>	<b>4</b>	<b>10</b>
EDP	LED	0	0	0	0
	Properties	0	0	0	0
	Housing	0	0	0	0
	LUM	0	0	0	0
	Building Control	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
PUBLIC SAFETY	Parks	0	3	1	3
	SRAC	1	0	1	3
	Social Dev.	1	0	3	0
	Fire	2	8	8	10
	Traffic	0	2	0	1
	<b>TOTAL</b>	<b>4</b>	<b>13</b>	<b>13</b>	<b>17</b>
IPAM	Facilities	1	1	0	3

	Assert Man	0	0	0	0
	PMU	0	0	0	0
	Fleet Management	1	0	0	0
	<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>3</b>
<b>FINANCE</b>	Budget	0	0	0	0
	Revenue	0	0	0	0
	Supply Chain	0	0	0	0
	Financial Control	0	0	0	0
	Debt Man	0	0	0	0
	Expenditure	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The injury on duty cases have increased from **83 cases** in 2013/14 to **87 cases** in 2014/15. This is a reflection of the need for improved occupational health and safety programmes within the Municipality. This Division will continue to strive to ensure that there is improvement in terms of occupational health and safety within Emfuleni Local Municipality.

### *Occupational Health Services*

The term 'occupational health services' means services entrusted with essentially preventive functions and responsible for advising the employer, the workers and their representatives in the undertaking on the following:

- ❖ The requirements for establishing and maintaining a safe and healthy working environment which will facilitate optimal physical and mental health in relation to work, and
- ❖ The adaptation of work to the capabilities of workers in the light of their state of physical and mental health".

The above definition alone is not enough to describe the range of activities carried out by Occupational Health Services and there are a number of functions expected to be carried in this regard. These are summarized hereunder:-

- ❖ Identification and assessment of the risks from health hazards in the workplace. This involves surveillance of the factors in the working environment and working practices which may affect workers' health. It also requires a systematic approach to the analysis of occupational "accidents", and occupational diseases.
- ❖ Advising on planning and organization of work and working practices, including the design of work-places, and on the evaluation, choice and maintenance of equipment and on substances used at work. In so doing, the adaptation of work to the worker is promoted.
- ❖ Providing advice, information, training and education, on occupational health, safety and hygiene and on ergonomics and protective equipment.
- ❖ Surveillance of workers' health in relation to work.
- ❖ Contributing to occupational rehabilitation and maintaining in employment people of working age, or assisting in the return to employment of those who are unemployed for reasons of ill health or disability.
- ❖ Organizing first aid and emergency treatment.

The medical station has not been functional for the better part of the 2014/15 financial year due to unavailability of the Occupational Health Nurse however the position of the Occupational Health Nurse was subsequently filled as to ensure that this function is realized.

### Days and Cost of Sick leave

Number Of Days And Cost Of Sick Leave (Excluding Injury On Duty)						
Salary Band	Total Sick Leave	Proportion Of Sick Leave Without Medical Certification	Employees Using Sick Leave	Total Employees In Post	Average Sick Per Employee	Estimated Cost
MM and Sec 57& 56 and Specialists	31	5	6%	12	6%	R38 674.08/10.33 days
Senior Management Level 1-2	230	6	8%	29	8.30%	R142 293.88/76.66 days
Highly Skilled Supervision 3	375	26	3%	54	6%	R206 832.00/1125 days
Highly Skilled Supervision	211	44	7.50%	39	2.30%	R104 910.97/308 days
Highly Skilled Supervision Level 5/4	924	61	29%	72	9%	R386 305.92/308 days
Highly Skilled production Level 6-8	2202	101	60%	463	14.60%	R775 94.56/734 days
Skilled Level 9-12	3531	201	55%	509	39%	R908 229.69/1177 days
Lower skilled level 13-15	1670	113	80%	165	26%	R3418.98/556.66 days

### 4.5.4 Suspensions

No	Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
1	Social Worker	Fraud and Corruption	22 February 2013	Suspension Uplifted 08 October 2014, Matter scheduled for 14 July 2015	Ongoing
2	Social Worker	Fraud and Corruption	22 February 2013	Suspension uplifted 24 February 2015. Matter scheduled for the 20-25 July 2014	Ongoing
3	Field Worker	Fraud and Corruption	22 February 2013	Suspension uplifted 24 February 2015. Matter scheduled for the 20-25 July 2014	Ongoing
4	Social Worker	Fraud and Corruption	22 February 2013	Suspension uplifted 24 February 2015. Matter scheduled for the 20-25 July	Ongoing

				2014	
5	Field Worker	Fraud and Corruption	22 February 2013	Suspension uplifted 24 February 2015. Matter scheduled for the 20-25 July 2014	Ongoing
6	Chief Social Worker	Fraud and Corruption	22 February 2013	Suspension uplifted 24 February 2015. Matter scheduled for the 20-25 July 2014	Ongoing
7	Social Worker	Fraud and Corruption	22 February 2013	Suspension uplifted 24 February 2015. Matter scheduled for the 20-25 July 2014	Ongoing
8	Field Worker	Fraud and Corruption	22 February 2013	Suspension uplifted 24 February 2015. Matter scheduled for the 20-25 July 2014	Ongoing
9	Clerk Finance	Fraud and Corruption	22 February 2013	Suspension uplifted 24 February 2015	Pending submission of forensic report
10	Manager Anti-Corruption	Gross Insubordination	05 March 2013	Employee Service Terminated 28 May 2015 2015. Matter Finalized	Closed
11	Admin Officer	Fraud and Corruption	08 March 2013	Employee Service Terminated 03 November 2013	Closed
12	Clerk Finance	Fraud and Corruption	10 June 2013	Suspension uplifted 24 February 2015.	Pending submission of forensic report
13	Accountant	Fraud and Corruption	11 July 2013	Suspension uplifted 15 December 2015.	Pending submission of forensic report
14	Building Inspection	Fraud and Corruption	06 November 2014	Suspension uplifted 26 February 2015.	Matter pending on submission from the Employer representative
15	Building Inspector	Fraud and Corruption	06 November 2014	Suspension uplifted 26 February 2015.	Matter pending on submission from the Employer representative
16	Senior Building Inspector	Fraud and Corruption	06 November 2014	Suspension uplifted 26 February 2015.	Matter pending on submission from the Employer representative
17	Building Inspector	Fraud and Corruption	06 November 2014	Suspension uplifted 26 February 2015.	Closed
18	Building Inspector	Fraud and Corruption	06 November 2014	Suspension uplifted 26 February 2015.	Closed
20	Assistant Superintended Traffic	Fraud and Corruption	23 January 2015	Matter scheduled for the 30 July 2015	Ongoing

21	Assistant Manager Parks	Fraud and Corruption	26 February 2015	Matter pending arbitration date from Bargaining Council	Ongoing
22	Admin Assistant	Fraud and Corruption	19 March 2013	Matter scheduled for 29 July 2015	Ongoing
23	Admin Assistant	Fraud and Corruption	13 April 2015	Matter scheduled 22 July 2015	Ongoing
24	Cashier	Fraud and Corruption	13 April 2015	Matter scheduled 22 July 2015	Ongoing
25	Cashier	Fraud and Corruption	13 April 2015	Matter scheduled 23 July 2015	Ongoing

#### Disciplinary Actions

Position	Nature of Alleged Misconduct and Rand Value of any loss to the municipality	Disciplinary Action Taken	Date Finalised
Warrant Officer	Gross dishonesty	05 December 2011	Matter scheduled for 28 July 2015
Controller Stock & Buyer	Gross dishonesty	22 September 2014	Employee service terminated on 3 November 2014
Clerk	Fraud and Corruption	22 February 2013	Matter scheduled for 20-25 July 2015.
Accountant Payroll	Gross Insubordination	21 January 2014	Withdrawn
Clerk	Gross Insubordination	21 January 2014	Withdrawn
Accountant Payroll	Gross Insubordination	21 January 2014	Withdrawn
Admin Officer	Fraud and Corruption	01 March 2014	Withdrawn
Admin Officer	Fraud and Corruption	01 March 2014	Withdrawn
General Worker	Absenteeism	17 March 2014	Pending – On appointment of new representative
General Worker	Theft	27 May 2014	Matter pending on appointment of new representative
General Worker	Theft	27 May 2014	Matter pending on appointment of new representative
General Worker	Theft	27 May 2014	Matter pending on appointment of new representative
General Worker	Theft	27 May 2014	Matter pending on appointment of new representative
General Worker	Theft	27 May 2014	Matter pending on appointment of new representative
General Worker	Theft	27 May 2014	Matter pending on appointment of new representative

Manager Monitoring and Evaluation	Fraud and Corruption	4 September 2014	Matter pending on further consultation with parties
Manager Operations Audit	Fraud and Corruption	7 September 2014	Employee Resigned
Assistant Manager Acquisition	Fraud and Corruption	7 September 2014	Matter pending on further consultation with parties
Senior Admin Officer	Fraud and Corruption	12 September 2014	Matter pending on further consultation with parties
Assistant Manager Metsi-A-Lekoa	Fraud and Corruption	12 September 2014	Matter pending on further consultation with parties
Senior Engineering Technician	Fraud and Corruption	13 September 2014	Matter pending on further consultation with parties
Assistant Manager Project	Fraud and Corruption	13 September 2014	Employee Resigned
HIV & Aids Coordinator	Fraud and Corruption	21 October 2014	Matter scheduled for 28 July 2015
General Worker	Absenteeism	17 November 2014	Matter scheduled for 13 July 2015
General Worker	Fraud and Corruption	05 January 2015	Matter pending of further investigations
Warrant Officer	Gross Dishonesty	16 January 2015	Matter Finalized 06 July 2015
Driver	Theft	22 January 2015	Matter pending on condonation application outcome from the Bargaining Council
Driver	Theft	22 January 2015	Matter pending on condonation application outcome from the Bargaining Council
General Worker	Theft	22 January 2015	Matter pending on condonation application outcome from the Bargaining Council
Caretaker	Theft	10 February 2015	Matter scheduled for 31 July 2015
Machine Operator Gr1	Theft	10 February 2015	Matter scheduled for 3 August 2015
Personnel Officer	Fraud	10 February 2015	Matter scheduled for 28 July 2015
Traffic Officer	Absenteeism	12 March 2015	Employee service terminated on 29 June 2015
Executive Secretary	Absenteeism	16 March 2015	Employee service terminated on 21 May 2015
Clerk	Absenteeism	17 April 2015	Matter scheduled for 27 July 2015

The Disciplinary Procedure and Collective Agreement of the South African Local Government Bargaining Council makes provision to the effect that whilst employer is investigating a misconduct an employee against whom the investigation is conducted can be suspended and or utilised in another capacity until the disciplinary process is finalised. During the financial year under review, a total of 60 cases were recorded. A total of 22 suspensions were also recorded during the period under review. A total of 13 cases were finalized 25 other disciplinary hearings are still ongoing.

## **LOCAL LABOUR FORUM**

The LLF has not been sitting due to internal problems within one component of labour. Management is in a process of resuscitating the Local Labour Forum.

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### **4.7 CAPACITATING MUNICIPAL WORKFORCE**

The Human Resources Management is the custodian of capacity building of employees within the Municipality. It also contributes in the building and creation of a capable service delivery organization. The Skills Development Act No 97 of 1998 as Amended in 2008 sets clear guidelines and requirements for the organization to implement capacity building initiatives for employees.

In response to the quoted legislative framework and related regulations such as the National Skills Development Strategy (NSDSIII) and the Local Government Sector Education and Training Authority (LGSETA), Emfuleni acquitted itself well under the prevailing circumstances.

The Workplace Skills Plan (WSP) for 2014/15 financial year and the Training Plan were submitted to the Sector Education and Training Authority for Local Government (LGSETA) by 30 June 2014 as per requirement. The allocated training amount for staff training was R10 950 339.00; which represents 1, 1% of the total salary budget spend of R 981 310 681.00 The 1, 1% is exclusive of conditional grants. A sum total of 839 employees were trained on various skills interventions during the 2014/15 financial year. An amount of R 12,950,000.00 for Discretionary Grant funding was applied for to the Local Government Sector Education and Training Authority (LGSETA).

#### **4.7.1 Skills Development, Related Expenditure on the Financial Competency Regulations**

Training and skills development interventions are mainly aimed at increasing the knowledge, proficiency, ability and skills of ELM Human Capital to improve bottom line performance. ELM Training Plan is informed by key strategic documents such as IDP, Sector Skills Priorities (SSPs), the Skills Audit Results as well as the National Treasury Minimum Competency Regulations of 2007. September 2015 has been set by National Treasury as the final deadline by which compliance at the various sectorial and professional work levels must be achieved.

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

All Section 56 employees have been enrolled with the credible institutions of higher learning for the Treasury approved Municipal Finance Management Programme (MFMP) and all have completed the program. Currently a total of 56 senior and middle managers (levels 2 and 3) completed the Certificate Program in Management Development (CPMD) with the University of the Witwatersrand (WITS). There are currently a total of approximately 50 staff members – who are levels 4-6 and mainly drawn from the Finance and related Clusters are enrolled on the MFMP.

A significant number of lower level staff (middle managers and financial clerks) has been trained in compliance with the guidelines of the National Treasury Minimum Competency Regulations.

#### Milestones

The following achievements were registered by the Department:

- ❖ Compliance with the National Treasury Minimum Competency Levels Regulations, Gazette 29967 of April 2012.
- ❖ 105 employees inclusive of Councillors completed their National Certificate in Public Management and Administration - N4 and N5.
- ❖ 51 Senior and Middle Managers from the Finance Cluster and others, completed the Municipal Finance Management Programme (MFMP).
- ❖ 25 employees are currently completing Apprenticeship and Learnership programmes in the following disciplines: Fitting and Turning; Electricians and Mechanical.
- ❖ A total number of 47 Employees completed a Water and Wastewater Treatment Process Operation Learnership and 32 were affirmed through a Recognition of Prior Learning process and were found Competent.
- ❖ 20 disabled Learners were placed in various departments for a Learnership on a National Certificate in Local Government Support Services NQF Level 3.
- ❖ A total number of 839 employees including Councillors were trained during the 2014/15 cycle.

## CHAPTER 5 FINANCIAL PERFORMANCE

### 5.1 INTRODUCTION

The Municipality adopted the going concern assumption when preparing the annual financial statements for the year under review. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlements of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The municipality also adopted the accrual basis, to account for its revenue and expenditure, while also adopted the approved Statements of GRAP, to record its financial transactions

### 5.2 FINANCIAL PERFORMANCE

The statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality. The table below indicates the summary of the financial performance for the 2014/15 financial year.

Financial Summary						
R' 000						
Description	2013/14	Current Year 2014/15			2014/15 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	469,447	539,000	539,000	541,509	0%	0%
Service charges	2,987,010	3,354,597	3,354,597	3,315,170	-1%	-1%
Investment revenue	8,078	11,152	11,152	7,565	-32%	-32%
Transfers recognised - operational	667,258	667,822	666,088	679,984	2%	2%
Other own revenue	607,831	61,913	161,913	307,874	90%	90%
<b>Total Revenue (excluding Capital transfers &amp; contributions)</b>	<b>4,739,624</b>	<b>4,634,484</b>	<b>4,732,750</b>	<b>4,852,103</b>	<b>3%</b>	<b>3%</b>
Employee costs	824,136	935,426	935,426	856,535	-8%	-8%
Remuneration of councillors	42,736	47,185	47,185	45,331	-4%	-4%
Depreciation & asset impairment	477,059	173,523	173,523	463,851	167%	167%
Finance charges	27,819	11,897	11,897	47,248	297%	297%
Materials and bulk purchases	1,875,520	1,950,243	1,950,243	1,977,385	1%	1%
Transfers and grants	0	0	0	0	50%	50%
Other expenditure	1,840,224	1,446,434	1,654,652	2,180,146	32%	32%
<b>Total Expenditure</b>	<b>5,087,493</b>	<b>4,564,707</b>	<b>4,772,926</b>	<b>5,570,494</b>	<b>17%</b>	<b>17%</b>
<b>Surplus/(Deficit)</b>	<b>-347,869</b>	<b>69,777</b>	<b>-40,175</b>	<b>-718,391</b>		
Transfers recognised - capital	169,094	148,798	161,876	177,253	9%	9%
Contributions recognised - capital & contributed assets	0	0	0	0	0%	0%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>-178,775</b>	<b>218,575</b>	<b>121,701</b>	<b>-541,138</b>	<b>-545%</b>	<b>-545%</b>
Share of surplus/ (deficit) of associate						
<b>Surplus/(Deficit) for the year</b>	<b>-178,775</b>	<b>218,575</b>	<b>121,701</b>	<b>-541,138</b>	<b>-545%</b>	<b>-545%</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	169,094	148,798	161,876	177,253	9%	9%
Public contributions and donations	81,810	44	44	28,471	64160%	
Borrowing	0	0	0	0	0%	0%
Internally generated funds	40,054	92,900	113,481	110,741	-2%	-2%
<b>Total sources of capital funds</b>	<b>290,958</b>	<b>241,742</b>	<b>275,401</b>	<b>316,465</b>	<b>15%</b>	<b>15%</b>
<b>Financial position</b>						
Total current assets	623,214	789,550	985,635	614,772	-38%	-38%
Total non current assets	11,625,479	10,153,894	11,458,298	11,510,551	0%	0%
Total current liabilities	-764,100	-425,085	-1,114,342	-1,089,222	-2%	-2%
Total non current liabilities	-347,583	-389,300	-351,615	-440,228	25%	25%
Community wealth/Equity	11,137,010	10,129,059	10,977,976	10,595,872	-3%	-3%
<b>Cash flows</b>						
Net cash from (used) operating	177,918	586,133	253,502	287,096	13%	13%
Net cash from (used) investing	-179,728	-407,011	-516,706	-287,413	-44%	-44%
Net cash from (used) financing	-2,044	0	-150,000	504	-100%	-100%
<b>Cash/cash equivalents at year end</b>	<b>-3,855</b>	<b>179,122</b>	<b>-413,204</b>	<b>187</b>	<b>-100%</b>	<b>-100%</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	-3,855	306,826	-285,500	187	-100%	152639%
Application of cash and investments	0	0	0	0		
<b>Balance - surplus (shortfall)</b>	<b>-3,855</b>	<b>306,826</b>	<b>-285,500</b>	<b>187</b>	<b>-100%</b>	<b>152639%</b>
<b>Asset management</b>						
Asset register summary (WDV)	11,625,479	10,153,894	11,458,298	11,510,551	0%	0%
Depreciation and asset impairment	477,059	173,523	173,523	463,851	167%	63%
Renewal of Existing Assets	0	0	0	0	0%	0%
Repairs and Maintenance	137,957	206,924	170,322	86,911	-49%	-96%

## Operational Services Performance

The below table indicates the operational services for the 2014/15 financial year

Financial Performance of Operational Services						
R '000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	106,596	292	288	401	27.02%	28.12%
Waste Water (Sanitation)	(61,128)	(2,371)	(2,389)	(2,223)	-6.65%	-7.45%
Electricity	222,274	366,287	370,750	298,206	-22.83%	-24.33%
Waste Management	16,558	68,714	68,499	101,510	32.31%	32.52%
Housing	(10,786)	(3,156)	(5,086)	(6,351)	50.31%	19.91%
<b>Component A: sub-total</b>	<b>273,514</b>	<b>429,767</b>	<b>432,062</b>	<b>391,543</b>	<b>-9.76%</b>	<b>-10.35%</b>
Waste Water (Stormwater Drainage)	(25,923)	(27,550)	(27,540)	(23,550)	-16.99%	-16.95%
Roads	(75,120)	(112,287)	(139,733)	(100,887)	-11.30%	-38.50%
Transport	(120,497)	(137,352)	(111,079)	(114,195)	-20.28%	2.73%
<b>Component B: sub-total</b>	<b>(221,540)</b>	<b>(277,190)</b>	<b>(278,352)</b>	<b>(238,632)</b>	<b>-16.16%</b>	<b>-16.64%</b>
Planning	(3,526)	(47,209)	(42,372)	(45,401)	-3.98%	6.67%
Local Economic Development	(8,351)	(7,608)	(8,722)	(7,636)	0.37%	-14.23%
<b>Component B: sub-total</b>	<b>(11,877)</b>	<b>(54,817)</b>	<b>(51,095)</b>	<b>(53,037)</b>	<b>-3.36%</b>	<b>3.66%</b>
Planning (Strategic & Regulatory)	(368)	(1,200)	(1,200)	(35)	-3322.70%	-3322.70%
Local Economic Development	-	-	-	-		
<b>Component C: sub-total</b>	<b>(368)</b>	<b>(1,200)</b>	<b>(1,200)</b>	<b>(35)</b>	<b>-3322.70%</b>	<b>-3322.70%</b>
Community & Social Services	(3,499)	(271)	(0)	(6)	-4648.35%	98.37%
Environmental Protection	(3,110)	(10,378)	(9,361)	(20,306)	48.89%	53.90%
Health	(31,330)	(41,311)	(41,746)	(37,287)	-10.79%	-11.96%
Security and Safety	(7,237)	(1,891)	(6,103)	(69,185)	97.27%	91.18%
Sport and Recreation	(36,402)	(36,715)	(39,909)	(38,069)	3.56%	-4.83%
Corporate Policy Offices and Other	(136,926)	402,430	405,194	(476,126)	184.52%	185.10%
<b>Component D: sub-total</b>	<b>(218,504)</b>	<b>311,865</b>	<b>308,074</b>	<b>(640,977)</b>	<b>148.65%</b>	<b>148.06%</b>
<b>Total surplus/(deficit)</b>	<b>(178,775)</b>	<b>408,425</b>	<b>409,489</b>	<b>(541,138)</b>	<b>175.48%</b>	<b>175.67%</b>

## 5.3 GRANTS PERFORMANCE

### 5.3.1 Operating Grant Performance

The municipality had a total amount of R 679 984 333.61 for operational expenditure available that was received in the form grants from National and provincial Government during the 2014/15 financial year. The performance in the spending of these grants is summarized as follows:

Grant Performance R' 000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>616,677</b>	<b>613,719</b>	<b>613,719</b>	<b>609,765</b>	<b>-1%</b>	<b>-1%</b>
Equitable share	598,857	602,144	602,144	602,144	0%	0%
Municipal Systems Improvement	885	934	934	942	1%	1%
Finance Management	1,300	1,450	1,450	1,450	0%	0%
Infrastructure Skills Development Grant	10,000	0	0	0		
Municipal Infrastructure Grant	0	0	0	0		
DACE	750	0	0	0		
EPWP	4,885	4,191	4,191	4,661	10%	10%
Neighborhood Development Grant	0	5,000	5,000	568	-780%	-780%
Levy replacement	0	0	0	0		
Other transfers/grants [insert description]	0	0	0	0		
<b>Provincial Government:</b>	<b>50,581</b>	<b>45,610</b>	<b>51,873</b>	<b>70,219</b>	<b>35%</b>	<b>26%</b>
Health subsidy	45,970	44,746	44,746	48,364	7%	7%
HIV/AIDS Grant	288	564	564	0		
Library Grants	0	0	0	0		
GRAP 17	0	0	1,000	1,000	100%	0%
EPWP	0	0	0	0		
Social Development Grant	4,318	0	0	16,623		100%
Bontle ke Botho	4	300	1,500	169	-77%	-787%
Other transfers/grants [insert description]	0	0	0	0		
<b>District Municipality:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
[insert description]	0	0	0	0		
	0	0	0	0		
<b>Other grant providers:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
EPWP	0	0	0	0		
Boiketong Water Grant	0	0	4,063	4,063	100%	0%
MSIG (Sedibeng)	0	0	0			
<b>Total Operating Transfers and Grants</b>	<b>667,258</b>	<b>659,329</b>	<b>665,592</b>	<b>679,984</b>		

### 5.3.2 Capital Grant Performance

Grant Performance R' 000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Capital Transfers and Grants</b>						
<b>National Government:</b>	<b>166,293</b>	<b>146,978</b>	<b>160,057</b>	<b>167,633</b>	<b>12%</b>	<b>5%</b>
Municipal Infrastructure Grant (MIG)	151,925	146,867	150,151	157,727	7%	5%
National Electrification Program	13,279	0	9,795	9,795	100%	0%
Restructuring Grant	0	0	0	0		
Regional Bulk Infrastructure Grant	0	0	0	0		
N:Social Infrastructure Grant	0	0	0	0		
Performance Management	1,088	112	112	112	0%	0%
ICT Programme Grants	0	0	0	0		
Kwa-Masiza Grant	0	0	0	0		
Asset Managemnt	0	0	0	0		
<b>Provincial Government:</b>	<b>2,802</b>	<b>1,819</b>	<b>1,819</b>	<b>9,620</b>	<b>81%</b>	<b>81%</b>
Library Grant	2,802	1,819	1,819	4,117	56%	56%
Sedibeng regional sewer scheme	0	0	0	5,502	100%	100%
<b>District Municipality:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Grants Ex-District						
<b>Other grant providers:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<i>[insert description]</i>						
<b>Total Capital Transfers and Grants</b>	<b>169,094</b>	<b>148,798</b>	<b>161,876</b>	<b>177,253</b>	<b>0</b>	<b>0</b>

The Municipality managed to spend most of its grants, including 100% spending on the MIG allocation. The other grants not fully spent, are committed on projects at different implementation stages, to be completed in the 2015/16 financial year.

### 5.4 ASSET MANAGEMENT

Assets management practice within the municipality is based on a comprehensive asset management policy. The assets management policy provides direction for the management, accounting and control of all assets categories of the municipality to ensure that:

- ❖ All assets of the municipality are verified during the course of the financial year,
- ❖ Report in writing all assets losses to Council
- ❖ Assets are valued and accounted for in accordance with statements of GRAP standards,

- ❖ A complete record of assets in possession of the municipality is kept

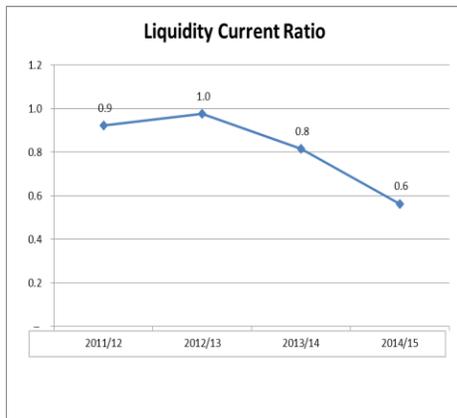
#### 5.4.2 Repair and Maintenance Expenditure 2014/15

Repair and Maintenance Expenditure 2014/15				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	206,924	170,322	86,911	58.00%

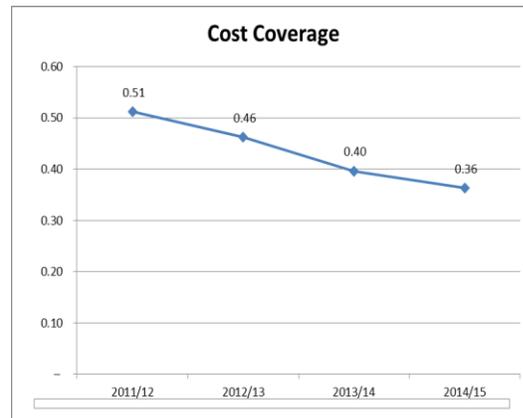
The above table illustrate the 42 % spending on the allocated funds, which is a regression as compared to the 79% achieved in the prior year (2013/14). Caution should be taken that the above table only illustrate the spending on outsourced functions. The indicated under-spending on the outsourced function, was as a result of the cash flow constraints which restricted the spending, and priority has to be made on service delivery orientated assets. The municipality is conforming to the requirements of the MFMA, Municipal Systems Act and other legislation in ensuring that adequate provision is made for long term maintenance for infrastructure assets.

### 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

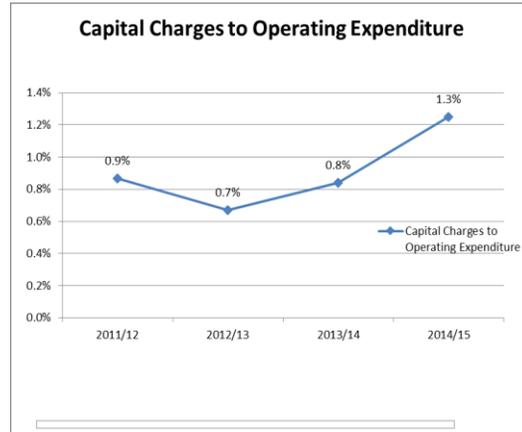
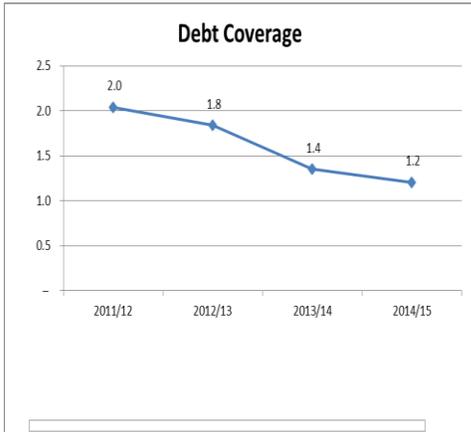
#### 5.5.1 Current Ratio



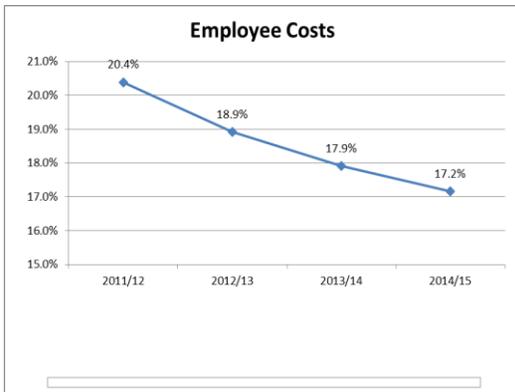
#### 5.5.2 Cost Coverage Ratio



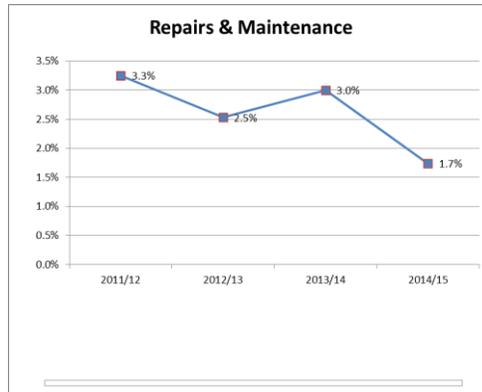
**5.5.3 Debt Coverage Ratio**



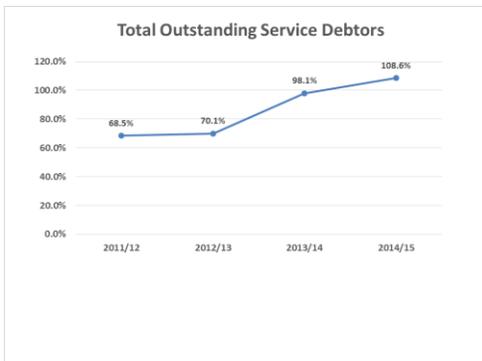
**5.5.5 Employee Cost Ratio**



**5.5.6 Repairs and Maintenance**



**5.5.97. Total outstanding service debtors**



The underneath narratives are based on a year to year analysis of the above reported results:

- The major challenge on the municipality is the collection of its debt, resulting with most municipal debt being impaired. This had a huge impact on municipality's ability to fund urgent commitment and sufficiency of current assets to settle instant (current) obligations. There is less dependency on debt, as most projects are funded either with grants and subsidies or own funds.
- The stated cash-flow challenges restrict the municipality on honouring its obligations for paying suppliers within 30 days. However, all statutory obligations, Eskom, Rand Water and personnel costs, are being paid on time. Other payables are being prioritised based on the impact to service delivery and availability of the means to settle the dues.
- The serviced long-term loan amounted to R 19 million on the reporting date, while also the improvement on the municipal rating will increase its chances of raising additional funds (borrowings) in future.

## 5.6. SPENDING AGAINST CAPITAL BUDGET

It is stated in MFMA chapter 4 that, municipal budget can be funded from realistic anticipated revenue, prior years funds not committed and borrowings (only for capital budget) .ELM's capital expenditure budget is thus funded mainly from own funds and grants, as required by the MFMA.

### 5.6.1 Capital expenditure

	% of Expenditure Budget	Original Budget	Adjustment Budget	Audited Full Year Total
Capital Expenditure	11.03%	408,425	526,364	316,465
Operating Expenditure	88.97%	4,156,282	4,246,562	5,225,438
<b>Total expenditure</b>		<b>4,564,707</b>	<b>4,772,926</b>	<b>5,541,904</b>

### 5.6.2 Sources of funding

The capital expenditure budget is funded mainly from own funds and grants. Own funds constituted 35%, while grant funding is 65% of the total capital budget.

## 5.7 CASHFLOW MANAGEMENT AND INVESTMENTS

The net cash flow from operating activities decreased by 51 % in comparison to the budget, this is due to consistent payment of suppliers and employee related costs as well as a change in policies (recognition criteria of indigents). The cash used in investing activities is increased by 60 % when compared to the previous year's reported figure due to Council funded projects that could not be undertaken because of cash flow constraints; and cash used in financing activities improved by 124% as a result of expired finance lease agreements in the year under review as well as repayment of borrowings.

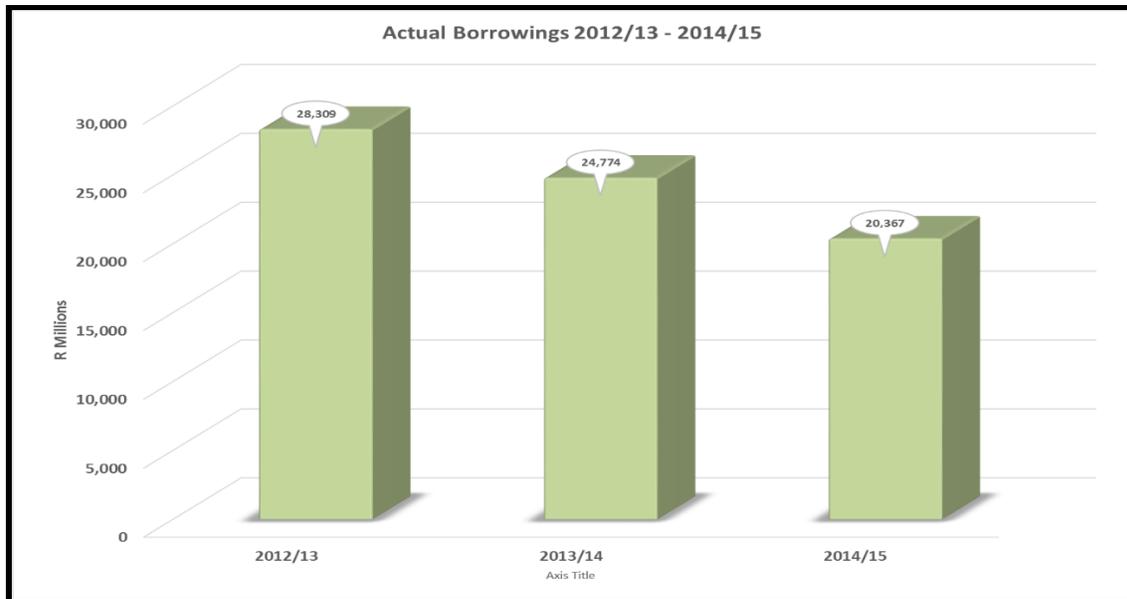
Included in the cash and cash equivalent is the ring-fenced investment on conditional grants amounting to R 30 million. The municipality has not acquired new long term loans since 2004 and the total borrowings amounted to R 19 million at the end of the year. There is no outstanding finance lease as most of the lease agreement expired in the prior financial years.

## Cash Flow

<b>Cash Flow Outcomes</b>				
<b>R'000</b>				
Description	2013/14	Current Year 2014/15		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	2,315,875	3,551,624	3,258,860	2,757,579
Government - operating	664,625	659,329	665,592	681,914
Government - capital	169,094	148,798	161,876	177,253
Interest	20,542	33,948	33,948	22,923
Dividends	6	5	5	3
Other receipts	371,854	75,058	134,489	387,217
<b>Payments</b>				
Suppliers and employees	-2,920,531	-3,870,732	-3,989,372	-2,967,700
Finance charges	-24,636	-11,897	-11,897	-47,248
Transfers and Grants	0	0	0	0
Other payments	-418,913	0	0	-724,846
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>177,918</b>	<b>586,133</b>	<b>253,502</b>	<b>287,096</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	1,870	1,414	1,414	582
Proceeds on disposal of investment property	649	0	0	0
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
Purchase of PPE	-181,425	-408,425	-518,120	-285,963
Purchase of intangible assets	-823	0	0	-2,031
<b>Payments</b>				
Capital assets	0	0	0	0
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-179,728</b>	<b>-407,011</b>	<b>-516,706</b>	<b>-287,413</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Increase (decrease) in consumer deposits	3,465	0	0	4,977
Employee benefits obligations	0	0	0	0
<b>Payments</b>				
Repayment of borrowing	-5,509	0	-150,000	-4,473
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-2,044</b>	<b>0</b>	<b>-150,000</b>	<b>504</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-3,855</b>	<b>179,122</b>	<b>-413,204</b>	<b>187</b>
Cash/cash equivalents at the year begin:	127,649	127,704	127,704	123,795
Cash/cash equivalents at the year end:	123,795	306,826	-285,500	123,981

## 5.9 BORROWING AND INVESTMENTS

Actual Borrowings 2012/13 - 2014/15			
R' 000			
Instrument	2012/13	2013/14	2014/15
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	26,921	23,485	19,828
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment Credit	0	0	0
Financial Leases	1,388	1,289	539
PPP liabilities	0	0	0
Finance Granted By Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptances	0	0	0
Financial derivatives	0	0	0
Other Securities	0	0	0
<b>Municipality Total</b>	<b>28,309</b>	<b>24,774</b>	<b>20,367</b>



<b>Municipal and Entity Investments</b>			
<b>R' 000</b>			
<b>Investment* type</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Municipality</b>			
Securities - National Government	0	0	0
Listed Corporate Bonds	0	0	0
Deposits - Bank	118,653	79,483	88,187
Deposits - Public Investment Commissioners	0	0	0
Deposits - Corporation for Public Deposits	0	0	0
Bankers Acceptance Certificates	0	0	0
Negotiable Certificates of Deposit - Banks	0	0	0
Guaranteed Endowment Policies (sinking)	0	0	0
Repurchase Agreements - Banks	0	0	0
Municipal Bonds	0	0	0
Other	0	0	0
<b>Municipality Total</b>	<b>118,653</b>	<b>79,483</b>	<b>88,187</b>

#### 5.10 SUPPLY CHAIN MANAGEMENT

The Council has developed its policy in line with the Municipal Supply Chain Management Regulations and MFMA circulars issued by National Treasury. The municipality has developed and established the supplier database. The Bid Committees were established and are fully functional, namely Bid Specification Committee, Bid Evaluation Committee; and Bid Adjudication Committee. There are currently no challenges with the functioning of bid committees. The municipality has developed an annual procurement plan for 2014/2015 financial year, and all procurement requirements are measured against the plan. National Treasury has issued Guidelines for Municipal Competency Levels for Heads of Supply Chain Management and Supply Chain Management; these guidelines have been issued in terms of Municipal Regulations on Minimum Competency Levels. All Assistant Managers comply with these minimum competency levels. There are no Councillors serving as members of any bid committees or who participate in the supply chain management processes at Emfuleni Local Municipality. SCM initiated the recruitment of the Manager: SCM and Assistant Manager: Contract Management to be filled in the new financial year. The Supply Chain Management Policy and Procedure Manual is currently under review. The purpose of reviewing SCM Policy and Procedure Manual was to address the inefficiencies noted within the procurement system, also the re-alignment with the legal framework and delegation of systems.

The undermentioned bid committees, were established and are effective:

1. ***Bid Specification Committee*** (to formulate the specification, evaluation criteria, budget, sourcing Strategy, Compliance and etc.)
2. ***Bid Evaluation Committee*** (to evaluate the received bids and prepare evaluation report as per Pre-determined criteria set by Bid Specification Committee and make recommendations to Bid Adjudication Committee)
3. ***Bid Adjudication Committee*** (to consider the recommendation from Bid Evaluation Committee and make award).

*Procurement threshold for 2014/15 financial year and amount spend are as follows:*

1. Procurement below R 30 000 amounted to R **51 million**
2. Procurement above R 30 000 to R 200 000 amounted to **R 10 million**
3. Procurement above R 200 000 amounted in excess of R 59 million (Estimates is based on the fact that some projects were awarded on an "as and when" basis over a period not exceeding 3 years)

Procurement through deviation from supply chain management processes amounted to R 29 740 407

## **5.11 GRAP COMPLIANCE**

The Municipality applied all effective GRAP standards and did not deviate from any of the standards applicable. The following GRAP standards were adopted and applied in the 2014/15 financial year:

1. GRAP 1: Presentation of financial statements
2. GRAP 2: Cash Flow Statements
3. GRAP 3: Accounting policies, change in accounting estimates
4. GRAP 5: Borrowing costs
5. GRAP 13: Leases
6. GRAP 17: Property, plant and equipment
7. GRAP 19: Provisions
8. GRAP 21: Impairment of non-cash-generating assets

9. GRAP 23: Revenue from non-exchange transactions
10. GRAP 24: Presentation of budget information in the financial statements.
11. GRAP 25: Employee Benefits
12. GRAP 26: Impairment of cash-generating assets
13. GRAP 31: Intangible assets
14. GRAP 100: Discounted operations
15. GRAP 103: Heritage Assets
16. GRAP 104: Financial Instruments

**6.1 ACTION PLAN TO ADDRESS AG (SA) FINDINGS: 2013/14**

**6.1.1 Misstatements of the employee benefit obligations in the AFS.**

We noted that amounts of employee benefit obligations per report/reconciliation note does not agree with the amount of employee benefit obligation recognised as per the statement of financial position.

**Remedial Action Plan to be taken**

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

**6.1.2 Misstatement of cash flow from operating activities**

The Differences were noted when recalculating the amounts in the cash flow statement:

**Remedial Action Plan to be taken**

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

**6.1.3 Acting for vacant senior manager positions**

We noted that officials have been acting for more than three months in the following positions which are vacant which is in contravention of section 56 of the MSA

**Remedial Action Plan to be taken**

Management is making all efforts to fill the two vacancies of the Deputy Municipal Managers. Hence forth management will seek Council renewal for the acting appointments at this level. The municipality will in a quarterly basis inform the MEC for Housing and Local Government.

**6.1.4 Staff establishment: post not approved**

We noted that the certain employees employed by the municipality into a position which was not part of the approved staff establishment by the council.

**Remedial Action Plan to be taken**

The part was created by IPAM in order to address high volume and improve capacity and project monitoring, the matter will be corrected

**6.1.5 Suspension: Non-compliance SALGABC policy**

We noted that the certain employees have been suspended for a period of more than three months and no conclusion to the disciplinary hearing as per SALGBC.

**Remedial Action Plan to be taken**

The finding was noted and it will be address appropriately in the next financial year by the management

#### **6.1.6 Overtime worked exceeded prescribed hours**

We noted that some employees worked in excess of the maximum hours prescribed by the overtime policy; refer to the table below for details.

##### **Remedial Action Plan to be taken**

The excessive overtime was caused by ageing and overloaded obsolete Infrastructure within the municipality which lead to sewerage blockages and leakages of water pipe networks, however the matter has received priority and the necessary steps have be taken to resolve the matter to ensure it does not occur in future

#### **6.1.7 Employees acting more than two levels below own level**

The following employees acted more than two levels below their own level, in contravention of the acting allowance policy

##### **Remedial Action Plan to be taken**

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

#### **6.1.8 Investment property not traced to valuation roll**

During the audit of the annual financial statement, note that investment property could not be traced to the valuation roll:

##### **Remedial Action Plan to be taken**

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

#### **6.1.9 Misstatement of the disclosure note for property, plant and equipment**

We noted some PPE categories in the AFS had been stated at incorrect values when compared to the total value as per fixed asset register (FAR):

##### **Remedial Action Plan to be taken**

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

#### **6.1.10 Non-compliance with MFMA 32(4): fruitless and wasteful expenditure**

We noted that accounting officer did not inform, the MEC for local government in the province and Auditors General in writing about the fruitless and wasteful expenditure incurred by the municipality, as disclosed in note 33 of financial statements.

##### **Remedial Action Plan to be taken**

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

#### **6.1.11 Invoices not settled within 30 days**

During the audit we noted that, some Invoices were not settled within 30 days from the invoice receipt date

**Remedial Action Plan to be taken**

Improve the cash position of the municipality, by embarking on the revenue enhancement and strategic procurement (alignment of procurement plans to the cash-flow forecasts), Realistic budgeting (funded and credible budget).

**6.1.12 VAT paid to suppliers not registered for as vendors**

The following suppliers are not registered for VAT purposes (vendors); however VAT was charged by and to the suppliers:

**Remedial Action Plan to be taken**

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

**6.1.13 Misstatement of distribution losses**

We noted that the distribution losses (water and electricity) disclosed in the AFS were misstated

**Remedial Action Plan to be taken**

Remedial action: finance and user departments to meet and check the submission before it's sent to Audit (be signed off by both parties)

**6.1.14 Vat not charged on lease rentals**

We noted that the municipality did not charge VAT on the certain transaction which in accordance to the VAT Act qualifies for VAT to be charged:

**Remedial Action Plan to be taken**

The matter is under investigation and the necessary adjustments have done, to ensure that the finding does not recur; quarterly AFS will be prepared and reviewed by internal audit.

**6.1.15 Fines: Non-compliance with road traffic act**

We noted that certain traffic fines charged were not in compliance with the Road Traffic Act 93/1996.

**Remedial Action Plan to be taken**

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

**6.1.16 Non-compliance with the debt control policy**

We noted that the municipality did not fully implement the debt control procedures discontinuing services for accounts which are in arrears.

**Remedial Action Plan to be taken**

The finding was addressed during the audit. To ensure that the finding does not recur, quarterly AFS will be prepared and reviewed by internal audit.

**6.1.17 Sanitation: supporting documents could not be traced to the reported information.**

We noted that the job cards provided as supporting documents do not have the control numbers used as evidence that the work was performed; therefore we could not verify the supporting documents to the information reported in the annual performance report:

**Remedial Action Plan to be taken**

The management has taken necessary actions to ensure that the matter is resolved during the audit, the impact of the management intervention will felt in 2014/15

**6.1.18 Mid-year performance report not submitted to provincial national treasury timeously**

We noted that the job cards provided as supporting documents for the Additional formal households within urban areas with access to portable water indicator are not signed as proof of authorization for proof of work performed;

Therefore we could not confirm the validity and accuracy of the information reported in the annual performance report

**Remedial Action Plan to be taken**

This error has been corrected during reporting year. Supervision will also be strengthened from the departmental level.

**6.1.19 SCM officials have not signed the code of ethics**

We noted that SCM officials have not formally signed the code of conduct.

**Remedial Action Plan to be taken**

Management has acknowledged the matter and the steps have been taken to correct the matter to ensure that the finding does not recur; quarterly AFS will be prepared and reviewed by internal audit.

**6.1.20 Use of consultants: No evidence of transfer skills**

When assessing the consultants contracts the matters below were noted

There was no sufficient evidence that the following requirements were met with regards to the PRICE WATER HOUSE COOPPERS (PWC):

Implementation of measures to monitor transfer of skills

Evidence that skills transfer or training programmes took place

**Remedial Action Plan to be taken**

Measures will be put in place to ensure that internal staff members receive proper training on Baud system and other related functions including obtaining all administration rights.

## 6.2 ACTION PLAN TO ADDRESS AG (SA) FINDINGS: 2014/15

### 6.2.1. Invoices not paid within 30 days

We noted that there were certain invoices which were not paid within 30 days as required by the MFMA.

#### Remedial Action Plan to be taken

- (i) Adjustment of the budget to reduce spending.
- (ii) Approval of all procurement by a centralised committee to control spending
- (iii) Restructuring of the Debtors Book
- (iv) Enforcement of credit control in townships where the municipality provides only water and not electricity.

### 6.2.2. Indicators are not well defined, verifiable and measurable

Audit procedures conducted on the indicators contained in the selection of strategic goals evidenced that not all indicators met the well-defined and verifiability criteria. The municipality has therefore not adhered to the requirements of the FMPPI. The Framework on Managing Program Performance Information 3.2 Performance Indicators (page 7) requires the following: *“Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use.”*

#### Remedial Action Plan to be taken

These deficiencies were corrected in the current financial year (2015/16). Instead of using IMQS to produce evidence for reporting, the municipality is now using the Venus system. The KPI also is no longer accounted for as households, but as residential stands which give access of services to the households. This will be corrected in the annual report.

### 6.2.3. Waste water management: WM\_01 Number of additional houses with access to solid waste collection - Information reported is not accurate.

We noted that actual achievements as reflected on the annual report are not accurate and complete as compared to supporting information.

#### Remedial Action Plan to be taken

The finding has been corrected on the Annual Performance Report. Currently PoE has also been corrected during first Quarter 2015/16.

### 6.2.4. Roads and storm water: RS\_02 Tarred roads resealed - Information reported is not accurate.

We noted that the way the client calculates the kilometers achieved, by using an average width, which is not correct as most of the roads resealed do not have the same width.

By using an average it does not result in the correct value of the resealed road width. As part of our audit procedures we re-performed the amount that should have been reported by the municipality based on the report received from Tsoneva Asphalt and compared this to the summary of reported information by the municipality.

#### Remedial Action Plan to be taken

The actual area of Tarred roads completed and measured for paying the Contractor includes the entire Maximum Road Reserve Width (Bus Bays and Extended Road Shoulder Width).

**6.2.5. Waste water management: WM\_01\_01 - % Formal Houses with Access to Solid Waste Collection - Information reported is not accurate and complete**

We noted that actual achievements as reflected on the Refuse collection weekly report are not accurate and complete when compared to the actual work performed that is recorded in the weekly log sheet.

**Remedial Action Plan to be taken**

The finding has been corrected on the Annual Performance Report. Currently PoE has also been corrected during first Quarter 2015/16.

**6.2.6. Waste water management: WM\_04 - % Landfill compliance minimum requirements - Information reported is not accurate.**

We noted that actual achievements as reflected on the annual report are not accurate and complete as compared to supporting information.

**Remedial Action Plan to be taken**

The finding has been corrected on the Annual Performance Report. Currently PoE has also been corrected during first Quarter 2015/16.

**6.2.7. Water: WR\_05 % - in Water loss reduction - Information reported is not accurate**

We noted that actual achievements as reflected on the annual report are not accurate and complete as compared to supporting information

**Remedial Action Plan to be taken**

The figure that must be reflected in all reporting documents will be clearly indicated in water balance report and water balance spread-sheet to avoid confusion

**6.2.8. Electricity: EL\_07 - % in Electricity loss reduction - Information reported is not accurate**

We noted that actual achievements as reflected on the annual report are not accurate as compared to supporting information.

**Remedial Action Plan to be taken**

The figure that must be reflected in all reporting documents will be clearly indicated in electricity balance report and electricity balance spread-sheet to avoid confusion.