2014/15

TSANTSABANE LOCAL MUNICIPALITY

ANNUAL REPORT

HELO GA MANYORO

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Preface

PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury October 2009

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

The challenge to Local Government seems to be increasing and being more complex every year. However, I can say without fear that the Tsantsabane Municipality has strived in the 2014/15 financial year towards improvement. Tsantsabane Municipality received a disclaimer of opinion in the 2014/15 financial year.

It is very difficult to obtain a clean audit as the audit covers a wide field, including non- financial matters. It therefore takes special effort and hard and diligent work to obtain a clean audit.

It is the nature of debate in Council that there will be differences of opinion and often heated exchanges but as long as there is respect for the rules and traditions of Council, Council will function in an orderly and efficient way. I believe that this was indeed the case in Tsantsabane Municipality in the year under review and I would like to thank each and every one of our Councillors for their contribution towards achieving this desirable state of affairs.

There were no changes to Council during the 2014/15 financial year. The stability in Council has allowed everyone to settle in well. The Municipality's top structure has been appointments in February 2014: (Mr HG Mathobela – Municipal Manager; Ms A Kooverjee – CFO; Mr M Links – Director Technical Services; Mr IC Nkadimang – Director Corporate Services and Mr JJ Theys – Director Community Services.) We hope you work well as a team and expected the Management team to lead the service delivery programs.

The Council needs to set goals for itself in the 2015/16 – 2017/18 financial years. We hope that Management and officials can produce the necessary results. A new Council will be elected during 2016 and we hope that the new Council will continue with the goals we set for the Council and communities we represented.

Tsantsabane Municipality continued to feel the effects of the adverse economic climate and it was inevitable that the municipality would be affected as well. It resulted in rising costs from which the Municipality was not spared.

Tsantsabane Municipality needs to implement strict financial discipline, including strict budgetary control and careful attention to revenue collection. Pre-paid water meters need to be implemented to strengthen the cash flow situation of the Municipality. SALGA reported to parliament that a collection rate of 90% to 95% is required for Municipal sustainability. The collection rate of Tsantsabane Municipality is far below the required collection rate.

One of the main reasons for the failure of so many Municipalities in South Africa and the resultant collapses in service delivery is the non-payment of rates and services. No Municipality can function effectively and meet its Constitutional mandate without acceptable levels of income from rates and taxes. The general Public does not always seem to realise that this accounts on average for about 75% of a municipality's income and that without this income a municipality is unable to deliver services and to provide or maintain infrastructure.

The 2015/2016 budget was approved on 27 May 2015 with the exception of the electricity tariffs because NERSA's approval was received on 30 June 2015. Rates and tariffs again had to be increased by more than the inflation rate. Tariffs are not cost reflective and need to be cost reflective over the next three years.

The 2015/16 budget nevertheless contained some good news for pensioners as well as indigent households. Indigent Households continue to receive 6 Kilolitres of water free and pay no basic charges on water. Indigent households also receive 50kWh of electricity free per month. They also do not need to pay for sewerage and refuse services and do not pay property rates on the first R30 000 valuation of their properties.

With regard to the Municipality's overall financial position, it remains a cause for concern. The Municipality has no reserves to fund capital expenditure.

The provision of housing remains a major headache and challenge. Tsantsabane Municipality needs to plan for low cost housing and survey 1 000 stands during the next three financial years. The influx into the Tsantsabane Municipality area is due to the mining activities from Kolomela and Assmang mines. These mines need to help with the planning and survey of stands.

The Department of Cooperative Governance has allocated 150 houses to Tsantsabane Municipality for the 2015/16 financial year. Tsantsabane Municipality has no hope of eradicating the ever-increasing housing backlog in the foreseeable future.

I would like to conclude by thanking my fellow- Councillors as well as the management and employees of the Tsantsabane Municipality for your co-operation during the year. We need to be positive and I need your loyal support in a very challenging environment.

The prospects for the 2015/2016 year looks much better but I have full confidence in the ability of Council as well as the Management team to serve our community well and to maintain service delivery levels at the highest possible standard.

Thank You

(Signed by :) _____

EE Phete

Mayor Tsantsabane Municipality

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

As the Accounting Officer of the Tsantsabane Local Municipality, I confirm that the 2014-2015 Annual report has been compiled in line with the Local Government Municipal Systems Act 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003 and the National Treasury Circular no 11.

In the 2014- 2015 Annual report specific interventions had to be put in place to address the wide range of challenges which faced the municipality. These economic challenges for the municipality meant caution in expenditure, downward budget adjustment and subsequent deferred expenditure on some projects.

This annual report will primarily focus on the achievements and constraints experienced with the implementation of corrective measures during the financial year under review.

Finally, I would like to thank the Mayor, Council, Management team and the entire municipal staff for their valued contributions and unreserved efforts which has made us succeed as a Municipality. I can therefore say Tsantsabane Local Municipality will be a champion of sustainable growth with the aim of building better communities.

Furthermore, this Annual Report serves as a record of and accounting mechanism to communities on the institution's achievements and challenges, as well as the mitigation and remedial measures implemented to address the latter. While it reflects that progress has been made in service delivery, there are undeniably challenges. To strengthen and streamline the institution and its operations to enable the institution to expand and expedite service delivery to the residents of Tsantsabane Local Municipality, *inter alia* the following interventions/actions will be prioritized in the year ahead:

(a) The appointment of additional law enforcement officers,
(b) Strengthening of the planning units,
(c) The improvement of our payment culture and
(d) The phasing in of performance management in the municipality.

As Accounting Officer of the institution, I would like to extend my heartfelt appreciation to the political leadership and staff of the Tsantsabane Local Municipality for their hard work and dedication, which culminated in the progress made by the institution during the 2014/15 financial year.

……

MR HG MATHOBELA

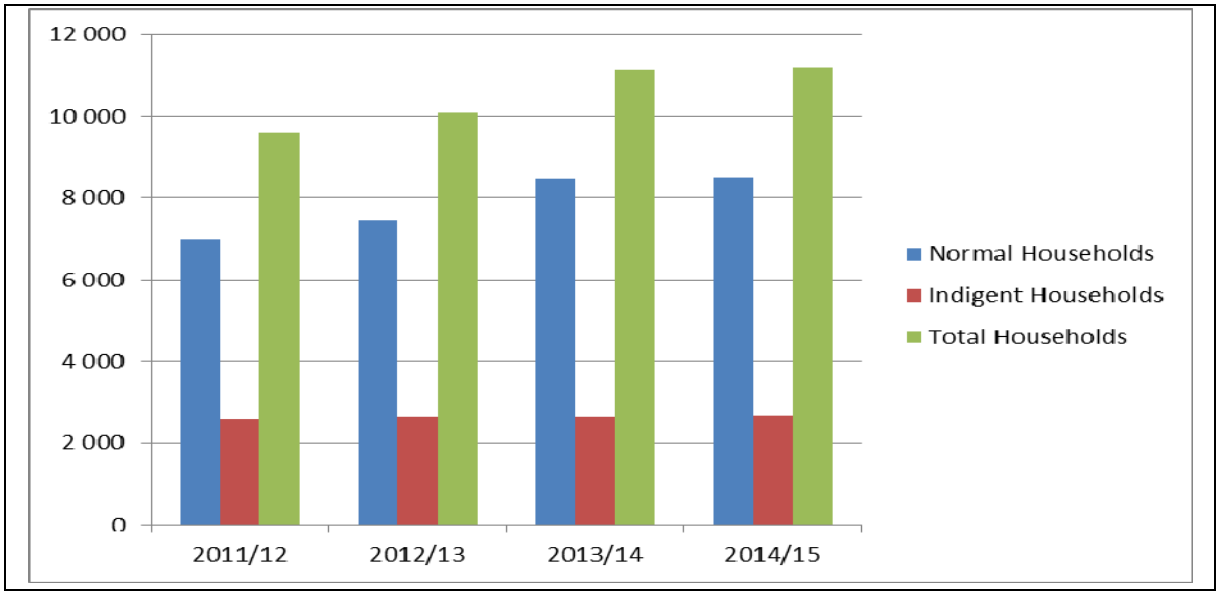
MUNICIPAL MANAGER

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The municipality has no entities. Provision for housing is primarily a function of the District municipality and the Provincial department. Financial constraints of the municipality have made it difficult but with the co-operation and assistance of the local mines we have been able to actively make positive strides in the provision of water, electricity, refuse removal, roads and storm water drainage. There are backlogs, but have been planned for in the IDP.

Population Details									
Age	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	1697	1611	3308	1663	1599	3262	1844	1845	3690
Age: 5 - 14	3514	3525	7039	3383	3510	6893	3116	3001	6117
Age: 15 -34	5236	5763	10999	5128	5656	10784	7571	6065	13635
Age: 35- 64	3844	4030	7874	4007	4533	8540	5214	4890	10104
Age: 65+	574	720	1294	599	935	1534	618	929	1548
Source: Statistics SA									



Natural Resources	
Major Natural Resource	**Relevance to Community**
IRON ORE	JOB CREATION AND ECONOMIC BOOST
MANGANESE	JOB CREATION AND ECONOMIC BOOST
SOLAR ENERGY	JOB CREATION AND ECONOMIC BOOST
DIAMONDS	JOB CREATION AND ECONOMIC BOOST

Financial Overview - 2014/2015			
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income	R'000	R'000	R'000
Grants	32 303	30 103	47 610
Taxes, Levies and tariffs	108 974	114 174	103 350
Other	44 114	44 114	16 995
Sub Total	185 391	188 391	167 955
Less Expenditure	193 428	207 651	180 695
Net Total*	(8 037)	(19 260)	(12 740)
** Note: surplus/(deficit)*			

Operating Ratios	
Detail	%
Employee Cost	29.70%
Repairs & Maintenance	2.15%
Finance Charges & Depreciation	5.62%

Total Capital Expenditure: Year -2012/13 to 2014/15			R'000
Detail	2012/13	2013/14	2014/15
Original Budget	52 897	34 700	36 444
Adjustment Budget	52 897	25 450	35 183
Actual	44 535	23 532	39 296

The Actuel Capital expéditeur for 2014/15 amonts to R39 296 323.

1.3. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 3014/15

Tsantsabane Municipality received a disclaimer audit opinion. The AFS, Audit Report and Audit Action Plan form part of the Annual Report. Refer to documents attached.

1.4. 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	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2014/15 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM. Tsantsabane Municipality do not have any entities.	

6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	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

COMMENT ON THE ANNUAL REPORT PROCESS:

The council led by the Mayor of the Municipality and its administration must draw schedules according to the provisions in the Municipal Finance Management Act. These schedules must be followed and carried out accordingly. When planning, reviews of the previous year's budget process and completion of the budget evaluation checklist must be drawn up. The accounting officer and his senior officials of the municipality and entities must review options and contracts for service delivery. To comprehend the relationship between IDP review and performance management, the following quotation from the Performance Management Guide for Municipalities, DPLG, 2001 (draft 2, page 16) becomes relevant:

"The IDP process and the performance management process should appear to be seamlessly integrated. Integrated development planning fulfills the planning stage of performance management. Performance management fulfills the implementation management, monitoring and evaluation of the IDP process". Although the IDP is a five-year plan, it has to be renewed annually as prescribed in Section 34 of the MSA. The

IDP has to be handled at the highest level, hence the allocation of the responsibility to the mayor to manage the IDP process and to assign responsibilities to the municipal manager. As head of the administration, the municipal manager in turn is responsible and accountable for the formation of an efficient and accountable administration to give effect to the IDP. The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP. It determines the performance agreements for the municipal manager and Section 56 managers, whose performance can then be monitored through Section 71 monthly reports, and evaluated through the annual report process.

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Legislative frameworks assign policy-making to politicians while the administration section of local government is tasked with implementation. The Town of Tsantsabane Municipality (NC 085) is comprised of 6 Ward Councillors and 5 proportional Representatives. The Council has a plenary system, and the Mayor is the Speaker / Chairperson of the Council. Council conduct its affairs through a portfolio committee system.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Mayor provided general political guidance over the fiscal and financial affairs of the municipality. The Mayor of Tsantsabane Municipality chairs the proceedings of Council and performs duties, including any ceremonial functions and also excises powers delegated to him by the Municipal Council. The Municipality consists of four Committees namely: Corporate Services, Social and Community Services, Finance and Technical Services.

The Mayor Chairs the Finance Committee and other Councillors chair other committees. Committees are represented as follows: Tsantsabane Local Municipality is headed by the Municipal Manager and assisted by four other senior managers who are heads of the following departments: Corporate Services, Social and Community Services, Finance and Technical Services. There is a sound relationship between employees and Management and employee representatives.

Our Municipality has established an oversight committee (MPAC). MPAC performs an oversight function on behalf of council and is not a duplication of other committees of council, such as the Finance Committee or that of the Audit Committee.

The Audit Committee from ZFM District was not functional during the 2014/15 financial year. The first audit committee took place during the first quarter in Upington. Thereafter no audit committee meeting was held during the year The Council appoint the Audit Committee from Kgatelopele Municipality to assist the Municipality. The first meeting with the committee took place during December 2015.

COUNCILLORS

Tsantsabane local Municipality is a plenary type Local Municipality, a small Municipality, where the Municipal Council elects the Mayor, but there is no executive mayor. Tsantsabane local Municipality consists of 11 Councilor's and has 6 wards. The Municipality has been established in terms of the Constitution of the Republic of South Africa 1996 Chapter 7- Local Government 155 Establishment of Municipalities.

POLITICAL DECISION-TAKING

Committees of the Municipality sit with reports from administration and these committees consist of a Chairperson and the Head of that department. Committees deliberate over the reports and recommend to Council for approval. In a full sitting of Council the Mayor chairs the proceedings and allows chairpersons of different committees to take Council through recommendations from their respective Committees.

POLITICAL STRUCTURE

Photos

Function

MAYOR

EE PHETE

CHIEF WHIP

CLLR J TONYANE

T2.1.1

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The municipal manager is the head of administration of the municipality and is amongst other issues responsible for the policy directions of the municipal council and also accountable for:

- The formation and development of an economical, effective, efficient and accountable administration.
- Carrying out the task of implementing the municipality's integrated development plan in accordance with chapter 5 of the Municipal Systems Act 32 of 2000.
- Manage the Performance Management System of the municipality in accordance with chapter 6 of Municipal Systems Act 32 of 2000.
- Responsible for the community needs and make sure that the community participates in the affairs of the municipality.
- Manage the provision of services to the local communities in an equitable and sustainable manner.
- The appointment of staff other than those referred to in section 56.
- Maintenance of discipline of staff.
- Manage communication channels between the municipality's administration and its political structures and political office bearers.
- Carry out decisions of the political structures and political office bearers of the municipality.
- Responsible for all income and expenditure of the municipality, all assets and the Discharge of all liabilities of the municipality.
- Proper and diligent compliance with the Municipal Finance Management Act and all other Acts that govern Local Authorities.

TOP ADMINISTRATIVE STRUCTURE

TIER 1

MUNICIPAL MANAGER

MR. HG MATHOBELA

DIRECTORS

DIRECTOR: CORPORATE SERVICES

MR IC NKADIMANG

DIRECTOR: COMMUNITY AND SOCIAL SERVICES

MR. JJ THEYS

CHIEF FINANCIAL OFFICER

MS A KOOVERJEE

DIRECTOR: TECHNICAL SERVICES

MR M LINKS

Note: * denotes officials reporting to the Municipal Manager under the Municipal Systems Act Section 56.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Municipality provides reports namely Annual Report, Budget and IDP after completion to National Treasury, Provincial Treasury, Coghsta and the Auditor- General.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Our Municipality serves in the Municipal Managers forums of SALGA and national equity forums. We were recently identified by NATIONAL Coghsta as a pilot Municipality to roll out Recruitment and Retention policy. These were assisting by a company contracted by Coghsta known as AKANANI.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Our Municipality is a member in the provincial equity forum. This forum assist the municipality in viewing and addressing imbalances created as result of discrimination and past practices. We are also as a municipality serving in the Provincial intergovernmental forum chaired by the Premier. These platforms provide the Municipality with an opportunity to discuss concerns and partnerships in development. Other municipalities which provide assistance e.g. //Khara Hais Municipality, with training of Health and Safety Representatives and assistance in archive and committee training. The ZFM District Municipality helped Tsantsabane Municipality with the implementation of a performance management system. (E-Perform)

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

There are no municipal entities

DISTRICT INTERGOVERNMENTAL STRUCTURES

Our Municipality participates in district technical Intergovernmental relations. These meetings provide local Municipalities with a platform to view its delivery initiatives. The district assists the Municipality with shared services in the following aspects PMS, Audit Committees and IT processes.

The district also assists our Municipality in the identification of analysis for training and the provision thereof. We serve in the district training forum.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Every year during the budget and IDP process, Councillors and Senior Managers headed by the Municipal Manager, Heads of Departments meet with communities in the process of identifying the satisfactory level of services provided to its communities. The Municipality does this by seeking delivery issues.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

We have the IDP Representative forum in place and it convenes twice a year. In addition to this we intend to set up Local Intergovernmental Forums (IGR's) that seek to communicate with all stakeholders within the municipal boundaries. This Forum will convene quarterly. There are approximately 60 people who attend this forum.

WARD COMMITTEES

Key purposes of ward committees

a) To serve as an official specialized participatory structure in the Municipality.

b) To create formal unbiased communication channels as well as cooperative partnerships between the community and the council through:

* Advising and making recommendations to the ward councilor on matters and policy affecting the ward;

* Assisting the ward councilor in identifying challenges and needs of residents;

* Disseminating information in the ward concerning municipal affairs e.g. the budget, IDP and service delivery options;

* Receiving queries and complaints from residents concerning municipal service delivery, communicating these to council and providing feedback to the community on council's response;

* Ensuring constructive and harmonious interaction between the municipality and community through the use and co-ordination of ward residents meetings and other community development forums.

MAJOR ISSUES

There is not a proper channel of communication between ward committee members and ward councilors. Some wards embark on a door to door whereby councilors who are the chairperson inform residents about the indigent policy of the municipality, and encourage residents who qualify to visit the municipality. A Needs analysis was done in most of the wards in conjunction with the Department of Home Affairs.

Distribution of blankets during the winter to the elderly in the Tsantsabane Municipal Area where ward committees, CDW's and ward councilors lead the process.

Public Meetings						
Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Issue addressed (Yes/No)**	**Dates and manner of feedback given to community**
Draft Budget and IDP For Community Participation (Town)	14/04/15	11	6	10 Members	No/partly	14/04/2015 Report was given in writing.
Skeifontein & Stasie	15/04/15	11	6	35 Members 15 Members	No/Partly	15/04/2015 Report was given in writing.
Jenn Haven	16/04/15	11	6	40 Members	No/Partly	16/04/2015 Report was given in writing.
Groenwater & Postdene	16/04/15	11	6	84 Members 40 Members	No/Partly	16/04/2015 Report was given in writing.
Boichoko	22/04/15	11	6	60 Members	No/Partly	22/04/2015 Report was given in writing.
White City	23/04/15	11	6	67 Members	No/Partly	23/04/2015 Report was given in writing
Newtown	23/04/15	11	6	44 Members	No/Partly	23/04/2015 Report was given in writing
Maremane	24/04/15	11	6	20 Members	No/Partly	24/04/2015 Report was given in writing

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

These meetings will never be 100% effective because you will never have the entire community in one meeting and therefore other methods of communication need to be explored. The public meetings will serve as a basis of departure regarding communication. We do however receive good attendance from the community.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	No

Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	No
Were the four quarter aligned reports submitted within stipulated time frames?	No
** Section 26 Municipal Systems Act 2000*	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The Municipal Finance Management Act No 56 of 2003 requires bodies such as the. Tsantsabane Local Municipality to establish a Committee to be known as Audit Committee ("the Committee") to assist the Municipal Council, the Political Office Bearers, the Municipal Manager and the Management staff of the Municipality in discharging of its duties relating to safeguarding of assets, the operation of adequate systems, control processes and preparation of accurate financial reporting and statements in compliance with all legal requirements and accounting standards.

The Committee should not perform any management functions or assume any management responsibilities. It provides a forum for discussing business risk and control issues for developing relevant recommendations for considerations to the Municipal Council, the Political Office Bearers, and the Municipal Manager for its approval and final decision.

The membership, resources, responsibilities and authorities (composition, functions and operation) of the Committee to perform its role effectively, are stipulated in these terms of reference which may be amended by the Municipal Council, the Political Office Bearers, the Municipal Manager as and when required. The Committee is constituted in terms of the requirements of sound corporate governance practices and operates within that framework.

The Municipal Council, the Political Office Bearers, the Municipal Manager Continuously reviews current trends and best practice in relation to corporate governance. As part of the Municipal Council, the Political Office Bearers, the Municipal Manager plans to fulfill its obligations to demonstrate greater accountability and ensuring higher quality of service. The Municipal Council, the Political Office Bearers, and the Municipal Manager has decided to enhance internal control through the establishment of an audit committee. These terms of reference set out the specific responsibilities delegated by the Municipal Council, the Political Office Bearers, and the Municipal Manager to the Audit Committee and details the manner in which the Audit Committee will operate. ZFM District Audit Committee has been appointed as Tsantsabane Municipal Audit Committee.

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Accounting Officers of Municipalities have an explicit duty to ensure that effective, efficient and transparent systems of risk management are implemented and maintained within their Institution. Furthermore, National Treasury needs to assess the quality of implementation to ensure that implementation does not become the end in itself, but a means to help institutions to understand their risks and manage such risks in a prudent manner.

The purpose of risk management is to:

Identify possible risks.

Reduce or allocate risks.

Provide a rational basis for better decision making in regards to all risks.

Plan.

The Following were identified as the Top five risks for The Municipality

1. Limited Resources to meet service delivery targets;

2. Lack of maintenance of infrastructure;

3. Lack of Performance Management;

4. Inability of the Municipality to meet 2014 operation Clean Audit;

5. Non Filling of critical posts;

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality had no incidence of alleged fraud and corruption during the 2014/15 financial year. The ZFM District Audit Committee was appointed as the Audit Committee of Tsantsabane Municipality. The Audit Committee was not functional for the 2014/15 financial year as required by the Act.

The Municipality does have a fraud and anti-corruption policy, this policy have been reviewed by Council during the 2014/15 financial year. Councilors are prohibited from interfering in procurement process. Our Supply Chain Management policy provides for three committees namely; Specifications, Bid Evaluation and Bid Adjudication.

2.8 BY-LAWS

COMMENT ON BY-LAWS

No reviews were done on the bylaws for the current financial year, but the Municipality has purchased a set of bylaws from Lexis-Nexis and is in a process of updating its own. We have realised that the current by laws reflects issues while the town was still small and due to the current growth, there are still issues that requires to be addressed e.g. street trading, drinking in public and introduction of traffic fines in a rigorous manner.

2.9 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents.	No	
All current budget-related policies.	No	
The previous annual report. (Year 2013/14)	No	
The annual report (Year 2014/15) published/to be published.	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act. (2014/15)	No	
All service delivery agreements.	No	
All long-term borrowing contracts. (Year 2014/15)	No	
All supply chain management contracts above a prescribed value (give value) for Year 2014/15	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2014/15	No	
Contracts agreed in Year 2014/15 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2014/15.	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2014/15.	No	
Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.		

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The website was not utilized during the financial year in question and therefore the documentation that is on the website was uploaded during the current year when the website was reactivated.

The Municipality will ensure that the website is used as required by the MFMA and that there are proper procedures in place to ensure that the website complies with the requirements set out in the MFMA section 75. There are plans put in place to ensure that PC's are placed in accessible locations to the public e.g. libraries so that information can be accessed.

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

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

The unit still maintains its mandate on serving the community with quality water which comply with DWA standards (SANS 241) even though there are still challenges for example the rapid population growth of the greater Tsantsabane which results in informal settlements, which puts more pressure on service delivery and plays a negative role in terms of infrastructure capacity (reservoir) and old network infrastructure (asbestos pipes) which reduces water pressure to our users.

The Unit still serves the community with pride, maintaining the sewer networks (blockages) to curb spillages which can result in environmental health and hygiene hazards. Another challenge is the continuous theft of manhole lids which are sold for scrap and misuse by the community which may result in unwanted material packed into our system. Furthermore, the network was not designed for the load that it is currently experience the treatment works (Rapid population growth is a huge challenge).

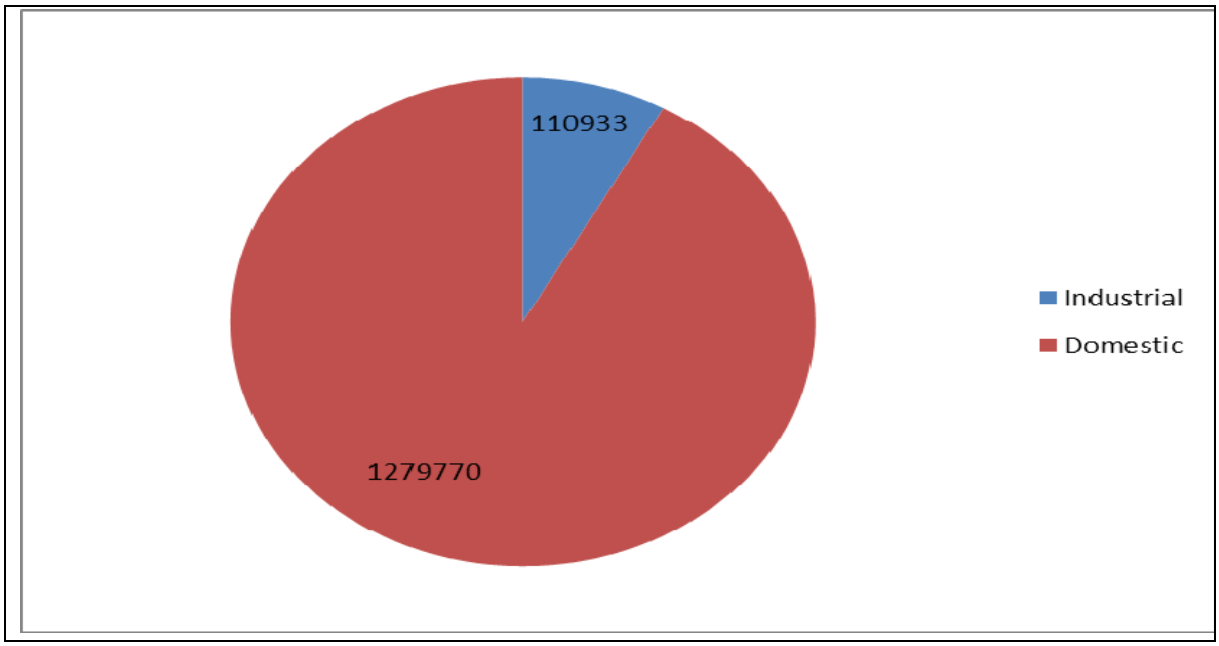
3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

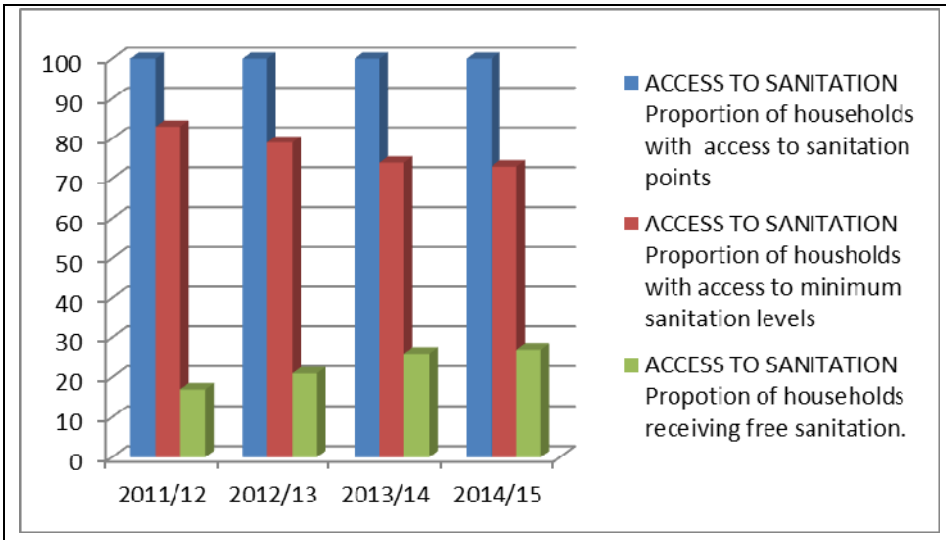
Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005. The unit still maintains its mandate on serving the community with quality water which comply with DWA standards (SANS 241) even though there is still a lot of challenges for example the rapid population growth of the greater Tsantsabane which results in informal settlements which puts more pressure on service delivery and plays a negative role in term of infrastructure capacity (reservoir) and old network infrastructure (asbestos pipes) which reduces water pressure to our users.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2012/2013	0 kl	0 kl	124 642 kl	1 723 444 kl	N/A
2013/2014	0 kl	0 kl	136 870 kl	1 808 531 kl	N/A
2014/2015	0 kl	0 kl	110 933 kl	1 279 770 kl	N/A

WATER SOLD TO CONSUMERS – 2014/15

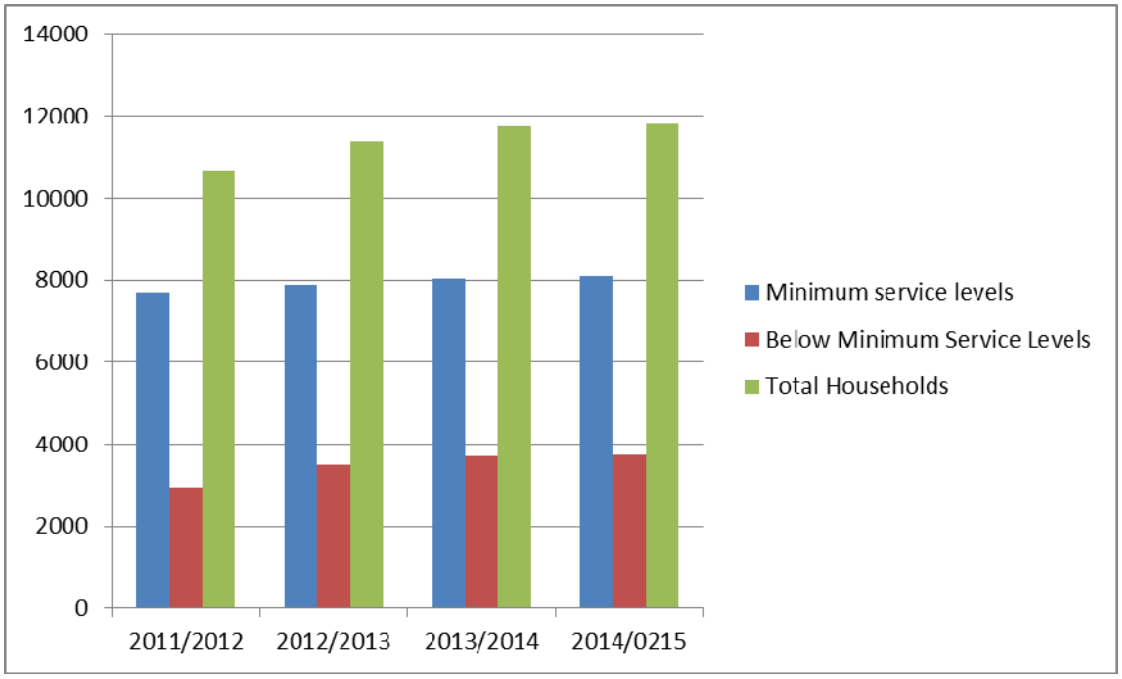


Water Service Delivery Levels				Households
Description	2011/2012	2012/2013	2013/2014	2014/2015
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: **(above min level)**				
Piped water inside dwelling	6791	6861	6981	6 981
Piped water inside yard (but not in dwelling)	280	285	306	363
Using public tap (within 200m from dwelling)	638	738	755	755
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	7709	7884	8042	8099
Minimum Service Level and Above Percentage	72.32%	69.26%	68.49%	68.33%
Water: **(below min level)**				
Using public tap (more than 200m from dwelling)	1600	2000	2150	2195
Other water supply (more than 200m from dwelling	1350	1500	1550	1559
No water supply	0	0	0	0
Below Minimum Service Level sub-total	2950	3500	3700	3754
Below Minimum Service Level Percentage	27.68%	30.74%	31.51%	31.67%
Total number of households*	**10659**	**11384**	**11742**	**11853**
*** - To include informal settlements**		**5**		



* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

6,000 liters of potable water supplied per formal connection per month



Water Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : free water per indigent						
Provision of free basic water per indigent household in terms of the	Kl of free water provided per indigent household	6kl	6kl	6 kl	6kl	G2
equitable share requirements measured in terms of quantum approved						

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above must be incoporated in the indicator set for each municipality to which they apply. Refers to the targets set in the Budget/IDP/SDBIP. Note that all targets in the IDP must be fundable within approved budget provision.

Water Services ***Service Indicators: Free basic water per household***	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : free water per household						
Monthly provision of free basic water in terms of the equitable share requirements to indigent households.	No of indigent households receiving free basic water	3500 house-holds	2421 house-holds	3700 house-holds	2699 house-holds	R

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above must be incoporated in the indicator set for each municipality to which they apply. Refers to the targets set in the Budget/IDP/SDBIP. Note that all targets in the IDP must be fundable within approved budget provision.

Water Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective :minimise water losses.						
Effective management of water provisioning systems to minimise water losses by implementing measures to reduce water losses.	% calculated as kl billed / kl used on monthly basis.	20%	No measurement	18%	No measurement	R

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above must be incoporated in the indicator set for each municipality to which they apply. Refers to the targets set in the Budget/IDP/SDBIP. Note that all targets in the IDP must be fundable within approved budget provision.

Technical Services Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Fill of all critical positions in Technical Department						
Fill all the critical positions in Technical Department before end of June 2015.	% of all positions filled.	90% of all critical positions filled.	0%	90% of all critical positions filled.	0%	R

Technical Services Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Develop, approved and implement maintenance plans for Technical Department						
Formal Operations and Maintenance plans development, approved and implemeted	Formal Operational and Maintenance plan.	1 x Plan	0%	1 x Plan	0%	R

Technical Services Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Personnel of Technical Department adhere to vehicle policy						
Ensure Technical Department staff adhere 100% with Municipal Vehicle Policy	Comply with vehicle policy	Comply 100% with vehicle policy	0%	Comply 100% with vehicle policy	0%	R

Employees: Water Services					
Job Level	2013/2014	2014/2015			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Municipal Manager	0	0	0	0	0%
Section 56 Managers	0	0	0	0	0%
1 -3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 10	2	2	2	0	0%
11 - 15	3	3	3	0	0%
	8	8	8	0	0%
*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*					

Financial Performance : Water Services					R'000
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	17 004	34 315	34 315	18 153	-47.09%
Expenditure:					
Employees	1 353	2 297	2 497	1 872	-25.03%
Repairs and Maintenance	948	1 747	1 747	583	-66.62%
Other	21 509	28 377	24 750	39 242	58.55%
Total Operational Expenditure	23 810	32 421	34 421	41 697	21.14%
Net surplus (deficit)	(6 807)	1 894	(106)	(23 544)	22 111%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

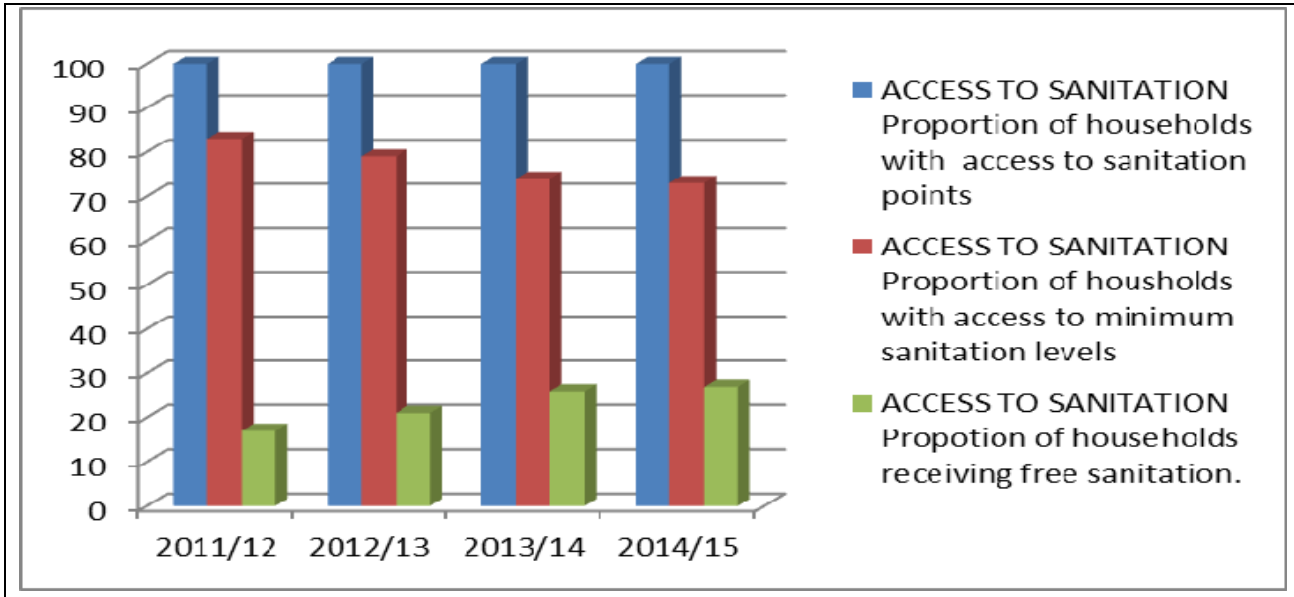
Due to the rapid population growth of the town and our old water infrastructure, water pressure has become a serious challenge in such a way that the Municipality had to source funding externally to reactively maintain our infrastructure which will be an ongoing process in phases since there is a lot of work to be done and will require more funds to curb the inadequate supply of water experienced.

The water tariffs of Tsantsabane Municipality are not cost reflective as required by National Treasury. Included in other expenditure is an amount of R2 million for Depreciation and R7 614 570 provision for working capital (Provision for bad debt.)

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The Unit serves the community with pride maintaining our sewer networks (blockages) to curb spillages which can result in environmental health and hygiene hazards. A challenge in this regard is the continuous theft of manhole lids sold for scrap and misuse by the community which may result in unwanted material packed in our system. Furthermore the network was not designed for the load that is currently experienced by the treatment works (Rapid population growth a huge challenge).



Sanitation Service Delivery Levels (Waste Water)				
				*Households
Description	2011/2012	2012/2013	2013/2014	2014/2015
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	7 864	7 884	8 034	8199
Flush toilet (with septic tank)	85	85	85	85
Chemical toilet	0	0	0	0
Pit toilet (VIP)	480	480	480	480
Other toilet provisions (above min.service level)	0	0	0	0
Minimum Service Level and Above sub-total	8 383	8 449	8 599	8 764
Minimum Service Level and Above Percentage	79.08%	74.22%	73.23%	73.60%
Sanitation/sewerage: **(below minimum level)**				
Bucket toilet	678	678	678	678
Other toilet provisions (below min.service level)	0	0	0	0
No toilet provisions	1 052	2 257	2 465	2465
Below Minimum Service Level sub-total	2 230	2 935	3 143	3143
Below Minimum Service Level Percentage	20.92%	25.78%	26.77%	26.40%
Total households	**10 659**	**11 385**	**11 742**	**11 907**
Total number of households including informal settlements				

Households - Sanitation Service Delivery Levels below the minimum						Households
Description	2011/2012	2012/2013	2013/2014	2014/2015		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	7709	7884	8042	8099	8099	8099
Households below minimum service level	918	1023	1061	1095	1095	1095
Proportion of households below minimum service level	12%	13%	13%	13%	13%	13%
Informal Settlements						
Total households	2950	3500	3700	3754	3754	3754
Households ts below minimum service level	2950	3500	3700	3754	3754	3754
Proportion of households ts below minimum service level	100%	100%	100%	100%	100%	100%

Sanitation Services (Waste Water)	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Quality of waste water						
Quality of waste water discharge by the % water quality level o continuous basis.	Average % water quality level of waste water discharge	80%	74%	80%	83%	G2

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above must be incoporated in the indicator set for each municipality to which they apply. Refers to the targets set in the Budget/IDP/SDBIP. Note that all targets in the IDP must be fundable within approved budget provision.

Sanitation Services (Waste Water)	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Provision of free basic sanitation to indigent households						
Provision of free basic sanitation in terms of the equitable share requirements to indigent households that meets sanitation standards on monthly basis	No of indigent households that have at least VIP on site	3500 households	2421 households	3700 households	2699 households	R

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above must be incoporated in the indicator set for each municipality to which they apply. Refers to the targets set in the Budget/IDP/SDBIP. Note that all targets in the IDP must be fundable within approved budget provision.

Employees: Sanitation Services					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Section 56	0	0	0	0	0%
Managers	0	0	0	0	0%
1' -3	1	1	1	0	0%
4'- 6	1	1	1	0	0%
7' - 10	5	5	5	0	0%
11' - 15	22	22	22	0	0%
Total	29	29	29	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

Financial Performance 2014/15: Sanitation Services (Sewer Network and Plant) R'000					
Details	2013/14	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	12 432	10 300	10 300	14 372	39.5%
Expenditure:					
Employees	3 226	2 851	3 301	3 449	4.48%
Repairs and Maintenance	803	1 699	2 399	930	-61.23%
Other	8 854	14 134	14 935	10 681	-28.48%
Total Operational Expenditure	12 883	18 685	20 635	15 060	-27.02%
Net Surplus/(Deficit)	(451)	(8 385)	(10 335)	(688)	-93.34%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

It is very challenging to do planning in a town growing rapidly as this one especially with lack of skilled personnel within the technical services. Old infrastructure is the main challenge, but the Municipality is reactively maintaining it through externally funds sourced from the mines and planning ahead in terms of constructing a new waste water treatment works according to proposed development since the existing one is slightly above capacity.

3.3 ELECTRICITY

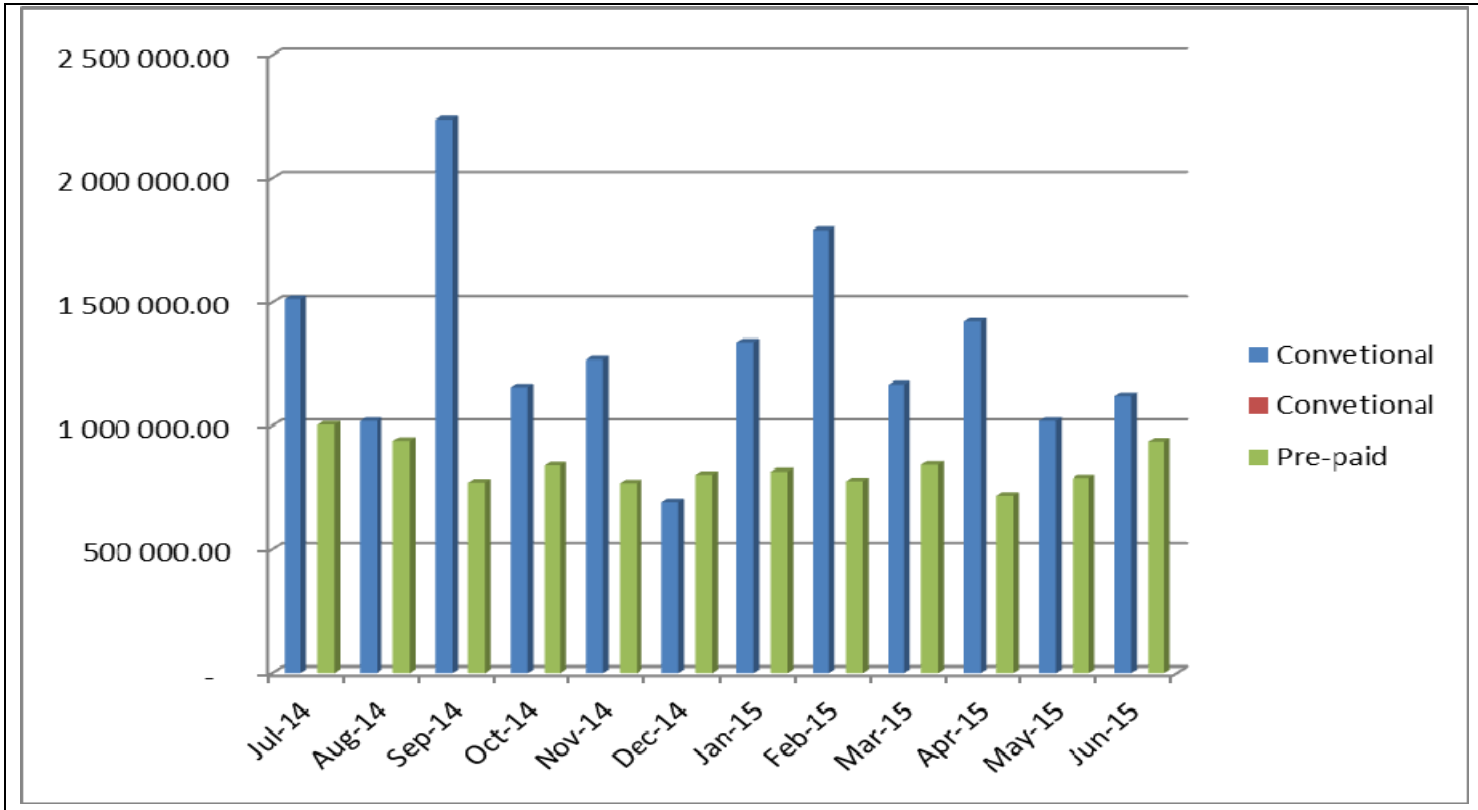
INTRODUCTION TO ELECTRICITY

The Electricity Supply in Tsantsabane Municipality is a shared responsibility between the Municipality and Eskom. The Municipality is responsible for the electricity supply in Postmasburg town, Carnation, Station and Industrial Area whereas Eskom is responsible for the Supply in Boichoko, Newtown, Postdene, Groenwater, Jenn Heaven and Skeyfontein.

The Municipality's responsibility is to ensure that it maintains the mandate of electricity supply to the entire Tsantsabane Community and also to ensure that the electricity supply stations are well maintained and monitored at all times. The other responsibility of the Municipality with regards to Electricity functions is to ensure that it maintains the good relationship with Eskom and to deliver electricity service effectively and efficiently.

Old infrastructure and town development are the current major challenges. The Infrastructure needs to be upgraded and the Business plan has already been developed. The Influx of people and the establishment of mines make the planning process difficult and it affects the electricity supply in town, but the Municipality is currently busy with the process of developing a Master System Plan and has made means to increase the electricity supply.

Eskom upgrading and maintenance of its system is well maintained. The main challenges the Municipality faces is shortage of workforce and the poor state of the infrastructure. The Municipality needs to upgrade the bulk services to the Municipal area. In ensuring that the service is delivered, the municipality seeks assistance from external sources.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Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Apr-15
May-15
Jun-15
Convetional
Convetional
Pre-paid

Electricity Service Delivery Levels				
				Households
Description	2011/2012	2012/2013	2013/2014	2014/2015
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Enerdy: **(above min level)**				
Electricity (at least min.service level)	440	670	870	870
Electricity - prepaid (min.service level)	2704	2884	3477	3 492
Minimum Service Level and Above sub-total	3144	3554	4347	4 362
Minimum Service Level and Above Percentage	100.00%	100.00%	100.00%	100.00%
Energy: **(below min level)**				
Electricity (< min.service level)	0	0	0	0
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources (Eskom to supply electricity)	2950	3500	3700	3754
Below Minimum Service Level sub-total	2950	3500	3700	3754
Below Minimum Service Level Percentage	0.00%	0.00%	0.00%	0.00%
Total number of households*	**3144**	**3554**	**4347**	**4 362**
*** - To include informal settlements**				
Eskom supply the electricity in Boichoko, Newtown, Post-dene, Groenwater, Jenn Heaven and Skeifontein.				

Employees: Electricity Services					
Job Level	2013/2014	2014/2015			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Municipal Manager	0	0	0	0	0%
Section 56 Managers	0	0	0	0	0%
1 -3	1	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 10	2	2	2	0	0%
11 - 15	2	2	2	0	0%
Total	5	4	4	0	0%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. There is a shortage of skilled electricity personnel at Tsantsabane Municipality.					

Financial Performance Year 2014/15: Electricity Services					R'000
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	35 522	43 575	46 575	40 883	-12.22%
Expenditure:					
Employees	610	1 744	1 744	439	-74.83%
Repairs and Maintenance	651	1 832	1 832	1 450	-20.85%
Other	27 537	36 554	41 554	38 723	-6.81%
Total Operational Expenditure	28 798	40 130	45 130	40 612	-10.01%
Net Surplus/(deficit)	6 724	3 445	1 445	271	-81.25%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Electricity Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Provision of free basic electricity to indigent households						
Provision of free basic electricity in terms of the equitable share requirements to indigent households on a monthly basis.	No of indigent households receiving free basic electricity.	100% of households in Municipal area	100% of households in Municipal area	100% of households in Municipal area	100% of households in Municipal area	G

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above must be incoporated in the indicator set for each municipality to which they apply. Refers to the targets set in the Budget/IDP/SDBIP. Note that all targets in the IDP must be fundable within approved budget provision.

Electricity Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : % Spent of operational budget						
Effective electricity budget spending measured by the % of the budget spent.	% spent of approved electricity budget	90% of electricity budget spent.	83% of electricity budget spent.	90% of electricity budget spent.	87% of electricity budget spent.	Y

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above must be incoporated in the indicator set for each municipality to which they apply. Refers to the targets set in the Budget/IDP/SDBIP. Note that all targets in the IDP must be fundable within approved budget provision.

Financial Performance Year 2014/15: Solid Waste Management Services					R'000
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10 110	7 806	8 006	8 686	8.49%
Expenditure:					
Employees	1 444	2 419	2 956	1 996	-32.48%
Repairs and Maintenance	370	195	195	236	21.03%
Other	7 159	6 181	6 444	5 152	-20.05%
Total Operational Expenditure	8 973	8 795	9 595	7 384	-23.04%
Net Operational Expenditure	1 137	(989)	(1 589)	1 302	181.94%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Refude removal Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : % refuse removal.						
Provision of refuse removal, refuse dumps and solod waste disposal to all informal areas on weekly basis.	No of informal areas for which refuse is removed at least once a week.	90% of households receiving free basic refuse removal.	83% of households receive refuse removal weekly..	90% of households receiving free basic refuse removal.	83% of households receive refues removal weekly.	Y

Refude removal Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective :Free basic refuse removal.						
Monthly provision of free basic refuse removal in terms of the equitable share requirements to indigent households	No of indigent households receiving free basic refuse removal monthly.	3500 households	2421 households	3700 households	2699 households	R

Disaste Management Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective :Disaster Management Plan.						
Disaster Management Plan reviewed and communicated by end of June	Plan/Framwork reviewed and communicated by the end of June.	1 x Disaster Plan.	No Plan	1 x Disaster Plan.	No Plan	R

3.4 HOUSING

INTRODUCTION TO HOUSING

Tsantsabane is surrounded by Mines, which put a lot of pressure on our housing system. The Municipality does not have the capacity of providing basic houses for all communities.

Our Spatial Development Framework did not make provision for shacks which are not demarcated, or for those who settled in town. Because of mining activities, those shacks are not registered on our database. SDF must include all shanties around Tsantsabane. Since 2009 to date, we have been building subsidies for all communities. Every year we build 50 subsidies for Maranteng and Groenwater. Currently the project is aiming at building 300 Maranteng and 485 subsidies for Groenwater. To date the municipality managed to build 132 subsidies for Maranteng and 216 subsidies for Groenwater and the project is still continuing in phases. The challenges are that the allocation is too little for the growing population of Tsantsabane.

The municipality has achieved targets set. However, there are our achievements are no any serviced sites for those who are on un-serviced sites, and some of them do not qualify for subsidies. The Municipality is not responsible for this function, because COGHSTA is the service provider. They do the allocation of subsidies and payments.

Percentage of households with access to basic housing				
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Households in informal settlements	% of housholds that need housing
2010/2011	10077	7467	1 659	22.22%
2011/2012	10659	7709	2 610	24.49%
2012/2013	11384	7884	3 500	30.74%
2013/2014	11742	8042	3 700	31.51%
2014/2015	12446	8099	4 347	34.93%
At the end of June 2015, 34.93% of the total community of Tsantsabane Municipality need housing.				

Employees: Housing Services					
Job Level	2013/14	Year 2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0%
3 -4	0	1	1	0	0%
5 - 10	2	2	2	0	0%
11 - 14	0	0	0	0	0%
Total	2	3	3	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

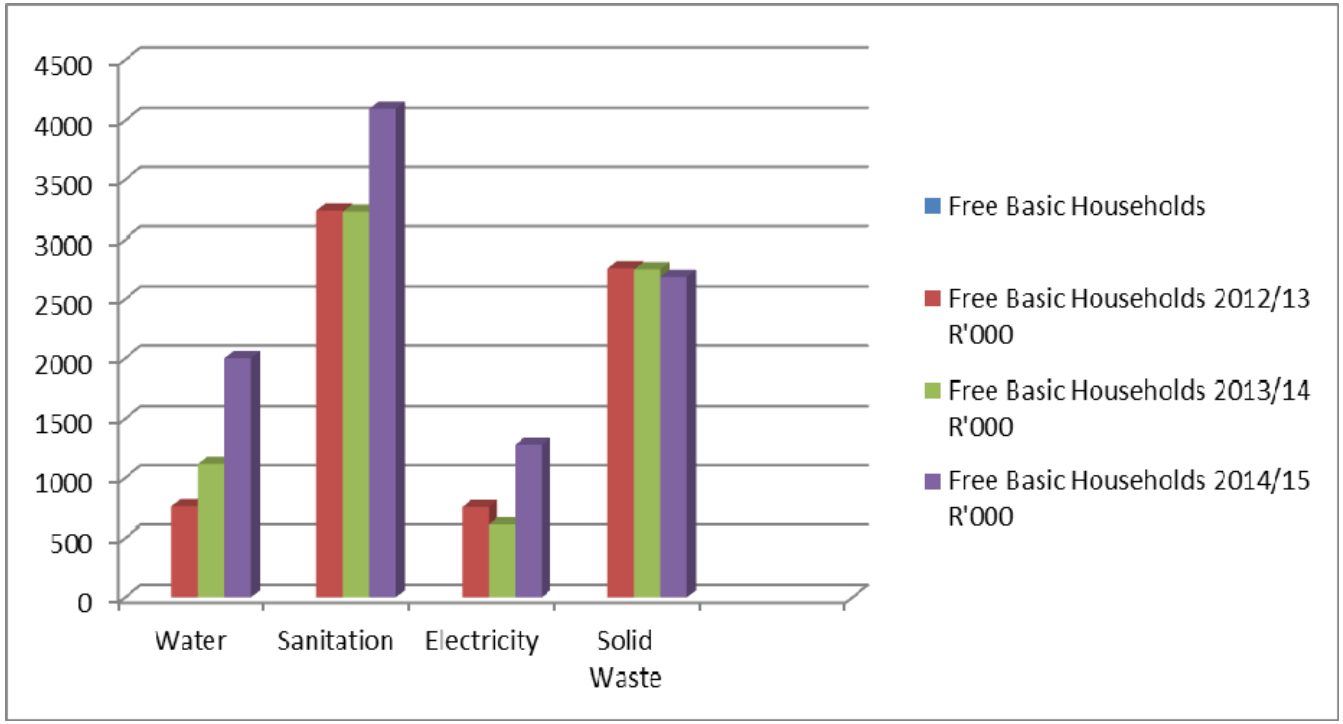
Financial Performance 2014/15: Housing Services					R'000
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		0	0	7 300	100%
Expenditure:					
Employees	926	820	820	836	1.95%
Repairs and Maintenance					%
Other	1 024	87	87	9	-89.7%
Total Operational Expenditure	1 950	907	907	845	-6.84%
Net Surplus / (Deficit)	(1 950)	(907)	(907)	6 455	811.68%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.5.5

HOUSING SERVICES	
PROJECT	AMOUNT
50 HOUSES MARATHENG	R 66,983.89
50 Houses-Groenwater	R 605,708.80
26 House-Maratheng	R 295,616.18
26 Houses Maratheng	R 428,514.93
50 Houses Groenwater	R 625,547.33
50 Houses-Maratheng	R 117,113.08
50 Houses-Groenwater	R 448,282.91
50 Houses-Maratheng	R 204,155.28
50 Houses-Groenwater	R 323,956.67
50 Houses-Maratheng	R 332,190.92
50 House-Maratheng	R 81,031.05
TOTAL	R 3,529,101.04

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

The Municipality's budget depends on COGHSTA to allocate houses. We are still waiting for the SDF review.

3.4 FREE BASIC SERVICES AND INDIGENT SUPPORT



Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2012/2013		2 406	2 406	100%	2 406	100%	2 406	100%	2 406	100%
2011/2012		2 445	2 445	100%	2 445	100%	2 445	100%	2 445	100%
2013/2014		2 476	2 476	100%	2 476	100%	2 476	100%	2 476	100%

Financial Performance 2014/15 : Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2013/14	2014/15			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	1 117	2 000	2 000	1 119	44.05%
Waste Water (Sanitation)	3 230	3 300	4 100	4 909	19.73%
Electricity	608	1 280	1 280	1 184	-7.5%
aste Management (Solid Waste)	2 753	1 889	2 689	3 201	19.04%
Total	7 708	8 469	10 069	10 413	3.42%

3.6 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE
The unit still operates and maintains the treatment works on a shift system and produces effluent of excellent quality (greendrop status) mainly used for irrigation and road construction purposes, hence we have a challenge. Due to the rapid population growth we are currently treating slightly above the plant capacity of 4.8 mega litres but there is a further plan for a new construction of a 10 mega litre plant to accommodate all this new development.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

3.7 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The LED Strategy was adopted by Council during 2010. There is a need to review as it is required to be reviewed annually. The vision of the strategy is "improving the lives of the people of Tsantsabane through increasing economic opportunities for all on a socially sustainable basis". The Strategy reaffirms that local economic development is a participatory process including local people from all sectors within the local space. It is a challenge to successfully implement the strategy due to non-attendance of stakeholders to the LED Forum.

Economic Employment by sector		
Sector	**1996 No.**	**2001 No.**
Mining and quarrying	869	714
Manufacturing	212	469
Wholesale and retail trade	709	845
Finance, property, etc.	273	357
Govt, community and social services	0	0
Infrastructure services	0	0
Total	2925	2898

COMMENT ON LOCAL JOB OPPORTUNITIES:

According to the employment by sector stats, it's evident that the Mining sector being our main economic base, is creating more jobs within Tsantsabane, followed by wholesale and retail.

T3.11.4

Jobs Created during 2014/15 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2011/2012	12	0	12	6 months
2012/2013	18	0	18	6 months
2013/2014	8	0	8	6 months
2014/2015	4	0	4	6 months
Establishment of small enterprises (2014/2015)	3	0	3	
Construction Company(2014/2015)	5	0	5	

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2011/2012	0	0
2012/2013	2	114
2013/2014	1	28
2014/2015	1	124
** - Extended Public Works Programme*		

Employees: Local Economic Development Services					
Job Level	2013/2014	2014/2015			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Municipal Manager	0	0	0	0	0%
Section 56 Managers	0	0	0	0	0%
1-3	0	0	0	0	0%
4-6	1	1	1	0	0%
7-10	0	1	1	0	0%
11-15	0	0	0	0	0%
Total	1	2	2	0	0%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.					

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The Mission to have a clean,healthy and safe Tsantsabane is at the core of the provision of Commuity and Social Services. As a result the department of Community and Social Services contributed substantially to the creation of sustainable jobs which tranlated into the appointment of 15 elementary workers that were living in underdeserved communities.

3.8 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

The main objective of the library services is to increase opportunities for life long learning and social development to all communities in Tsantsabane Municipality by providing access to free, equitable and sustainable library and information services. The key issues for 2014/15 were improved and sustainable delivery of library services, promotion of a culture of reading, life long learning and increase usage of the library. One of the strategic objectives of the Library is to enable the community to gain access to knowledge and information that will Improve their Socio- economic situation.

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2013/14		2014/15		
		Target	Actual	Target		Actual
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective :Community facilities						
Traffic	**Refurbish Testing Station**	Refurbishment of testing station	Not Achieved due to Financial constraints	Refurbishment of testing station	Refurbishment of testing station	Not Achieved due to Financial constraints
Libraries	**Library Expansion**	Expansion of the Library together with E-Learning Centre establishment	40% of the construction completed	Expansion of the Library together with E-Learning Centre establishment	Expansion of the Library together with E-Learning Centre establishment	Project not completed.
	Provision of Library Containers	Provision of 3 Library containers for Maremane, Groenwater and Skeyfontein	2 Containers were provided for Groenwater and Skeyfontein	Provision of 1 Library container for Maremane.	Provision of 1 Library container for Maremane.	Not Achieved due to lack of town establishment
Clinics	**Construction and Upgrade of Clinics**	Build 1 clinic in Boichoko and upgrade Postdene clinic	The Clinic was built in Boichoko and the upgrade of Postdene Clinic was achieved		New gateway clinic	Still in progress. 95% Completed.
	Mobile Clinics	Provision of 2 mobile clinics	2 Mobile clinics were provided			
Community Facilitiies (Parks and Recreation)	**Construction of New Parks**	Construction of 8 new parks	Provision of 5 new parks completed.	Construction of 3 new parks	Construction of 3 new parks	Not achieved due to budget constraints
Note: This statement should include no more than the top four priority service objectives. arrangement by municipalities in which IDPs play a key role.						

Employees: Libraries; Traffic, Community Facilities and Other					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Municipal Manager	0	0	0	0	0%
Section 56 Managers	1	1	1	0	0%
1-3	2	3	2	1	33%
4-6	3	3	3	0	0%
7-10	9	11	9	2	18%
11-15	16	19	16	3	16%
Total	31	37	31	6	16%

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
Total Operational Revenue	648	1 094	1 094	1925	75.96%
Expenditure:					
Employees	2 475	2 808	3 018	2 909	-3.61%
Repairs and Maintenance	23	89	89	130	46.07%
Other	341	1 163	1 162	641	-44.84%
Total Operational Expenditure	2 839	4 060	4 269	3 680	-13.80%
Net Surplus / (Deficit)	-2 192	-2 966	-3 175	-1 755	-44.72%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Community Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective :Maintanance of grave yards.						
Graveyards are maintained measured by the % of the maintenance budget spent	% of budget spent	80% of budget spent.	75% spent of budget	80% of budget spent.	72% spent of budget	Y

Community Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective :Maintanance plan for grave yards.						
1 x Maintanance plan for grave yards to be developed and implemented by June 2015	Develop of 1 x Maintenance plan.	1 x Maintenance Plan.	No Plan	1 x Maintenance Plan.	No Plan	R

Community Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : All critical positions filled						
Ensure that all critical positions in Community Services are filled.	All critical positions filled	Appoint all critical positions in Community Services	0%	Appoint all critical positions in Community Services	0%	R

Community Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Quarterly report on EPWP.						
Quarterly report on the implementation of the EPWP	Quarterly report on the implementation of EPWP.	4 X Quarterly Reports	4 X Quarterly Reports	4 X Quarterly Reports	4 X Quarterly Reports	G

Employees: Cemeteries					
Job Level	2013/14	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Municipal Manager	0	0	0	0	0%
Section 56 Managers	0	0	0	0	0%
1-3	0	0	0	0	0%
4-6	1	1	1	0	0%
7-10	1	1	1	0	0%
11-15	8	8	7	1	13%
Total	10	10	9	1	10%

Financial Performance 2014/15: Cemetories					R'000
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	25	40	40	38	-5.00%
Expenditure:					
Employees	689	870	870	705	-18.97%
Repairs and Maintenance	0	7	7	0	100.00%
Other	14	225	225	73	-67.55%
Total Operational Expenditure	703	1 102	1 102	778	-29.40%
Net Surplus / (Deficit)	(679)	(1 062)	(1 062)	(740)	30.32%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

3.11 HUMAN RESOURCE SERVICES

Financial Performance 2014/2015: Human Resource Services					R'000
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 480	0	0	887	100%
Expenditure:					
Employees	2 131	2 309	2 309	2 291	0.77%
Repairs and Maintenance	0	0	0		0
Other	94	1 302	1 302	74	-94.31%
Total Operational Expenditure	2 225	3 611	3 611	2 365	-6.81%
Net Operational Expenditure	1255	(3 611)	(3 611)	(1 478)	-59.07%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Corporate Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective :Implementation of employment equity plan						
Implementation of the Employment Equity Act by appointing 90% staff from employment equity target group employed in the three higest levels of management with the municipality's approved staffing.	% of appointment ito staffing policy	90% of all appointments in terms of the employment equity targets set.	No appointment was done in terms of equity plan	90% of all appointments in terms of the employment equity targets set.	No appointment was done in terms of equity plan	R

Corporate Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Annual report and oversight report						
Annual Report and Oversight report of council submitted before the end of January and March,	Report submitted to Council	1 X Annual Report + Oversight Report	Annual Report submitted.%	1 X Annual Report + Oversight Report	Annual Report submitted.%	G

Corporate Services	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Signed Performance Contracts for MM and S56 Managers						
Signed Performance Contractes for MM and Section 56 Managers	Signed Performance Contracts	5 X Signed Performance Contracts.	5 X Signed Performance Contracts.	5 X Signed Performance Contracts.	5 X Signed Performance Contracts.	G

3.11 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The IT Unit of the Municipality was established in the the 2011/2012 financial year with the appointment of a permanent IT Officer. The set objectives for the IT unit was amongst others: Getting IT Policies in place, Ensuring that SLA's are in place, Upgrade of the IT Infrastructure, Procurement of new servers, Website development, Upgrade of electricity system and Implementation of internal e-mail facilities. Even though the IT Infrastructure was not budgeted for, the Municipality managed to source funding from external sources.

In relation to the IT Governance Framework, all the necessary IT Policies have been developed and the SLA's are in place. An IT Steering Committee has also been formed to develop strategic approach and facilitate the integration of IT into business strategic thinking and also to implement the strategic IT planning processes that is integrated with the business strategy development process.

ICT Services Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets				2014/15	
		2013/14	Actual	Target		
Service Indicators (i)	(ii)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective: Effective IT Services						
Upgrade of electricity system to online technology		Upgrade Electricity system to an online platform and enable third party vending	Completed	Completed	No project	N/A
IT Infrastructure Upgrade		Upgrade of network cabling, Procurement of server and restore network connection to workshop and traffic department	Completed	Completed	No project	N/A
Internet and e-mail connection (ADSL lines and internal e-mail hosting)		ADSL lines for internet connection and internal e-mail hosting platform	Completed	Completed	No project	N/A
Municipal website		Develop a municipal website and ensure that it is functional in a live environment	Completed	Completed	No project	N/A
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'.						

Employees: ICT Services					
Job Level	Year 2013/2014	2014/15			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Municipal Manager	0	0	0	0	0%
Section 56 Managers	0	0	0	0	0%
1 - 3	0	0	0	0	0%
4 - 6	1	2	2	0	0%
7 -10	0	0	0	0	0%
11 - 15	0	0	0	0	0%
Total	1	2	2	0	0%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.					

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate: 2014/15			
Designations	***Total Approved Posts No.**	***Vacancies (Total time that vacancies exist using fulltime equivalents) No.**	***Vacancies (as a proportion of total posts in each category) %**
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S56 Managers (excluding Finance Posts)	3	0	0%
Other S56 Managers (Finance posts)	0	0	0%
Police officers	0	0	0%
Fire fighters	0	0	0%
Senior management: Levels 1 - 3 (excluding Finance Posts)	8	1	12.50%
Senior management: Levels 1-3 (Finance posts)	4	0	0.00%
Highly skilled supervision: levels 4 -6 (excluding Finance posts)	18	2	11.11%
Highly skilled supervision: levels 4 -6 (Finance posts)	6	0	0.00%
Total	**41**	**3**	7.3%

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2011/12	6	0	0
2012/13	44	6	13.64%
2013/14	25	12	13.64%
2014/15	24	13	9.75%

COMMENT ON VACANCIES AND TURNOVER:

The turnover rate for the municipality is quite low.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

4.2 POLICIES

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The following policies was reviewed during the financial year: Travel and Subsistence Policy; Risk Management Policy; Backup Policy and procedures; Change Control Policy and Procedures; User Account Policy; Commitment Policy; Contingent Liability Assets Policy; Events after reporting policy; Related Party Policy; Supply Chain Policy; Virement Policy; Cell phone and 3G policy; Tariff Policy; Fraud and Anti-Corruption policy; Indigent Policy and Credit Control and debt collection policy.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

COMMENT:

There were no employees involved in vehicle accident for the financial year.

Department: Office of the Municipal Manager

Office Municipal Manager	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Emploment Equity Plan						
Review and report on the Employment Equity Plan	Review of employment equity plan	Review of employment equity plan	Employment plan has been reviewed	Review of employment equity plan	Employment plan has been reviewed	G

Office Municipal Manager	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Communication Policy						
Ensure the Development and implementation of a communication Policy.	1 x Communication Policy.	Communication Policy	No Policy	Communication Policy	No Policy	R

Office Municipal Manager	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Mayor Approves the SDBIP within 28 days after the approval of the budget						
The mayor must approves the municipality's service delivery and budget implementation plan within 28 days after the approval of the budget.	1 x approved SDBIP	Approved SDBIP by the Mayor within 28 days after the budget has been approved.	SDBIP has been approved within 28 days by the Mayor.	Approved SDBIP by the Mayor within 28 days after the budget has been approved.	SDBIP has been approved within 28 days by the Mayor.	G

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 13-18)	539	0%	57	121	0.07	155
Skilled (Levels 10-12)	174	0%	10	20	0.28	58
Highly skilled production (levels 7-9)	707	0%	45	67	1.19	305
Highly skilled supervision (levels 4-6)	191	0%	19	25	0.83	87
Senior management (Levels 1-3)	49	0%	8	12	0.07	28
MM and S56	7	0%	2	5	0.02	25
Total	**1667**	**0%**	**141**	**250**	2.46	**658**

COMMENT ON INJURY AND SICK LEAVE

The Municipality does not experience many problems when it comes to injury and sick leave and staff understand and follow procedure well.

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

NO DISCIPLINARY ACTIONS TAKEN.

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

NO PERFORMANCE REWARDS WERE AWARDED

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

ABET classes have been organized to assist those employees who need assistance. Training and development still needs a lot of work and attention.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	**Gender**	**Employees in post as at 30 June 2014**	**Number of skilled employees required and actual as at 30 June 2015**											
			Learnerships			**Skills programmes & other short courses**			**Other forms of training**			**Total**		
		No.	**Actual : End of June 2014**	**Actual: End of June 2015**	**Target**	**Actual: End of June 2014**	**Actual: End of June 2015**	**Target**	**Actual: End of June 2014**	**Actual: End of June 2015**	**Target**	**Actual: End of June 2014**	**Actual: End of June 2015**	**Target**
MM and s57	Female	**0**								**0**	**0**	**1**	1	1
	Male	**2**								**3**	**3**	**3**	3	3
Councillors, senior officials and managers	Female	**4**								**4**	**4**	**4**	4	4
	Male	**7**								**7**	**7**	**7**	7	7
Technicians and associate professionals *	Female	1								0	0	0		
	Male	12								4	4	4	4	4
Professionals	Female	9	1							1	1	1	1	1
	Male	9	1				2			5	5	2	2	2
Sub total	Female	14	1							5	5	5	5	5
	Male	30	1				2			19	19	16	16	16
Total		44		0	0		2	0		24	24	21	22	22

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	3	0	3	3	3	3
Any other financial officials	15	0	15	8	0	8
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	**22**	**0**	**22**	**14**	**5**	**14**

** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)*

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2014/15							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S56	Female						1	1	40	18
	Male						3	3	120	44
Legislators, senior officials and managers	Female						0	0	0	
	Male						2	2	80	15
Professionals	Female		5	4			3	3	45	12
	Male		1	1			5	4	21	6
Technicians and associate professionals	Female						5	3	24	7
	Male						2	2	24	9
Clerks	Female						7	5	60	22
	Male						1	1	8	3
Service and sales workers	Female						0	0	0	
	Male						0	0	0	
Plant and machine operators and assemblers	Female						1	1	17	5
	Male						6	4	12	3
Elementary occupations	Female						10	7	80	12
	Male						8	8	64	12
Sub total	Female			4			27	20	266	76
	Male			1			27	24	329	92
Total		0	6	5	0	0	54	44	595	168

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
Lower skilled (Levels 11-15)	Female	
	Male	
Skilled (Levels 9-10)	Female	
	Male	
Highly skilled production (Levels 7-8)	Female	
	Male	
Highly skilled supervision (Levels 4-6)	Female	1
	Male	
Senior management (Levels 1 -3)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		1

Employees appointed to posts not approved				
Department	**Level**	**Date of appointment**	**No. appointed**	**Reason for appointment when no established post exist**
N/A	N/A	N/A	N/A	N/A

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There was no upgraded post for the 2014/15 financial year.

VOLUME II

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Financial statement as at 30 June 2015- Appendix A

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						R' 000
Description	2013/14	Current Year: 2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	21 993	21 447	23 447	24 345	13.51%	-0.44%
Service charges	73 146	87 527	90 727	79 004	-9.74%	-12.92%
Investment revenue	880	265	265	143	-46.04%	-46.04%
Transfers recognised - operational	61 059	32 303	30 103	47 610	47.39%	58.16%
Other own revenue	50 101	43 849	43 849	16 853	-61.57%	-61.57%
Total Revenue (excluding capital transfers and contributions)	207 179	185 391	188 391	167 955	-9.40%	-10.85%
Employee costs	46 654	57 707	61 083	53 668	-7.00%	-12.14%
Remuneration of councillors	3 831	2 892	2 992	2 944	1.80%	-1.60%
Depreciation & asset impairment	26 209	30 125	30 125	7 604	-74.76%	-74.76%
Finance charges	5 398	388	388	2 545	555.93%	555.93%
Materials and bulk purchases	41 306	32 800	39 600	62 219	89.69%	57.12%
Transfers and grants	0	0	0	0	0.00%	0.00%
Other expenditure	56 004	69 516	73 463	51 715	-25.61%	-29.60%
Total Expenditure	179 402	193 428	207 651	180 695	-6.58%	-12.98%
Surplus/(Deficit)	27 777	-8 037	-19 260	-12 740	58.52%	-33.85%
Transfers recognised - capital	0	14 760	14 760	0	-100.00%	-100.00%
Contributions recognised - capital & contributed assets	0	0	0	0	0.00%	0.00%
Surplus/(Deficit) after capital transfers & contributions	27 777	6 723	-4 500	-12 740	-289.50%	183.11%
Share of surplus/ (deficit) of associate	0				0.00%	0.00%
Surplus/(Deficit) for the year	27 777	6 723	-4 500	-12 740	-289.50%	183.11%

Capital expenditure & funds sources						
Capital expenditure		36 444	35 183			
Transfers recognised - capital	23 532	14 760	14 760	16 728	13.33%	13.33%
Public contributions & donations	0	0	0	0	0.00%	0.00%
Borrowing	0	8 900	8 900	0	-100.00%	-100.00%
Internally generated funds	0	12 784	11 523	22 568	76.53%	95.85%
Total sources of capital funds	23 532	36 444	35 183	39 296	7.83%	11.69%
Financial position						
Total current assets	58 573	25 800	25 800	69 655	169.98%	169.98%
Total non current assets	847 950	601 958	601 958	942 211	56.52%	56.52%
Total current liabilities	122 339	33 082	33 082	105 507	218.93%	218.93%
Total non current liabilities	22 704	8 300	8 300	129 969	1465.89%	1465.89%
Community wealth/Equity	761 479	586 376	586 376	812 242	38.52%	38.52%
Cash flows						
Net cash from (used) operating	89 863	-6 752	-6 752	30 125	-546%	-546%
Net cash from (used) investing	-81 651	50	50	-23 901	-47902%	-47902%
Net cash from (used) financing	8 212	8 525	8 525	8 209	-4%	-4%
Cash/cash equivalents at the year end	-4 680	1 823	1 823	9 732	434%	434%
Cash backing/surplus reconciliation						
Cash and investments available	-27 777	14 000	14 000	11 012	-21%	-21%
Application of cash and investments	19 015	22 146	22 465	24 462	10%	9%
Balance - surplus (shortfall)	-8 762	-8 146	-8 465	-13 450	65%	59%
Asset management						
Asset register summary (WDV)	841 513	30 382	30 382	23 578	-22.39%	-22.39%
Depreciation & asset impairment	26 209	30 125	30 125	7 604	-74.76%	-74.76%
Renewal of Existing Assets	0	36 444	35 183	15 718	-56.87%	-55.33%
Repairs and Maintenance	3 499	8 418	9 168	3 891	-53.78%	-57.56%
Free services						
Cost of Free Basic Services provided	7 707	11 578	11 578	10 413	-10.06%	-10.06%
Revenue cost of free services provided	7 707	13 426	13 426	10 413	-22.44%	-22.44%
Households below minimum service level						
Water:	0	0	0	0	%	%
Sanitation/sewerage:	0	0	0	0	%	%
Energy:	0	0	0	0	%	%
Refuse:	0	0	0	0	%	%

Financial Performance of operational services						R' 000
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating expenditure:						
Rates & Taxes	1 613	5 817	5 791	3 730	-35.88%	-35.59%
Burialground	703	1 102	1 102	778	-29.40%	-29.40%
Library	2 839	4 060	4 269	3 680	-9.36%	-13.80%
Fire Brigade	0	193	193	33	-82.90%	-82.90%
Commonage	0	30	30	0	-100.00%	-100.00%
Caravan Park	8	165	165	10	-93.94%	-93.94%
Municipal Property	1 751	2 802	2 852	2 415	-13.81%	-15.32%
Parks & Recreation	4 706	4 958	5 496	6 279	26.64%	14.25%
Public Health	727	1 081	1 081	549	-49.21%	-49.21%
Public Works & Streets	11 303	10 959	11 959	10 637	-2.94%	-11.05%
Sewerage	10 046	13 802	14 852	15 060	9.11%	1.40%
Security	1 342	894	1 344	1 653	84.90%	22.99%
Mayoral Office	911	1 345	1 445	1 132	-15.84%	-21.66%
Corporate Services	3 215	7 143	7 143	3 427	-52.02%	-52.02%
Human Resources	2 225	3 611	3 611	2 365	-34.51%	-34.51%
Municipal Manager	6 626	9 080	10 104	5 467	-39.79%	-45.89%
Council General	30 864	5 371	5 471	4 009	-25.36%	-26.72%
Chief Financial Officer	40 002	25 549	26 149	24 859	-2.70%	-4.93%
Reticulation	2 836	4 883	5 783	0	-100.00%	-100.00%
Traffic	2 177	4 555	4 555	2 700	-40.72%	-40.72%
Refuse	8 973	8 795	9 595	7 384	-16.04%	-23.04%
Workshop	2 315	3 505	3 905	2 734	-22.00%	-29.99%
Electricity	28 798	40 130	45 130	40 612	1.20%	-10.01%
Water Service	23 810	32 421	34 421	41 697	28.61%	21.14%
Housing	845	1 179	1 179	2 196	86.26%	86.26%
	188 635	193 430	207 625	183 406	-5.18%	-11.66%

5.2 GRANTS

Grant Performance						R' 000
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	40 621	44 554	44 554	44 376	-0.40%	-0.40%
Equitable share	26 148	27 060	27 060	24 906	-7.96%	-7.96%
Municipal Systems Improvement	890	934	934	934	0.00%	0.00%
Finance Management Grant	1 650	1 800	1 800	1 807	0.39%	0.39%
Municipal Infrastructure Grant	11 933	14 760	14 760	16 729	13.34%	13.34%
Provincial Government:	2 635	2 509	2 509	3 255	29.73%	29.73%
Health subsidy	1 013	424	424	359	-15.33%	-15.33%
Housing	0	0	0	0	0.00%	0.00%
EPWP	1 000	1 000	1 000	1 000	0.00%	0.00%
Library Grant	622	1 085	1 085	1 896	74.75%	74.75%
Other grant providers:	8 564	964	964	964	0.00%	0.00%
Kolomela - E Learning (Library)	0	0	0	0	0.00%	0.00%
Assmang/Kumba Sewer	0	0	0	0	0.00%	0.00%
Assmang/Kumba SLP	7 600	0	0	0	0.00%	0.00%
Tsasamba/Kumba	0	0	0	0	0.00%	0.00%
Kolomela (R Beneke)	964	964	964	964	0.00%	0.00%
Total Operating Transfers and Grants	51 820	48 027	48 027	48 595	1.18%	1.18%

5.3 SOURCES OF FINANCE

Capital Expenditure - Funding Sources 2014/15

R' 000

Details		2013/14	2014/15				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	8 900	8 900	0	0.00%	0.00%
	Public contributions and donations	26 414	0	0	22 567	100.00%	100.00%
	Grants and subsidies	22 298	14 760	14 760	16 729	13.34%	13.34%
	Other	1234	12 784	11 523	0	-100.00%	-100.00%
Total		23 532	36 444	25 450	39 296	7.83%	54.40%
Percentage of finance							
	External loans	0	24.42%	24.42%	0	0.00%	0.00%
	Public contributions and donations	53.30%	0	0	57.42%	100.00%	100.00%
	Grants and subsidies	39.50%	40.50%	40.50%	42.58%	2.08%	2.08%
	Other	1.20%	35.08%	35.08%		0.00%	0.00%
Capital expenditure							
	Water and sanitation	15 803	9 255	13 900	6 015	-35.01%	-56.73%
	Electricity	1602			0		
	Housing	0					
	Roads and storm water	4 893	17 750	14 750	22 567	27.14%	53.00%
	Other	1 234	9 439	6 533	10 714	13.51%	64.00%
Total		23 532	36 444	35 183	39 296	7.83%	11.69%
Percentage of expenditure							
	Water and sanitation	67.16%	25.40%	39.51%	15.31%	-10.09%	-24.20%
	Electricity	6.81%	0.00%	0.00%	0.00%		
	Housing	0%	0%	0%	0%		
	Roads and storm water	20.79%	48.70%	41.92%	57.43%	8.73%	15.51%
	Other	5.24%	25.90%	18.57%	27.26%	1.36%	8.69%

5.4 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 4 largest projects*					R' 000
Name of Project	Current Year: 2014/15			Variance Current Year: 2014/15	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Groenwater access road	**7 518 934**	**7 518 934**	7 518 934		
Skeifontein access road	**10 709 094**	**10 709 094**	9 102 729		
Jen Haven 3.2 km access road (New project)	**18 804 432**	**new project**			
Budgie street (New project)	**18 804 432**	**new project**			
Skool street (New project)	**18 804 432**	**new project**			
** Projects with the highest capital expenditure in Year 2014/15*					

5.5 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

						R' 000
Details	**Budget**	**Adjustment Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjust-ment Budget**	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation	n/a	n/a		%	%	
Transmission & Reticulation	n/a	n/a		%	%	
Street Lighting	n/a	n/a		%	%	
Infrastructure - Water	n/a	n/a		%	%	
Dams & Reservoirs	n/a	n/a		%	%	
Water purification	n/a	n/a		%	%	
Reticulation	n/a	n/a		%	%	
Infrastructure - Sanitation	n/a	n/a		%	%	
Reticulation	n/a	n/a		%	%	
Sewerage purification	n/a	n/a		%	%	
Infrastructure - Other	n/a	n/a		%	%	
Waste Management	n/a	n/a		%	%	
Transportation	n/a	n/a		%	%	
Gas	n/a	n/a		%	%	
Other Specify:	n/a	n/a		%	%	
		n		%	%	

				%	%	
				%	%	
Total				%	%	

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

Department: Finance [Chief Financial Services Officer]

Office Chief Financial Officer	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Draft budget mailed / posted to NT and PT.						
Draft budget mailed/posted to National and Provincial Treasury after tabled in Council.	Draft Budget tabled in Council and mailed /posted to NT and PT.	Tabled budget mailed to NT and PT.	Budget tabled in Council and mailed / posted to NT and PT.	Tabled budget mailed to NT and PT.	Budget tabled in Council and mailed / posted to NT and PT.	G

Office Chief Financial Officer	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : AFS to AG on 31 August 2014.						
Submission of AFS to the Auditor-General by 31 August 2014	Annual Financial Statements	Submit AFS to AG by 31 August 2013	Submit AFS to AG by 31 August 2013	Submit AFS to AG by 31 August 2014	Submit AFS to AG by 31 August 2014	G

Office Chief Financial Officer	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Grant funding						
Receive Equitable Share, MSIG and FMG	Ensure that all grants have been received	Receive Equitable Share, MSIG and MIG	Receive Equitable Share, MSIG and MIG	Receive Equitable Share, MSIG and MIG	Receive Equitable Share, MSIG and MIG	G

Office Chief Financial Officer	Outline Service Targets	Year 2013/14		Year 2014/15		
		Target	Actual	Target	Actual	Actual
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective : Training of SCM Personnel.						
Training of SCM Unit by 31 September 2015	Training of SCM Personnel.	Training of all SCM Personnel by 31 September 2015.	All the personnel was not train as required. KPI partly met.	Training of all SCM Personnel by 31 September 2015.	All the personnel was not train as required. KPI partly met.	Y

5.6 CASH FLOW

Cash Flow Statement	2015	2014 Restaded
Cash flows from operating activities		
Receipts		
Taxation	19 456 645	
Sale of goods and services	80 783 229	58 452 603
Grants	32 012 027	30 529 557
Interest Income	1 070 579	880 398
	133 322 480	89 862 558
Payments		
Employee cost	-56 122 584	-50 484 793
Suppliers	-45 406 309	-55 841 134
Fin cost	-2 520 215	-4 261 228
Other cash items	851 602	-437 506
	-103 197 506	-111 024 661
Total receipts	133 322 480	89 862 558
Total payments	-103 197 506	-111 024 661
Net cash flows from operating activities	**30 124 974**	**-21 162 103**
Cash flows from investing activities		
Purchases of ppe	-39 296 323	-23 177 603
Proceeds from sale of property, plant and equipment	15 395 263	
Proceeds from sale of Land		29 000 000
Net cash flows from investing activities	**-23 901 060**	**5 822 397**
Cash flows from financing activities		
Movement in long term loan	-551 494	-1 047 656
Finance lease payments	8 760 910	32 444
Net cash flows from financing activities	**8 209 416**	**-1 015 212**
Net increase/(decrease) in cash and cash equivalents	14 433 330	-16 354 918
Cash and cash equivalents at the beginning of the year	-4 700 881	11 654 037
	9 732 449	**-4 700 881**

5.7 BORROWING AND INVESTMENTS

Actual Borrowings 2014/15			
			R' 000
Instrument	**2012/13**	**2013/14**	**2014/15**
Municipality			
Long-Term Loans (annuity/reducing balance)	1 722	1 293	696
Long-Term Loans (non-annuity)		-	
Local registered stock	-	-	
Instalment Credit	-	-	
Financial Leases	398	317	6 184
PPP liabilities			
Finance Granted By Cap Equipment Supplier	-	-	
Marketable Bonds	-	-	
Non-Marketable Bonds	-	-	
Bankers Acceptances	-	-	
Financial derivatives	-	-	
Other Securities	-	-	
Municipality Total	2 120	1 610	6 880
Municipal Entities			
Long-Term Loans (annuity/reducing balance)	n/a	n/a	n/a
Long-Term Loans (non-annuity)	n/a	n/a	n/a
Local registered stock	n/a	n/a	n/a
Instalment Credit	n/a	n/a	n/a
Financial Leases	n/a	n/a	n/a
PPP liabilities	n/a	n/a	n/a
Finance Granted By Cap Equipment Supplier	n/a	n/a	n/a
Marketable Bonds	n/a	n/a	n/a
Non-Marketable Bonds	n/a	n/a	n/a
Bankers Acceptances	n/a	n/a	n/a
Financial derivatives	n/a	n/a	n/a
Other Securities	n/a	n/a	n/a
Entities Total			

COMPONENT D: OTHER FINANCIAL MATTERS

5.7 GRAP COMPLIANCE

GRAP COMPLIANCE

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

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement must be audited annually by the Auditor-General.

COMPONENT A: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

6.1. AUDITOR GENERAL REPORT 2014/15

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 2013/2014
Audit- General Report on the Financial Statements year 2014/2015 - Appendix B
Audit Action Plan 2014/2015 – Appendix C

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.

Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and

	buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to

	clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A – FINANCIAL STATEMENT AS AT 30 JUNE 2015

APPENDIX B – AUDIT- GENERAL REPORT ON THE FINANCIAL STATEMENTS YEAR 2014/2015

APPENDIX C – AUDIT ACTION PLAN 2014/2015