



Ons groei - We are growing

ANNUAL REPORT 2014/2015 - DRAFT

Table of Contents	Page
Chapter 1	
COMPONENT A	
Executive Mayors Foreword	4
Municipal Manager Overview	7
Population & Environmental Overview	9
1.3 Service Delivery Overview	12
1.4 Financial Health Overview	12
1.5 Organisational Development Overview	12
1.6 AG Report	13
1.7 Statutory AR Process	13
Chapter 2	
2.1 Political Governance	15
2.2 Administrative Governance	18
Component B- IGR	20
Component C- Public Accountability	21
Communication	24
Ward Committees	25
Component D- Corporate Governance	25
Risk Management	28
Fraud & Anti-Corruption	29
Supply Chain Management	29
Websites	30
Public Satisfaction	31
Oversight Committee	31
Chapter 3	
Service Delivery Performance	
3.1 Housing	32
3.2 LED	36
3.3 Environmental Health	37
3.4 Disaster Management	40
3.5 Information Technology	41
3.6 Project Management	42
3.7 Asset Management	43
3.8 Property & Legal	44
3.9 Executive & Council	45
Chapter 4	
HRM	47
HRD	48
4.1 Employee Totals	49
4.2 Policies	51
4.3 Injuries, Sickness	52
4.4 Minimum Competency Level	54

Chapter 5	
5.1 Statement of Financial Performance	57
5.2 Grants	58
5.3 Asset Management	59
5.4 Cashflow	61
5.5 PPP	62
5.6 Supply Chain Management	62
5.7 Grap Compliance	62
Chapter 6	
6.1 AG Report	63
Comments of MFMA Sec 71	68
Appendices	
A-Committee Allocation	69
B- Committees	71
C- Third Tier Structure	72
D- Municipal Functions	72
G-AC Recommendations	74
J- Disclosures	77
Volume II- Annual Financial Statements (to be attached)	79
Annexure A	Annual Performance Report
Annexure B	Audit Committee Report
Annexure C	Annual Financial Statements

COMPONENT A: MAYOR'S FOREWORD

Executive Mayors Foreword



It is my pleasure to present to you the 2014/2015 draft annual report. The format and content of the Annual Report is largely prescribed by Section 46 of the Local Government: Municipal Systems Act and Section 121 and 127 (2) of the Local Government: Municipal Finance Management Act.

The above legislation compels the Municipality to prepare a Annual Report for each financial year and the Executive Mayor is to table such a report to Council within seven months after the end of the financial year.

During the year under review, all the activities undertaken by the municipality were aimed at achieving our vision which is

“Quality support to deliver to deliver quality services”

This 2014/2015 Annual report presented by the ZF Mgawu District Municipality seeks to firstly meet the requirements as set out by various legislation as indicated above.

Everyone directly linked to this Municipal Council worked diligently during the past financial year to achieve the vision of the Municipality and we also contributed towards the achieving of two consecutive clean audits. The commitment from all the Councillors and employees cannot be disputed if you look at all the achievements.

In the year under review the municipality continued on a positive trajectory to provide quality service delivery to the people of the ZF Mgawu District Municipality. Having adopted the 2014

ANC National Elections Manifesto as the programme of action of the municipality for the 2014-2019 political term.

Key Policy Documents

In order to provide vision, leadership and direction for all role-players in developmental local government, the Integrated Development Planning (IDP) remains a key instrument towards the realisation of the sustainable developmental local government goals.

The IDP requires us, as a district municipality, to focus on local issues and ensure sustainability and growth.

It is therefore expected that in order to achieve sustainability and growth, our IDPs must be underpinned by principles of prudent financial management practices, efficient and effective utilisation of our resources and the highest level of accountability. The IDP is one of the key strategic documents of any municipality and this Annual Report will give a reflection as to what extent we were able to achieve the goals set out in the IDP.

While definite strides were made in improving the quality of lives of our people, it is acknowledged that challenges remain, specifically in securing greater public participation and engagement in decision making and planning processes. As the institution's budget does not address all the needs and priorities (with specific emphasis on support services to local municipalities), the municipality is prioritizing securing external sources of funding and broadening its revenue base.

The total capital budget for municipalities in the district amounted to R85 539 000.

The Municipal Infrastructure Grant complements the equitable share grant for local government, however, it is provided conditionally to municipalities. The key principles of the MIG are:

- a) Focus on infrastructure required for a basic level of service: The MIG programme is aimed at providing only basic infrastructure.
- b) Targeting the poor: The programme is aimed at providing services to the poor and funds will therefore be targeted to reach them.
- c) Creating employment

Appropriate planning has to take the realities and needs of the people and the conditions of different locations into account. The role of the District Municipality is to ensure that the local municipalities spend all their funds on projects that will benefit the communities.

Essentially local municipalities are expected to spend their funds in an accountable manner to ensure that they improve their audit outcomes.

All our support efforts as stipulated in Section 83 of the Municipal Structures Act are geared towards ensuring that local municipalities migrate from negative audit outcomes to more positive outcomes

Future Actions

Our goal remains that of ensuring provision of quality, sustainable services to our communities. Our primary focus in the next financial year will be to continue to support our local municipalities in eradicating major infrastructure backlogs and ensuring provision of quality basic services to our communities

In the true spirit of cooperative governance, we will ensure that our plans, objectives and priorities directly link to those at the provincial and national spheres of government.

Conclusion

Despite difficult financial and socio-economic circumstances, the District Municipality continues to strive towards excellence in all aspects within its mandate.

I would like to express my sincere gratitude to all Councillors, officials, and local municipalities of the ZF Mgcawu District Municipality for their dedication, support and cooperation which enabled the institution to report on the activities of the District Municipality for the year under review.

Signed by _____
Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

Municipal Manager's Overview



It is with pleasure once again that I present the Annual Report of ZF Mgcawu District Municipality for 2014/2015 reporting period. This Annual Report presents us with an opportunity to reflect on our achievements since the last reporting period, and also to provide a detailed account of our performance as an institution against our strategic plans and resources that were at our disposal for the period under review.

The Integrated Development Plan (IDP), Budgets, Service Delivery and Budget Implementation Plans (SDBIP's), still remains the key service delivery planning tools that we have to utilise in an effort to deliver sustainable services to our communities

ZF Mgcawu District Municipality's IDP serves as a single broad strategic guide for implementation of Council priorities. The municipality has during the year under review ensured alignment of services to IDP indicators and Council priorities as expressed in the IDP. We have again, now for the second consecutive year obtained an UNQUALIFIED OPINION "Clean Audit" from the Auditor General.

The White Paper on Local Government clearly articulates the purposes that District Municipalities should pursue as well as the outcomes that they should achieve. Their purposes can be summarised as follows:

- Build local municipalities where there is no capacity
- To initiate the economic development of the district
- To provide for the basic needs of people living in deprived areas

Challenges

Municipalities with weak revenue base cannot survive on the current municipal infrastructure grant and equitable share funding allocations to fulfil their mandate. Such allocations are

insufficient to ensure universal access to adequate services and will not enable poor and small municipalities to eradicate backlogs. Thus municipalities with financial limitations cannot translate their IDPs to workable socioeconomic programmes.

Another major challenge that faces municipalities is the availability and shortage of the required skills. A significant number of municipalities do not have the managerial, administrative, financial and institutional capacity to meet the rising needs of the local people. Skills scarcity places a challenge on the district to ensure that it acquires specialised skill sets in order to render effective and efficient assistance to municipalities

Objectives for 2015/2016

Our main objective for 2015/2016 financial year is to continue to build on the solid platform what we have already laid down. Key to this is to ensure that we continue to build capacity of all local municipalities within the district, assist them to improve efficiency and thereby impact positively on the lives of ordinary people in our district.

Acknowledgements

I would like to extend my gratitude to our Council and the Executive Mayor for instilling a sense of an accountable administration by holding us to account for implementation of all the programs of the Council.

And to our staff, I would like to thank you sincerely for always showing a sense of urgency in dealing with the issues that we are faced with, I am humbled to be at the forefront of such a dedicated team of professionals

E Ntoba _____
Municipal Manager

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....

Introduction and Background to data

ZF Mgawu District Municipality forms the mid-northern section of the province on the frontier with Botswana and comprises of the vast Kalahari Desert, Kgalagadi Transfrontier Park and the former Bushman Land.

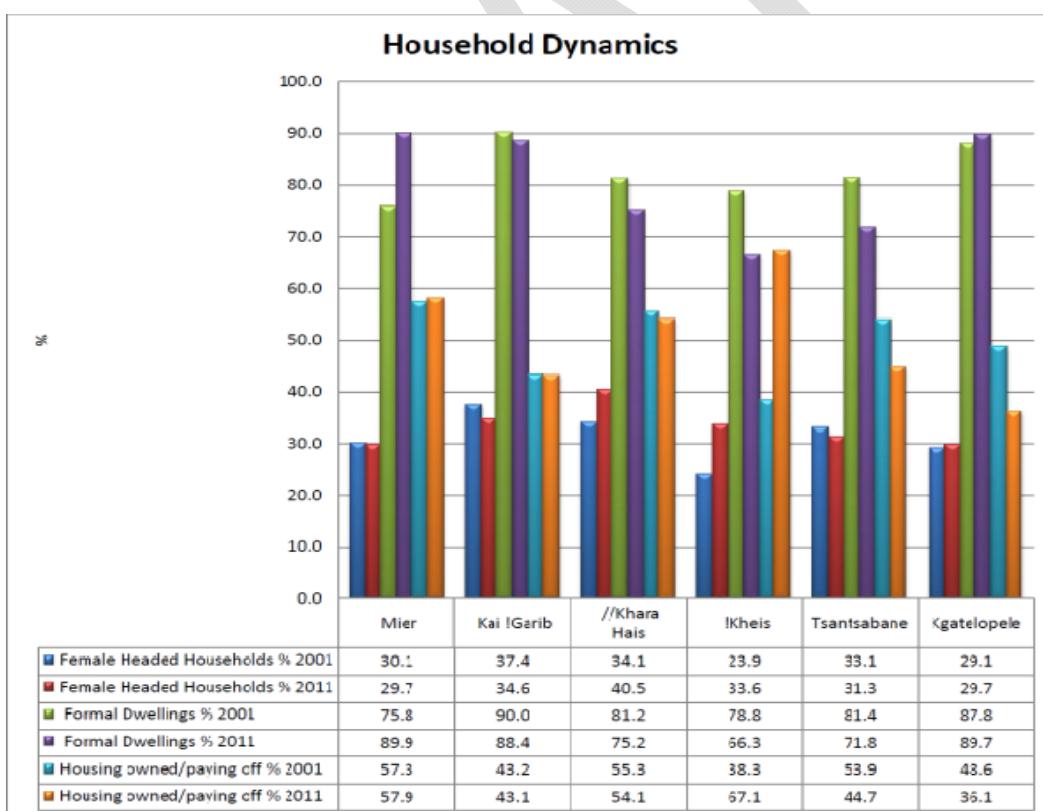
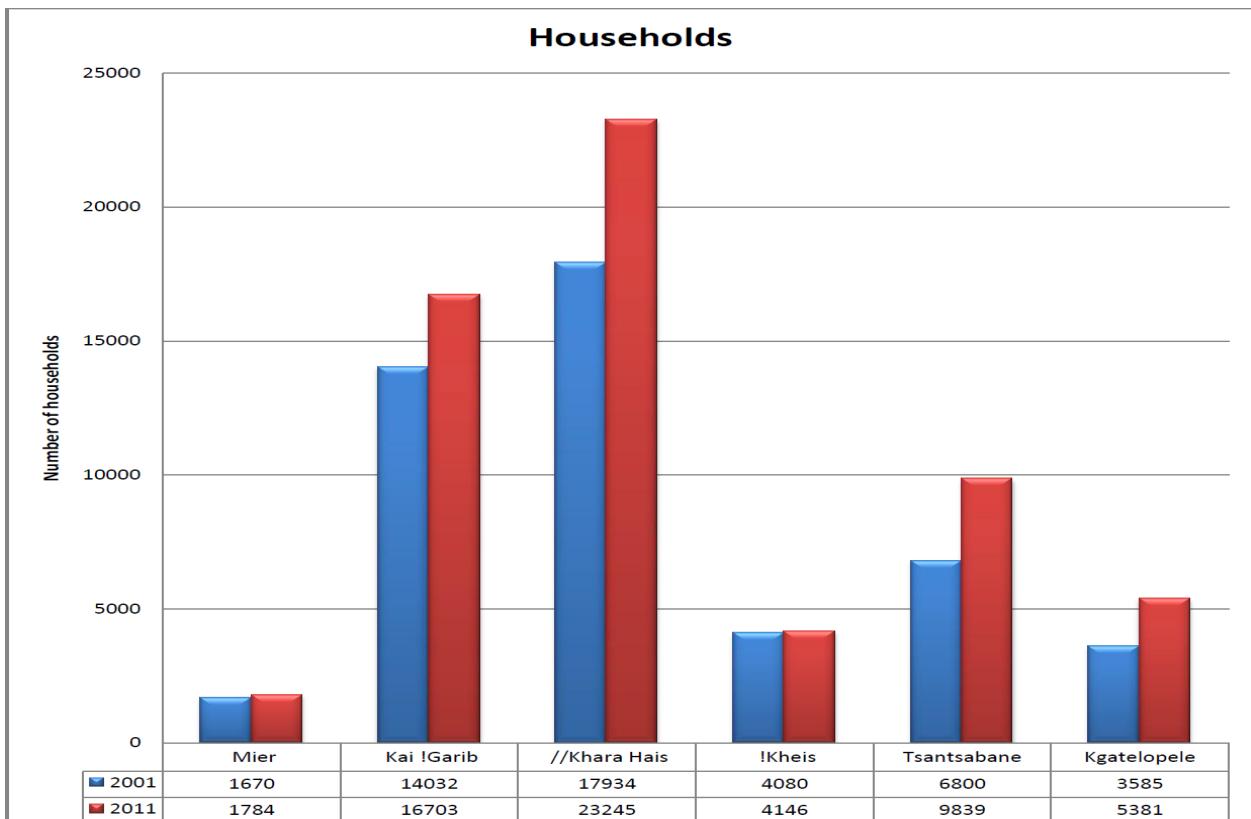
ZF Mgawu District comprises of six local Municipalities namely: Mier; !Kai !Gariep; //Khara Hais; Tsantsabane; !Kheis and Kgatelopele. Upington is the District municipal capital where the municipal government is located.

The Municipal Systems Act 32 of 2000 requires municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance. To meet this requirement, Council has to, among other things, community information concerning the available mechanisms, processes and procedures to encourage and facilitate community participation

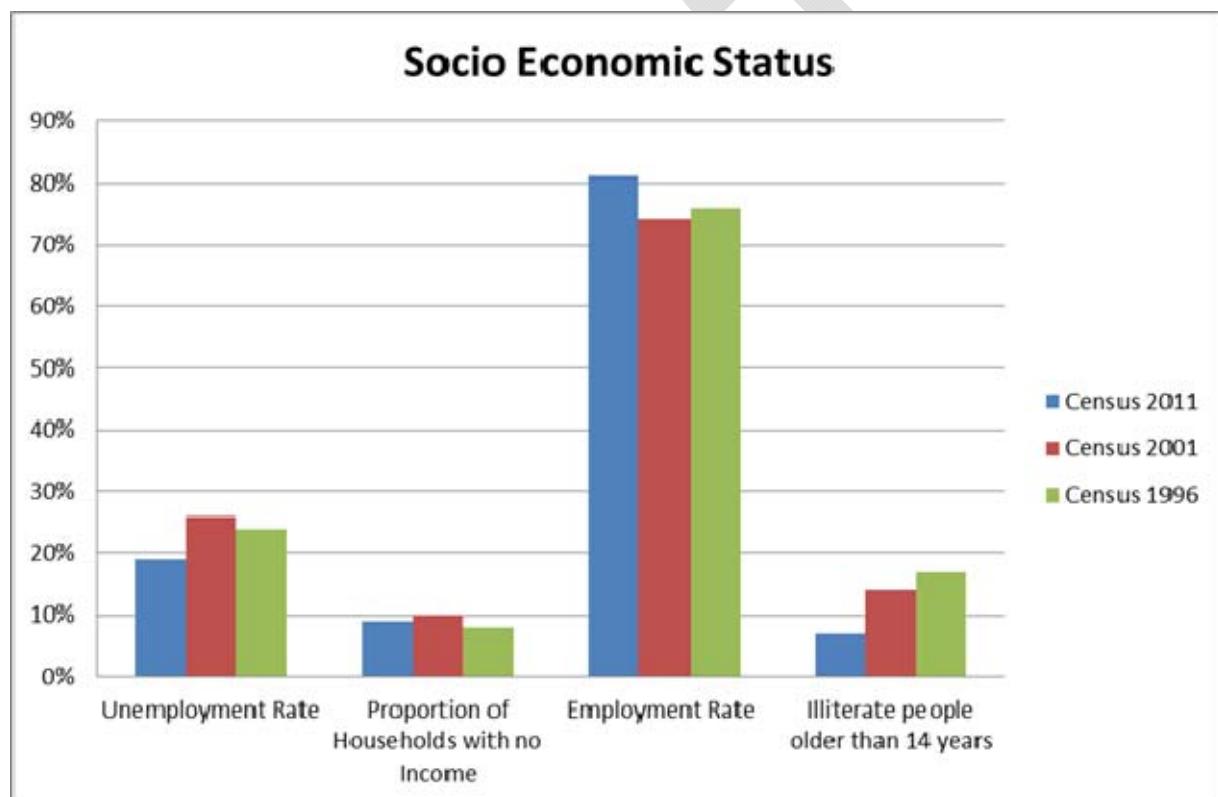
Age	Population Details						Population '000					
	1996 Census	Male	Female	Total	2001 Census	Male	Female	Total	2011 Census	Male	Female	Total
Age: 0 - 4	9209	9073	18282	10666	10476	21142	11812	11492	23304			
Age: 5 - 9	8782	8608	17390	10447	10368	20815	11105	10964	22069			
Age: 10 - 19	18032	18042	36074	20383	20808	41191	22809	21567	44376			
Age: 20 - 29	14853	14455	29308	17906	18179	36085	24662	21535	46197			
Age: 30 - 39	10603	11565	22168	14895	15388	30283	18641	16590	35231			
Age: 40 - 49	7376	8319	15695	10949	11872	22821	13777	13959	27736			
Age: 50 - 59	4926	5419	10345	6703	7562	14265	9363	9884	19247			
Age: 60 - 69	3346	3587	6933	4362	5001	9363	4857	5989	10846			
Age: 70+	2150	2980	5130	2573	3623	6196	3141	4636	7777			

Source: Statistics SA
236 783

T1.2.2



Socio Economic Status				
Year	Unemployment Rate	Proportion of Households with no Income	Employment Rate	Illiterate people older than 14 years
Census 2011	19%	9%	81%	7%
Census 2001	26%	10%	74%	14%
Census 1996	24%	8%	76%	17%
Stats SA				T1.2.4



COMMENT ON BACKGROUND DATA:

Although housing delivery is not regarded as a direct municipal function, B municipalities situated within the ZF Mgawu District Municipal jurisdiction are making fairly good progress in reducing their formal housing backlogs. Like other district municipalities, the ZF Mgawu District Municipality is also faced with the challenge to reduce the level of unemployment which in turn also adds largely to the level of under development and poverty within the district.

1.3 SERVICE DELIVERY OVERVIEW

The Constitution of the Republic of South Africa states that municipalities have the responsibility to ensure that all citizens are provided with services to satisfy their basic needs. The provision of basic services has a direct and immediate effect on the quality of the lives of people in communities across the country. Municipalities are at the forefront attempts to achieve high levels of service delivery. Because of the service delivery protests in some municipalities this has put even greater pressure on municipalities to deliver on their mandates and to ensure effective service delivery.

With the re-demarcation of the District Management Areas the functions of the District Municipality has been focused primarily on capacity building and rendering support to category B municipalities. Thus the District municipality is not directly responsible for rendering services but we must ensure that local municipalities fulfil their mandate of delivering services to communities.

1.4 FINANCIAL HEALTH OVERVIEW

An unqualified audit report was received for the second consecutive financial years. The majority of the year end procedures were finalised at 30 June 2015. The GRAP compliant Annual Financial Statements will be submitted by the end of August 2015. The existing Supply Chain Management policy was revised and implemented for the 2014/2015 financial year. The financial services department renders a great support to internal departments. The financial viability of the District Municipality is a challenge and sound financial reforms and practices will remain a priority in the medium to long term.

The District Municipality is 100% grant dependent and we also receive funds in the form of the equitable share.

The Deputy CFO was tasked to take full responsibility for the compilation of the Audit Recovery Plan. The Audit Recovery Plan is aimed at monitoring and resolving prior year audit report issues raised by the Auditor General. The plan was approved by Council. In terms of the implementation of the plan all employees must submit weekly plans to their superiors. The weekly plan must relate directly to the Audit Recovery Plan.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The organisational structure was approved by Council and continues to be amended as the need arises. The organisational structure was approved to support efforts and initiatives to enhance the district municipality's financial sustainability and efficient service delivery to the municipality.

The Executive Mayor also approved the Service Delivery and Budget Implementation Plan for t 2014/2015

The SDBIP details the implementation of service delivery and the budget for the financial year in compliance with the Municipal Finance Management Act. The SDBIP serves as a contract between the administration, Council and the Community, expressing the objectives set by the Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. The SDBIP facilitates the process of holding management accountable for their performance

In the period under review, we undertook a process of improving performance and the level of accountability of the municipal administration by cascading performance management to the lowest post levels within the municipality. There is a PMS Framework in place. The performance agreements of the Municipal Manager and Directors were signed and placed on the website.

In terms of capacity building employees, our Workplace Skills Development Plan remains a key guiding document. The Work skills plan was drafted in line with prescripts of the law.

1.6 AUDITOR'S GENERAL REPORT

The Auditor General's report for the 2013/2014 financial year is attached to this report. The District Municipality received a clean audit report.

The Auditor General's report for the 2014/2015 financial year will be attached in chapter 6 of this report.

1.7 STATUTORY ANNUAL REPORT PROCESS

Section 121(1)(2) and (3) of the MFMA determines as follows: Every municipality must for each financial year prepare an annual report. The Council must within 9 months after the end of the financial year deal with the annual report of a municipality in accordance with section 129. According to the above annual report process, it correlates with what General Notice 839 of 2011 requires which states that the annual performance reports should be submitted for auditing two months after the end of the financial year. All the other information to be included in the annual report must be submitted concurrently with the financial statements.

In completing the annual report, it is imperative to ensure that there is alignment between the IDP, Budget and Performance Management System as these are the strategic documents of

Council and in most instances are forward looking. The Annual Report gives a reflection is a backward looking approach to ascertain whether goals and objectives were achieved.

The Executive Mayor of the District Municipality tabled the Draft Annual Report to Council in January 2015 and the report was subsequently approved in March 2015. The report was discussed as the Municipal Public Accounts Committee.

The process of the annual report was finalized in April 2015 by way of submitting the annual report to the Provincial Legislature.

The ZF Mgawu District Municipality complied with all legislative and legal requirements in completion of this process.

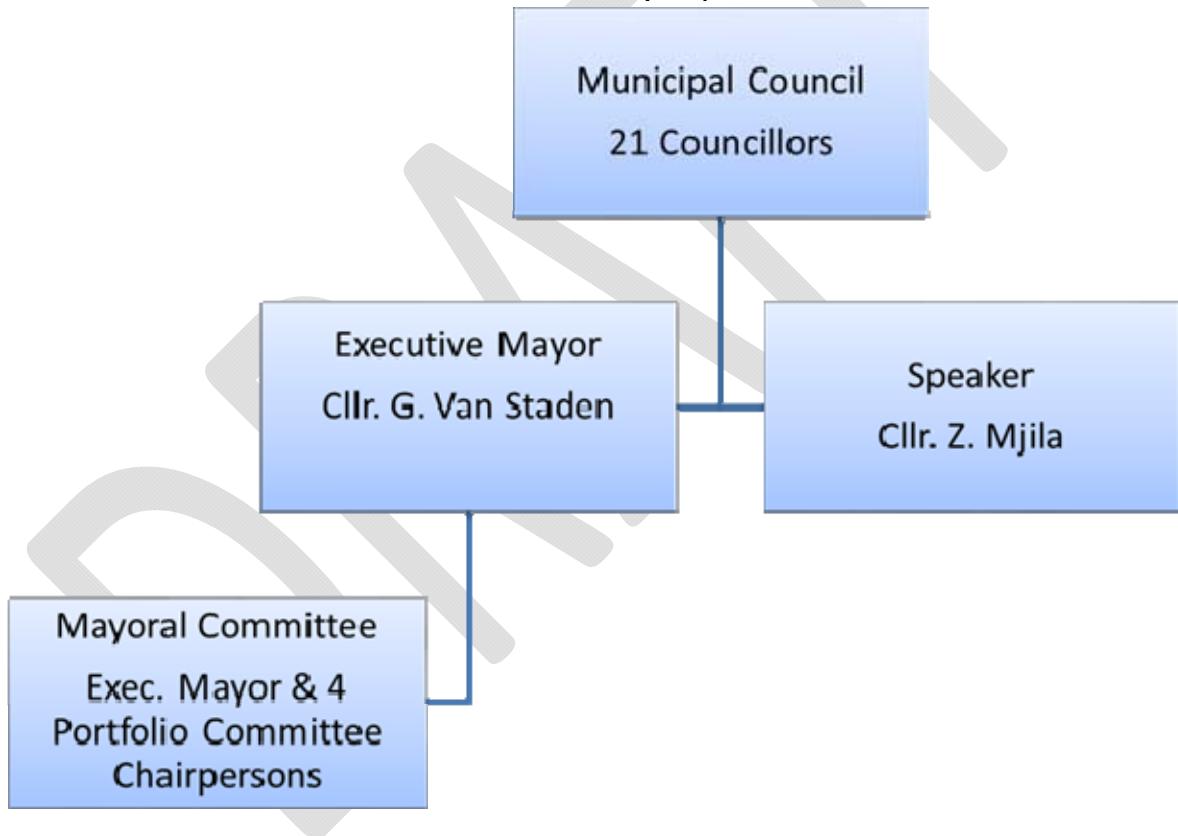
DRAFT

Chapter 2

POLITICAL GOVERNANCE

The Council performs both a legislative and executive functions. It focuses on legislative, oversight and participatory roles and has delegated its executive function to the Executive Mayor and the Mayoral Committee. The Council plays a very active role in the operations of the municipality.

The Council of the ZF Mgcawu District comprises of 21 Councillors 8 of which are direct elected councillors and 13 are seconded to the District Municipality



Good corporate governance is vital for providing people-driven service delivery and development and promoting accountability and transparency.
A growing priority for the municipality is extending its intergovernmental programs to ensure a joint approach to service delivery and poverty challenges.

Good governance is important in the local government sphere. Local government is the sphere of government that citizens interact with on a regular basis. As such, public confidence in government can only be assured if the local sphere is seen to be operating according to the requirements and spirit of the South African Constitution.

At the District Municipality, there is a good relationship between the Administration and the Council.

The District Municipality in accordance with the Municipal Structures Act has the following committees in place:

- The Institutional Development Portfolio Committee
- The Social Economic Development Portfolio Committee
- The Service Delivery Portfolio Committee
- Good Governance and Public Participation Committee
- Municipal Finance Viability
- The Mayoral Committee is chaired by the Executive Mayor and comprises of the Chairpersons of the Portfolio Committees. The Mayoral Committee has the responsibility of monitoring the management of the municipality's administration in accordance with the policy directions of the Council and also to oversee the provision of services to communities in the municipality in a sustainable manner

Municipal Public Accounts Committee

MPAC is established in terms of section 79 of the Municipal Structures Act and performs a oversight function on behalf of council and is not a duplication of other committees of council, such as the Finance Committee or the Audit Committee.

The primary functions of the MPAC are as follows:

- i. To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report
- ii. To examine the financial statements and audit reports of the municipality and in so doing, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented.

Members of the Municipal Public Accounts Committee for the year under review are:

Cllr. K Dodds [Chairperson]

Cllr. Anwill Isaacs

Cllr. Simon May

Cllr. Brenda Bock

Cllr. Peter Kotzé
Cllr. Michael Mabilo
Cllr. Elize Mnyaka
Cllr. Mina Oliphant

Councillors as at the end of 30 June 2015 are:

Name of Councillor	Capacity	Political Party	Municipality
G. van Staden	Executive Mayor	ANC	Direct Elected
ZS Mjila	Speaker	ANC	Direct Elected
B Sinxeve	Chair: Good Governance	ANC	Direct Elected
P Wetbooi	Chair: Service Delivery	ANC	Direct Elected
GH Mothibi	Chair: Social and Economic Dev	ANC	Direct Elected
A de Bruin	Member: Finance V	COPE	Direct Elected
C Tieties	Member: Service Delivery	DA	Direct Elected
PM Kotze	Member: Institutional	DA	Direct Elected

APPOINTED COUNCILLORS

K Dodds	Chair: MPAC Finance Viability	ANC	Mier
AM Isaacs	Member: Finance Viability	ANC	Kai Garib
AM Van wyk			
B Bock	Member: Service Delivery	ANC	Kai Garib
DZ Ntlanganiso	Member: Good Governance	ANC	//Khara Hais
SP May	Member: Good Governance	ANC	//Khara Hais
E Mnyaka	Member: Social & LED	ANC	//Khara Hais
J Assegaii	Member: Service	DA	//Khara Hais

	Delivery		
J Thomas	Member: Social & LED	COPE	//Khara Hais
JP Joseph	Member	DA	!Kheis
M Mabilo	Member: Social & LED	TCF	Tsantsabane
M Oliphant	Member: Good Governance	ANC	Tsantsabane
P Mgceru	Chair: Institutional Development	ANC	Kgatelopele

Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

The legislative and executive authority of municipalities is seated in the Municipal Council which consists of elected representatives of political parties as well as the administrative leadership headed by the Municipal Manager.

To ensure good governance, the municipal council and the administrative leadership should push the agenda of good governance.

The preamble of the Municipal System Act provides *inter alia* for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities.

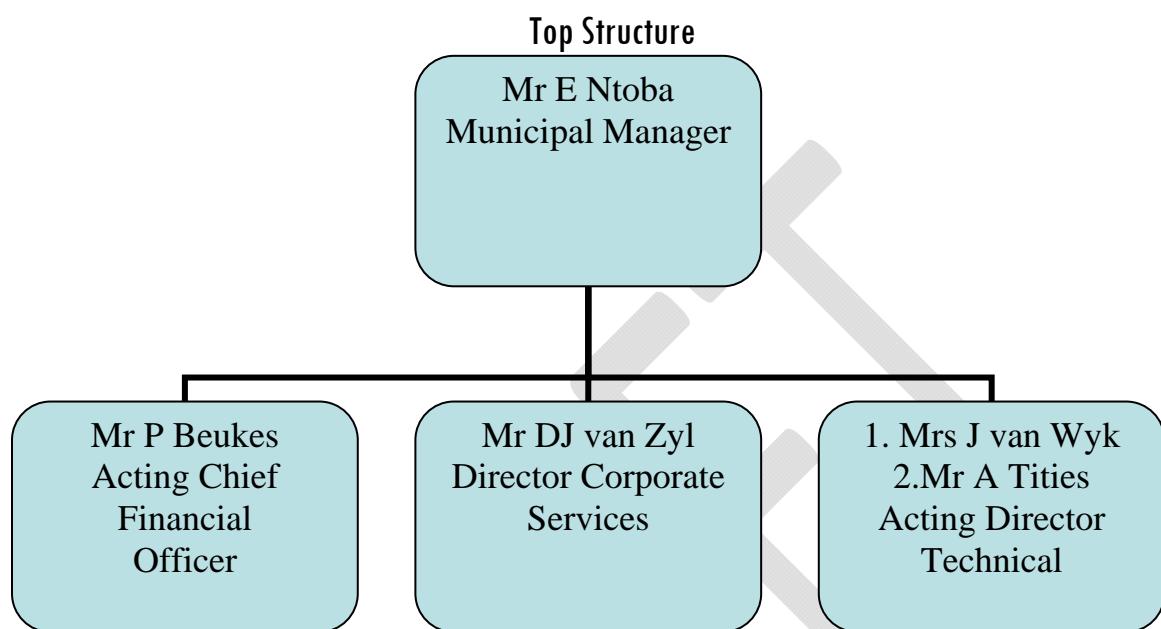
In terms of Governance the ZF Mgcawu District Municipality is looking at developmental local government that will provide a framework for public administration and human resource development.

The District Municipality has for the 2014/2015 financial year supported the local municipalities under its jurisdiction with municipal administrative matters, supply chain, human resources, financial matters and municipal compliance issues

The District Municipality has an administrative arm, headed by the Municipal Manager and is assisted by Directors who report directly to him. For the year under review the District had three Directors:

- i. Director Finance
- ii. Director Technical Services
- iii. Director Corporate Services

Chapter 2



Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

As enshrined in the Constitution, the ZF Mgcawu Municipality has adopted a democratic model of cooperative governance which provides the foundation for its intergovernmental relations. Intergovernmental relations are intended to promote and facilitate cooperative decision making and to ensure that policies and activities across all spheres of government.

The ZF Mgcawu District Municipality has good relations with other spheres of government.

District Intergovernmental Relations Forum

As a District Municipality, we have the responsibility to create platforms to enhance effective communication systems between various stakeholders for the benefit of the organizations and most importantly for the community of ZF Mgcawu.

The following interactions took place at District level:

- i. Mayor's Forum
- ii. Political IGR (District IGR)
- iii. Technical IGR- To discuss matters of municipal interest.
- iv. IDP Representative Forum- Platform to engage on the IDP process of the district& local b' municipalities in the district; share best practices on IDP. Aim for alignment between the IDP of District & B Municipalities

The Technical Intergovernmental Relations forum took a decision to cluster all the forum meetings so as to avoid duplication.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipal Systems Act 32, 2000 (Act No. 32 of 2000) mandates Municipalities to review Integrated Development Plans annually in accordance with an assessment of its performance measurements.

Integrated Development Plan is therefore defined as a: “principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality” Municipal Systems Act 32, 2000, Chapter 5 Section 35 1(a).

Integrated Development Plan plays a pivotal role in informing all planning processes of the other spheres of government (National and Provincial) as well as all state owned enterprises, which implies a dire need for joint and coordinated effort by these parties in the IDP development processes. It is therefore essential that IDP must be formulated in accordance with a business plan, detailing roles and responsibilities, time frames and cost estimates, to ensure that the Integrated Development Plans gives effect to the Constitutional mandate. This report will summarise the entire IDP review process of the financial year 2014/15. Specific focus will be on the public participation process and the findings that emanated from these. Lastly, a way forward was paved to support the municipality in areas where capacity challenges were identified

2. IDP Process & District Framework Plan

The framework plan is to guide and inform the Process Plans of the District and its Local Municipalities. The Framework Plan provides the linkage for binding relationships between the DM and LMs. In so doing, proper consultation, co-ordination and alignment of the IDP process of the district and its various local municipalities can be maintained.

In terms of section 28 (1) of the Municipal System Act of 2000, each municipal council must adopt a process set out in writing to guide the planning, drafting adoption and review of its integrated development plan.

The IDP Process Plan and the District Framework Plan was adopted on 27 August 2014.

3. IDP Steering Committee and IDP Representative Forum Meetings

The IDP Steering Committee acts as a support to the IDP Representative Forum, making technical decisions and inputs, to the Municipal Manager and the IDP Manager. Refinement and Quality check of IDP document to ensure compliance with legislation, and provide

technical assistance to the mayor in discharging the responsibilities set out in Section 53 of the MFMA.

The IDP Representative Forum is responsible for:

- Provide an organisational mechanism for discussion, negotiation and decision making between stakeholders.
- Represents the interest of their constituencies in the IDP process.
- Monitors the performance of the planning and implementation process.
- Comprises of the Mayor, Councillors, Municipal Manager, Directors, representatives of various sectors, NGO's, Government Departments and specialised community members

4. Public Participation

During 2014/15 financial year public participation process focused on what support was provided to the LMs and it was expected of the category to indicate whether the interventions were beneficial.

The meetings were held on the dates below:

Date	Topic	Municipality	Venue	Facilitator	Senior Management Representative
06 November 2014	Draft Budget & IDP	Kai Garib	To be Confirm	Executive Mayor Cllr..Gift van Staden	Municipal Manager Directors Middle Managers
13 November 2014	Draft Budget & IDP	Kgatelopele	To be Confirm	Executive Mayor Cllr .Gift van Staden	Municipal Manager Directors Middle Managers
14 November 2014	Draft Budget & IDP	Tsantsabane	To be Confirm	Executive Mayor Cllr. Gift van Staden	Municipal Manager Directors Middle Managers
17 November 2014	Draft Budget & IDP	Khara Hais	To be Confirm	Executive Mayor Cllr. Gift van Staden	Municipal Manager Directors Middle Managers
17 November 2014	Draft Budget & IDP	Khara Hais	To be Confirm	Executive Mayor Cllr. Gift van Staden	Municipal Manager Directors Middle Managers
03 December 2014	Draft Budget & IDP	Mier	To be Confirm	Executive Mayor Cllr. Gift van Staden	Municipal Manager Directors Middle Managers
13 November 2014	Draft Budget & IDP	Kheis (meeting postponed till further notice)	To be Confirm	Executive Mayor Cllr .Gift van Staden	Municipal Manager Directors Middle Managers

During the public participation meetings presentations focused on the support rendered during quarter 1 of the current financial year.

Tsantsabane Municipality:

- Housing inspection
- PMS
- Internal Audit
- Archives Plan
- Supply chain management
- Disaster management
- Environmental health
- Information Technology

Mier municipality:

- Human resource management
- Human resource development
- Internal audit
- Supply chain management
- Environmental health
- Disaster management
- Information Technology
- Housing inspection

Kgatelopele Municipality

- Housing inspection
- PMS
- Disaster management
- Environmental health
- Information Technology

Kai Garib Municipality

- Housing inspection
- PMS
- Internal Audit
- Disaster management
- Environmental health
- Information Technology

Khara Hais Municipality

- Housing inspection
- PMS

In order to forge consultation between the district municipality and its local municipality's engagement is encouraged to ensure the capacity of the category B municipalities is enhanced. Hence for the 2014/2015 round of public participation, the focus was to assess what support has been provided and the whether the Impact of it was of any value to the receiving

COMMUNICATION, PARTICIPATIONS AND FORUMS

The District Municipality has a communications unit which consists of three officials to facilitate the internal and external communication programs of the District

Communication Strategy:

The strategy aims to create a climate of understanding, commitment and support that will contribute to the success and effectiveness of the municipality to comply with the said legislation. It aims:

- To make sure that the municipality has appropriate ways of engaging people in the affairs of the municipality
- To provide information about the municipality's work which is up to date, accurate, relevant and provided in a way suitable for the people receiving it

District Communication

The District Communication Forum has been clustered with the other for a thus no independent communication forums took place for the year under review.

Chapter 2

WARD COMMITTEES

The ZF Mgawu District Municipality has good relations with other spheres of government. We have to mention that the District as a category C municipality does not have ward committee. However the District assisted the local municipalities in ensuring that they have functional ward committees and also ensuring that these structures have the necessary capacity and resources.

The District established a Community liaison unit that focuses on the functionality of ward committees.

COMPONENT D: CORPORATE GOVERNANCE

RISK MANAGEMENT

The ZF Mgawu District Municipality recognizes risk management as an integral part of responsible management within the organization that must be implemented in an integrated manner within all departments, operations and processes with the overall objective of reducing risk as far as is reasonably practical.

The Risk Management unit resides within the sphere of the Municipal Manager and is responsible for coordination of all risk management activities in the municipality. The risk unit supports the achievement of objectives and reduces the chance of serious errors occurring.

The principal purpose of the Risk Management unit where available, is to facilitate, support and advise line management and employees in relation to the management of risk. It is not their responsibility to manage risks identified within a service. The management of risks is a line management function and responsibility.

A top down view is taken of the municipality so as to better understand the environment within which the municipality operates, in developing our understanding of various activities of the municipality.

The District risk identification and managing process has taken an in depth look at the manner previously used to identify the source/root of what could hamper the achievement of objectives set by the District which is captured in the Service Delivery and Budget Implementation Plan. The risk identified was done on an operational and strategic level. This was done on the following bases:

1. Both senior management and middle management participated in the process
2. The risk unit engaged with each middle manager on a one on one session
3. The risks considered were formal and informal

The risk register was approved 15 April 2014 by the Municipal Manager

The District also compiled action plans to mitigate the identified and captured on the 2013/2014 risk register. The risk was monitored by the risk unit on a quarterly basis in which the responsible official/risk owner had to present evidence as proof of continuous monitoring of said risks. A culture of risk management is slowly being adopted by the district but it can improve.

The risk management unit has the following governance documents adopted on 29 May 2014

- Risk management policy
- Risk committee charter
- Risk management strategic document

Top ten risk high risks of the Z.F. Mgcawu district municipality:

<u>Risk no.</u>	<u>Component/ Unit</u>	<u>Objectives</u>	<u>Outcome/ Consequences</u>	<u>Risk description/ Root Cause</u>	<u>Risk Title</u>	<u>Department</u>
A11	Assets	Monitor, record and safeguarding of Assets	Effective management of vehicles	Log sheet incomplete, possible unauthorised use of council vehicles, no inspection of vehicle before trip commences	Possible misuse of council vehicles.	Finance Services
b1	Disaster management	Preventing, mitigating and preparedness of disasters	Number of disasters prevented, mitigated and preparedness	Environmental disasters and unpreparedness	Possibility of human casualties and environmental disruptions	Municipal Support
b13	PMS	To set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP)	To assess whether the municipality is doing the right based on the targets set on the IDP	Lack commitment from departments to complete quarterly assessments on time	Untimely submission of performance reports to council might occur.	Municipal Support
B21	Housing	To monitor and determine the housing backlogs in the district as well as to inform the public on housing information	Provide administrative support to B-municipalities	Unawareness of local municipalities of the different housing programs.	Non implementation of other housing programs i. e. consumer education and other subsidy programs. Insufficient funding;	Municipal Support
C11	Health and safety	To render occupational health and safety services according to the occupational health and safety act.	To protect the workforce against occupational health and safety	Insufficient budget for OHS	Possible non-compliance with the occupational health and safety act 85 of 1993	Corporate Services
c35	IT	Continuation of operations resulting in zero downtime	Uninterrupted business operations	Possible defaults within the telecommunication system	Outdated telecommunication system	Corporate Services
c36	IT			Infrastructure and capacity planning items of load sharing	Regular replacement of hardware and software systems in terms of policy	Corporate Services
d9	Fraud	Fraud prevention and detection	Mitigated fraud and corruption	Lapse in timeous reporting of identified fraud	Untimely reporting of identified fraud	Office of the Municipal Manager

FRAUD AND ANTI-CORRUPTION

Prevention of fraud is about understanding risks, external and internal and in recognizing that the working environment created by an organization is the most significant factor that determines how much of a target for fraud that organization will be. It is for that reason that the Council of ZF Mgcawu District Municipality adopted a fraud prevention policy

This policy is intended to set out the attitude of the ZF Mgcawu District Municipality to fraud and to reinforce existing policies and procedures of the municipality aimed at preventing, reacting to and reducing the impact of fraud. The goal of fraud and corruption prevention within ZF Mgcawu District Municipality is to manage the susceptibility to risk with a view to reducing it and to raise the level of fraud awareness amongst employees and other stakeholders

Furthermore, the purpose of the policy is to communicate that the Municipality is committed to eliminate fraud and that the Municipality supports and fosters a culture of zero tolerance to fraud and all its activities. Through this policy, the Municipality undertakes to combat all forms of fraud and corruption as well as to remain pro-active in the fight against fraud.

In accordance with the policy the District Municipality identified procedures for reporting fraudulent and or corrupt activities and these include that every employee who becomes aware of fraud or acts of dishonesty must report this to his/her immediate supervisor. If the immediate supervisor is a party to the fraud, the next level of management must be informed. In addition to this the Office of the Accounting Officer and the Head Internal Audit must be informed.

There are certain important deterrents to fraud and corruption within the Municipality, such as

- Division of duties
- Exclusion of politicians from procurement processes
- Internal audit review of processes and adherence to process
- Fraud Registers for both employees and service providers

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was initially adopted on 12 March 2010 and revised twice. The latest review took place on 30 May 2014. The SCM policy was reviewed on 30 January 2015. A presentation has been presented to the Audit Committee on 31 March 2015 on all the changes that have been made on the reviewed SCM policy.

The Bid committees held regular meetings. Specification Committee meetings take place on Mondays, Evaluation Committee on Wednesdays and Tender Committee on Fridays.

All municipal bid documents are in place and in compliance with the MFMA circular and include specification and evaluation criteria as recommended by the specification committee.

Support was rendered to Tsantsabane and Mier Municipality during the year under review.

On the 11th till the 15th May 2015 the Supply Chain Unit attended a supply chain training that was conducted by Logistics 2000 in Bloemfontein on MFMA and Procurement fraud.

The Unit manager of Supply Chain Management has Complete the Municipal Minimum Competency Training as mandated by the Municipal Regulations on Minimum Competency levels (Government Gazette 29967, 2007)

The municipality has developed and implemented a database of suppliers. Adverts are placed annually in the newspapers and on the website to invite suppliers to register on the municipal database. Service providers may however register on the database at any stage as there is no closing date for registration

The Supply Chain Management unit is continuously improving its processes and procedures in order to ensure that Council receives value for money in terms of demand and acquisition management

WEBSITES

Municipal Website : Content and Currency of Material	
Documents published on the Municipality's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report Year 2013/2014	Yes
The annual report 2013/2014 published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2014/2015 and resulting scorecards	Yes
All service delivery agreements 2014/2015	Yes
All long-term borrowing contracts 2014/2015	Yes
All supply chain management contracts above a prescribed value 2014/2015	Yes
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 2014/2015	Yes
All quarterly reports tabled in the council in terms of section 52 (d) during 2014/2015	Yes
<i>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.</i>	

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

In terms of Section 75 (1) of the MFMA, municipalities are required to place certain documents on their website. The ZF Mgcawu District Municipality has a fully functional website which is maintained and updated by the Communication unit. To ensure that the Accounting Officer is at all times aware of the content that goes onto the website. The District makes use of a register where applicants have to apply to place or remove information on the website. The Municipal Manager gives approval and only then is information dealt with

The system has proven to be effective and it also serves as a means of providing evidence if required about the content management of the website. The website consists of more than just legislative information, it shares information about the functions of the municipality, projects and means by which the community can contact the municipality.

PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

During the year under review the District Municipality did not engage on any public satisfaction surveys.

OVERSIGHT COMMITTEES

The municipality has done away with oversight committees as there is now a Municipal Public Accounts Committee in place

Chapter 3- Service Delivery Performance

INTRODUCTION

The Constitution of the Republic of South Africa states that municipalities have the responsibility to ensure that all citizens are provided with basic services i.e. water, sanitation, refuse removal and electricity. In this respect, the provision of basic services has a direct and immediate effect on the quality of the lives of people in communities across South Africa.

As indicated previously stated the District Municipality is not directly responsible for the rendering of services to communities and as a result we cannot report on the provision of basic services, we will however report on the functions and services that we render such as local economic development, housing and Disaster management to name a few.

COMPONENT A: FUNCTIONAL AREAS

3.1 HOUSING

The housing unit of the ZFM District Municipality has been engaged with all the local municipalities, rendering support in the implementation mandate for the district to deliver housing within the framework of sustainable human settlements. The support that is continuously given to the municipalities ranges from the consumer education to collecting of information regarding the housing needs in each municipality for the housing needs database which gives an indication of how many houses should be built per municipal jurisdiction.

We gave support also with regard to the implementation of the housing projects including quality control on the projects. However there are still some challenges that we are in the process of resolving surrounding the implementations of new projects and running projects that are taking time to complete. These projects have a total of subsidies that were approved by Province as directed by the demand database and are implemented in phases through allocations in each financial year.

Accreditation

The roles and responsibilities is been captured in the implementation protocol. In respect of the national housing programmes for which it has been accredited, the municipality shall undertake the functions on behalf of Mier, Kai Gari, Kheis, Tsantsabane and Kgatelopele municipalities. We have established a housing committee which is functional and which is representative of all municipalities in the district. We attend all the meetings of the district COGHSTA which ensures that we have good relations. The council is fully in charge of issues of housing in the district as it is a standing committee matter on council agendas. It is also an item on our Technical IGR and the Mayoral Committee, which ensures that the council stay on top of housing issues.

Training and Workshops

- Consumer education is a national priority programme and has its main aim to educate all beneficiaries who has received houses from the government since 1994, train housing officials on site and evaluate the quality of the facilitation of the session
- Different modules are presented to the community as per the manual and a session of questions and answers relating to housing are facilitated by senior housing officials and technical officials. Officials were identified and trained to be facilitators, trainers and evaluators with different roles to perform in a session. We are currently
- Executing the program focusing mainly on facilitating and this is rolled out on a monthly basis to all municipalities jointly with running projects
- Currently only focusing on current beneficiaries and all other house owners are excluded-one session cannot accommodate more than 50 people.
- Consumer education is the responsibility of the District Municipality after our accreditation has been approved. We are regularly embarking on training campaigns in conjunction with the local municipalities and the regional department of human settlements

CURRENT STATUS OF PROJECTS IN THE ZF MGCAWU DISTRICT MUNICIPALITY AREA FOR 2014/2015 FINANCIAL YEAR			
PROJECT LOCATION	SUM OF TOP STRUCTURES COMPLETED	STRUCTURES IN PROCESS	COMMENTS
!KHEIS MUNICIPALITY			
Wegdraai	25	50	Sewer Issue - Need Septic Tanks
Grootdrink	20	50	In Process
Topline	10	0	50 houses were allocated for 2013/2014 but procurement was a challenge. Waiting to see if Province will be allocated for this 2015/2016 financial year.
KAI !GARIB MUNICIPALITY			
Keimoes	162	5	Last 5 houses in Progress
Kakamas	177		Project Complete
Kenhardt	100	16	Project is close to completion
Lennertsville	50		All top structures and septic tanks complete In process with connections from house to septic tank to reach completion.
TSANTSABANE MUNICIPALITY			
Maranteng	11	39	In Process
Jenn Haven	7	0	All is complete
Groenwater	50	0	Services needed for approximately 30units before completion are reached.
KATALOPELE MUNICIPALITY			
Danielskuil	50		Project Complete
MIER MUNICIPALITY			
Rietfontein	2		Project Complete

Loubos	6		Project Complete
Groot Mier	5		Project Complete

DRAFT

3.2 LOCAL ECONOMIC DEVELOPMENT

The training of SMME's within the ZF Mgcawu District was identified during the needs assessment by the IDP unit during the public participation with each local municipality that falls under jurisdiction of ZFM respectively, hence it was part of the SDBIP 2014/2015

The LED unit together with the DTI conducted SMME and cooperatives training during the 2013/2014 financial year. As a team we've decided to rope in the DTI again for mere follow ups and explaining the different incentive schemes DTI has to offer to all types of businesses. The unit also requested SEDA to be part of the training to briefly explain their role and also their different offerings to potential clients. All five local municipalities as identified during the public participation received the planned training.

SMME AND COOPERATIVES TRAINING SCHEDULED

MUNICIPALITY	DATE	TIME	VENUE
Kgatelopele Municipality	17 November 2014	10H00	Kgatelopele Municipality Hall
Tsantsabane Municipality	18 November 2014	10H00	Tsantsabane Municipality Board room
Mier Municipality	19 November 2014	10H00	Rietfontien community Hall
!Khies Municipality	20 November 2014	10H00	!Khies Municipality boardroom
Kai Garib Municipality	21 November 2014	10H00	Keimoes community Hall

Challenges faced by small business and cooperatives remained unchanged and are merely experienced by the majority of entrepreneurs. Below please find summary of challenges as it came out of the training sessions.

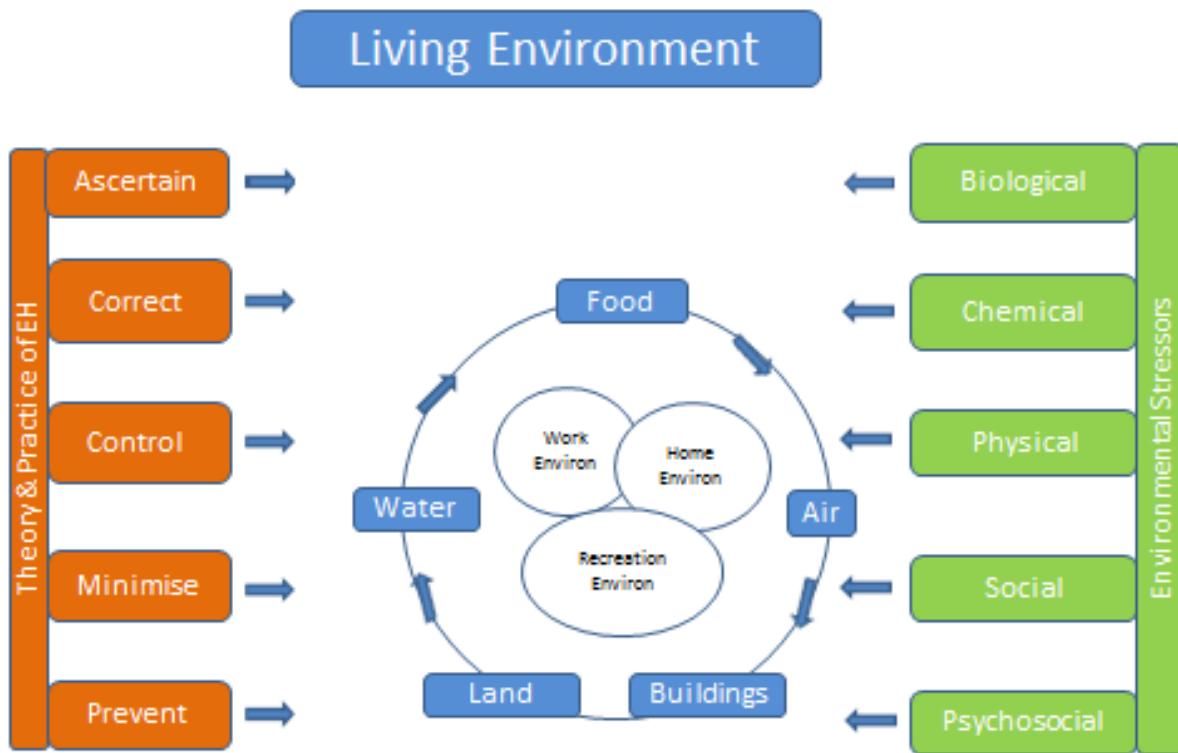
- Registration procedure
- Waiting period of registered business documentation
- The understanding of the new BEE codes and the effect on business
- Lack of knowledge

- Access to funding agencies
- Expired Tax clearance certificates
- Availability of land for business
- Lack of transportation
- Lack of training in business management
- Lack of cooperatives registration
- No market for the products
- Lack of BEE Certificates
- The local mines not accommodating the local SMME's in their procurement process

A further need arise for follow up training in future. With specific focus on ISO 9001 which focus on the delivery of good quality products as many individuals within the ZFM District requested it during the SMME and cooperatives training conducted. We also need to get out LED partners on board as SMME's and cooperatives can most definitely improve our economic growth.

3.3 ENVIRONMENTAL HEALTH SERVICES

Environmental health comprises those aspects of human health (including the quality of life) which are determined by physical, chemical biological, social and psycho-social factors in the environment. It also refers to the theory and practice of ascertaining, correcting, controlling , minimizing and preventing those factors in the environment that can potentially have an adverse effect on health of the present and future generations.



ZF Mgcawu District renders environmental health services in the Mier, !Kheis, Kai! Garib, Tsantsabane and Kgateleopele local municipal areas. //Khara Hais local municipality currently still renders the environmental health service in their area of jurisdiction. A task team comprising SALGA, Department of Health ZFM & Khara Hais is currently in the process of devolution of MHS from Khara Hais to ZFM.

Current operations

There are 5 EHP's (Environmental Health Practitioners) operating in the ZF Mgcawu District Municipal area and 5 in //Khara Hais, which gives an average of 1 EHP to 23 000 of the population. The national norm is 1 EHP to every 10 000 of the population.

The operations of environmental health form part of the IDP and comprise the rendering of Municipal Health Services in the region, except in //Khara Hais, according to the Scope of the profession of Environmental Health in Regulation No. R. 698 of 26 June 2009. The scope of practice of environmental health applies the definition of environmental health to the following environmental health elements:

Water monitoring

Food control

Waste management and general hygiene monitoring

Health surveillance of premises

Surveillance and prevention of communicable disease, excluding immunisations

Vector control monitoring

Environmental pollution control

Disposal of the dead

Chemical safety

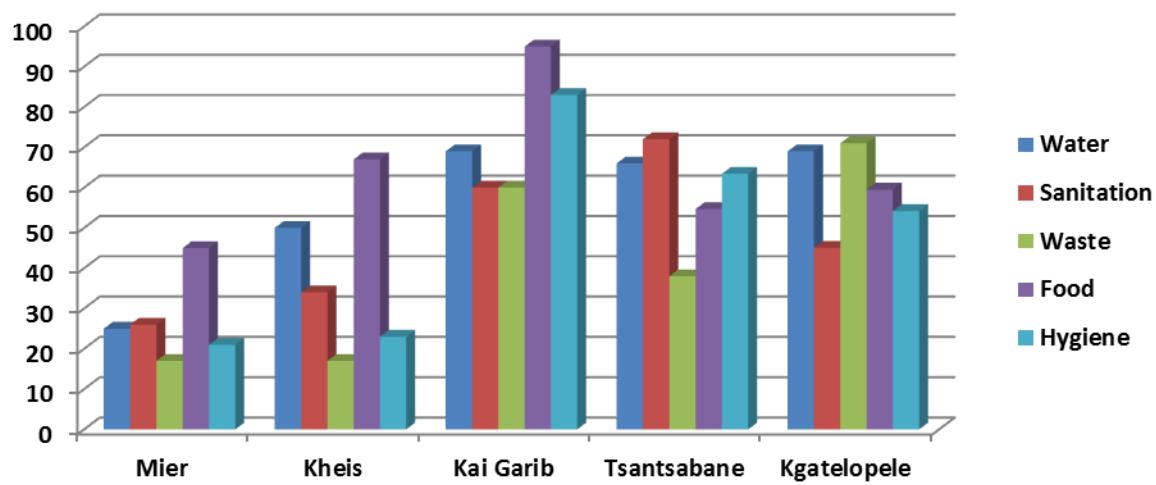
Noise control

Radiation (ionising and non-ionising) monitoring and control

Control and monitoring of hazardous substances.

The graph below illustrates the state of the most basic environmental health elements per municipality within the ZF Mgcawu region. It does not include //Khara Hais Municipality, as MHS is currently still rendered by them, but it must be mentioned that //Khara Hais does maintain a very good quality on all EH elements. Environmental health elements in this graph were evaluated during the year, against the following criteria:

Environmental health in ZFM 2014/15



3.4 DISASTER MANAGEMENT

The overall purpose of the District Disaster Management Plan is:

- To promote an integrated coordinated approach to Disaster Management through all spheres of government
- To identify key role players and their responsibilities
- To identify communities that are risk
- To put effective risk reduction, preventative and mitigation strategies in place
- To develop, improve and maintain disaster preparedness and response capabilities
- To promote training and education programmes that are focused at the public, private sectors, volunteers and government

The role of the ZF Mgawu District Municipality

- + Coordination
- + Support damage assessment
- + Advice and liaise with role players
- + Facilitate funding arrangement
- + Assess criteria in compliance with the Emergency Housing Programme and mobilize resources accordingly
- + Assess resources in order to avail temporary shelters

Role of the District Disaster Management Centre

- Promotes an integrated and coordinated approach
- Act as a source for information
- Make recommendations regarding the funding
- Promote the recruitment, training and participation of volunteers
- Promote capacity building, training and education
- Promote research
- Implement legislation and policy
- Coordinate district disasters

- Monitor the establishment and implementation plans by local municipalities.

Draft plans are in place to deal with disasters but only one of the six local municipalities have resources to deal with disasters. The other municipalities have no resources (equipment and officials). We noted that all municipalities have not budgeted sufficient funds to deal with disaster related issues.

3.5 INFORMATION TECHNOLOGY

The priorities of the information technology unit are:

- ❖ IT risk management
- ❖ IT security management
- ❖ Value and service delivery
- ❖ Safeguarding of IT assets
- ❖ Disaster recovery and continuity of operations
- ❖ Support to B Municipalities
- ❖ Improvement of IT audit

Improvements to the information technology infrastructure

- New firewall was implemented that is ISACA certified and enhance better system and network security as well as improve monitoring of network activities
- A domain controller with active directory was installed to provide better administration of the IT unit functions and enhance security parameters on network

The municipality recently adopted the DPSA framework and is in the process of implementation thereof.

Agendas of Council meetings are being distributed electronically (via Dropbox) thus ensuring savings of toner, paper and transport costs.

The IT Steering Committee and the IT Advisory Committee meetings were held on quarterly basis to address IT functions and monitor progress of audit recovery.

IT security assessments were done at every B Municipality. Two assessments per municipality were conducted during the year, which forms part of their IT Audit Recovery Plan and improves better IT Audits

Audit findings raised action implemented

1. User account management weaknesses were addressed during the year through monthly reviews done to ensure accuracy of logs
2. Review IT disaster recovery was done during the year to address weaknesses in policy and address any shortcomings with the process.

3.6 PROJECT MANAGEMENT

KAI GARIB LM

The District Municipality has implemented a EPWP program across different areas of the local Municipality. In Kai Garib LM the District considered provision of sanitation for the elderly people in communities who could not access the VIP toilets and repairs at one of the sports fields, where the edges of the sport field are eroded due to strong floods.

Mier LM

The Municipality received support in Noenieput where we looked at the electricity supply, sanitation facilities, graveyard services and also a project to address all towns to be provided with sanitation. The projects experienced challenges due to poor conditions of roads, suppliers rejected offers to deliver materials at these sites. Due to Noenieput town is still an established town, in the process to provide services we have recognized the need for services. The township establishment process is already on the pipeline which will result in the move of the community to their allocated sites

//Khara Hais LM

In //Khara Hais Municipality we also considered the provision of sanitation for elderly community member who were using VIP toilet systems. The challenge with the VIPs is that the system maintenance programmes were never included to the package and people have failed to maintain the systems and it is becoming a health risk. The District went to identify a few houses Louisvale Dorp, Ntsikelelo to assist to build toilets close to the house or in the houses with flushing equipment.

!Kheis LM

The Municipality was assisted with water tanks for the informal areas where people do not have access to water. This was requested by the municipality due to the growth of settlements around town. The municipality received 5x10 000 for water and two from the Department of Water Affairs for rainwater harvesting

Bucket Eradication

The Department of Cooperative Governance Human Settlements and Traditional affairs appointed Municipal Infrastructure Support Agency to implement a program on bucket eradication. The program aims to remove all substandard sanitation facilities within formal areas and implemented construction of sewer reticulation and proper toilet facilities. Initial the scope of the MISA program was to assist municipalities with planning and management of the infrastructure programmes and assets management

3.7 ASSET MANAGEMENT

This matter is dealt with in Chapter 5 of this document

3.8 PROPERTY AND LEGAL

Name of entity/subsidiary	Legal counsel's remarks
DV Konstruksie	Claim
Alfa Paneelkloppers	Claim
Nashua	Claim
Government Handbook	Claim
Kontrei Afslaers	Resolved
April Jacobs	CCMA
SAMWU	Appointment J van Wyk Labour Court

3.9 EXECUTIVE COUNCIL

Council consists of 21 Councillors and plays an oversight role. Through Council the annual report and oversight report were submitted to council by 27th March 2015. Similarly all budgets and budget related policies are also approved by council. The effective functioning of council is measured in terms of the number of council meetings per annum

KPI	Unit of Measurement	Target	Actual
Annual report and Oversight Report submitted to Council by March 2015	Reports submitted	March 2015	March 2015
Effective functioning of council measured in terms of the number of council meetings	No of Council meetings per annum	7	7
Effective functioning of the Mayoral Committee	No of Mayoral Comm meetings	12	12
Adjustment approved by Council	Adjustment approved (end February)	28 February 2015	27 February 2015
Main budget approved by council	Budget approved	31 May 2015	28 May 2015
Effectiveness of the Audit Committee	No of audit committee meetings	4	5
Effectiveness of portfolio committees	No of meetings held	4	4

The Special Council meetings held for the year under review are:

- 27 February 2015
- 27 March 2015
- 30 June 2015

The number of regular Council meetings is as follows:

- 27 August 2014
- 28 November 2014

- 30 January 2015
- 22 May 2015

Portfolio Committee Meetings

- 06 August 2014
- 5 November 2014
- 24 March 2015
- 21 May 2015

DRAFT

Chapter 4: Organisational Performance

HUMAN RESOURCE SERVICES

HUMAN RESOURCE MANAGEMENT

The District Municipality handles its training and development needs through the Human Resource Development arm of HR. The HR division is split into two core arms namely:

-  Human Resource Management Unit
-  Human Resource Development Unit

Overall management of comprehensive human resources management policies and processes to ensure that the efficient HR Systems and procedures, compliant with HR management legislation and practices, are maintained in the municipality.

Administration

This includes personnel records, statistics about personnel and information processing

Remuneration

This includes job analysis, job evaluation, salary and wage structuring, fringe benefit scheme and incentive systems.

Leave

Daily monitoring and processing of leave taken. Monthly reconciliation of all types of leave

Human Resource Provisioning

This includes human resource planning, recruitment, election, placement, transfers, promotions and dismissals

HUMAN RESOURCE DEVELOPMENT

Human resource development is established when there are greater diversities in the workshop. Related human resource wheel, three primary functions of human resource development have been identified and they are:

- a) Training and development
- b) Organizational development
- c) Career development

With the funds available the Council endeavours annually to comply to the training needs as identified in the Work Skills Plan

The Council shall comply with the minimum competency prescriptions by 2015

The primary function of HRD

Training and development

- ✓ Training involved providing the employees the knowledge and skills needed to do a particular task or jobs

Organizational development

- ✓ It is defined as the process of enhancing the effectiveness of an organization and the well being of its members through planned interventions that apply behavioral science concepts

Career development

- ✓ It is an ongoing process by which individuals progress through a series of stages characterized by a set of issues, themes and tasks
- ✓ It involves two district process, career plan and career management

Chapter 4

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees					
	Year 0		Year 2014/2015			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %	
Office of the MM	2	2	2	0	0	%
Strategic Management	1	1	1	0	0	
Communication & IGR	4	4	4	0	0	
Internal Audit	5	5	5	0	0	
Risk Management	2	2	2	0	0	
Office of the Executive Mayor	6	6	6	0	0	
Office of the CFO	3	3	3	0	0	
Expenditure	6	6	6	0	0	
Assets	5	5	5	0	0	
Supply Chain	4	4	4	0	0	
Budget & Treasury	5	5	5	0	0	
Corporate Services Director	1	1	1	0	0	
Council Secretariat	4	4	4	0	0	
Registry & Archives	4	4	4	0	0	
Cleaning & Maintenance	6	6	6	0	0	
HR Management	4	4	4	0	0	
HR Development	2	2	2	0	0	
Labour Relations	1	1	1	0	0	
Security	8	8	8	0	0	
IT	3	3	2	1	33	%
Technical Services Director	2	2	2	0	0	
Environmental Health	5	5	5	0	0	
Tourism & LED	4	4	4	0	0	
IDP	2	2	2	0	0	
PMU	5	5	5	0	0	
Housing	5	5	5	0	0	
Disaster Management	9	9	9	0	0	
PMS	2	2	2	0	0	
Totals	110	110	109	1	-	

Vacancy Rate: Year 2014/2015			
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	0.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	2	0	0.00
Other S57 Managers (Finance posts)	1	0	
Senior management: Levels 1-3 (excluding Finance Posts)	10	0	0.00
Senior management: Levels 1-3 (Finance posts)	1	0	0.00
Highly skilled supervision: levels 4-9 (excluding Finance posts)	8	0	0.00
Highly skilled supervision: levels 4-9 (Finance posts)	4	0	0.00
Total	28	1	3.57

*Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). 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*

T4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2014/2015	5	16	320.00%

** Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*

T4.1.3

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The District Municipality had various capacity building and skills development initiatives undertaken during the 2014/2015 financial year. Capacity building at municipalities is crucial to improve service delivery. As such, Human Resource Management is aimed at strengthening institutional capacity.

In terms of the Municipal Systems Act a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way and for the purpose must comply with the Skills Development Act, 1998 and the skills development levies act 20 of 1999.

The District has adopted various HR Policies which are included in this chapter

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Relocation Policy			22/4/2014
2	Long Service Policy			27/6/2013
3	Housing Subsidy			29/8/2013
4	Leave Policy			26/9/2013
5	Wellness Policy			29/5/2014
6	Promotion Framework			29/5/2014

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

T4.2.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	57	4	0.00%	11.4	
Temporary total disablement	57	2	3.51%	11.4	
Permanent disablement	0	0	0.00%	0	
Fatal	0	0	0.00%	0	
Total	114	6	5.26%	22.8	0

T4.3.1

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 13-16)	0	0%	0	0	0.00	0
Skilled (Levels 10-12)	132				4.26	
Highly skilled production (levels 7-9)	84				2.71	
Highly skilled supervision (levels 4-6)	163		15	18	5.26	
Senior management (Levels 0-3)	62	%	7	9	2.00	
MM and S57	36		2	4	1.16	
Total	477	0%	24	31	15.39	0

* - Number of employees in post at the beginning of the year

*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T4.3.2

4.4 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 1	Number of skilled employees required and actual as at 30 June Year 1											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target
MM and s57	Female											1		
	Male	1										1	2	
Councillors, senior officials and managers	Female	2										2	3	
	Male	4										4	4	
Technicians and associate professionals*	Female	5										5	2	
	Male	2										2	9	
Professionals	Female	6										6	6	
	Male	4										4	2	
Sub total	Female	13										13	12	
	Male	11										11	17	
Total		24	0	0		0	0		24	29		24	29	

*Registered with professional Associate Body e.g CA (SA)

T4.5.1

COMPETENCY DEVELOPMENT (CPMD)

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	0	0	0
Chief financial officer	1	0	1	0	0	0
Senior managers	5	0	5	0	0	0
Any other financial officials	6	0	6	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	0	0	0			
TOTAL	14	0	14	0	0	0

* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T4.5.2

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 Year 1							
			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 S57	Female									
	Male	1								45000
Legislators, senior officials and managers	Female	2								90000
	Male	4								180000
Professionals	Female	5								225000
	Male	2								90000
Technicians and associate professionals	Female	2								5000
	Male	3								7500
Clerks	Female	4								22000
	Male	1								5500
Service and sales workers	Female									
	Male									
Plant and machine operators and assemblers	Female									
	Male									
Elementary occupations	Female									
	Male									
Sub total	Female	13								
	Male	11								
Total		24	0	0	0	0	0	0	0	670000
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.										%* *R

COMMENT ON SKILLS DEVELOPMENT

The LGSETA requires that a municipality that have a workforce of more than 50 people must have a training committee which consist of a

- Councillor, Head of Corporate, SDF as well as a representation of each department
- The function is to ensure implementation of the WSP takes place
- The Work Skills Plan are a template that the LGSETA provide where reporting and planning takes place and must be submitted on 30 June annually
- The district municipality has been compliant in this regard

Chapter 5

INTRODUCTION

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

- Component A: Statement of financial performance which will be derived from the Annual Financial Statements
- Components B: Spending against capital budget
- Component C: Other Financial Matters

This chapter will be fully completed once the Annual Financial Statements are done and reviewed.

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The Annual Financial Statements for the financial year ended 30 June 2015 will be attached to this report once completed and reviewed.

5.1 STATEMENT OF FINANCIAL PERFORMANCE

Financial Performance of Operational Services						
Description	Year 0		Year 1		Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water						
Waste Water (Sanitation)						
Electricity						
Waste Management						
Housing						
Component A: sub-total						
Waste Water (Stormwater Drainage)						
Roads						
Transport						
Component B: sub-total						
Planning						
Local Economic Development						
Component C: sub-total						
Planning (Strategic & Regulatory)						
Local Economic Development						
Community & Social Services						
Environmental Protection						
Health						
Security and Safety						
Sport and Recreation						
Corporate Policy Offices and Other						
Component D: sub-total						
Total Expenditure	-	-	-	-	#DIV/0!	#DIV/0!
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

T5.1.2

5.2 GRANTS

Grant Performance						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
-						
<u>Operating Transfers and Grants</u>						
National Government:						
Equitable share						
Municipal Systems Improvement						
Department of Water Affairs						
Levy replacement						
Other transfers/grants [insert description]						
Provincial Government:						
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants [insert description]						
District Municipality:						
[insert description]						
Other grant providers:						
[insert description]						
Total Operating Transfers and Grants	-	-	-	-	-	-
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						
T5.2.1						

5.3 ASSET MANAGEMENT

The Asset Unit's main reason for existence is to create a structured process of decision making, planning and control over the acquisition, use, safeguarding and disposal of assets to maximize their service delivery potential and benefits and to minimize their related risks and costs over their entire life.

Asset management in the ZF Mgawu District Municipality is governed by an asset management policy adopted in 2010 is reviewed annually. The policy serves to ensure that the municipality:

- Has consist application of asset management principles
- Implement accrual accounting
- Complies with the MFMA and other related legislation
- Correctly accounts for assets under the GRAP accounting framework
- Safeguards and controls the assets of the municipality and
- Optimizes asset usage

The asset management policy deals with the following key elements

- Asset recognition
- Recognition of assets initial measurement
- Subsequent measurement of assets
- The recognition of inventory items (non-capital items)
- Asset types
- Asset acquisition, asset maintenance, asset disposal, asset physical control and asset financial control

An asset management committee consisting of senior managers, has been appointed to facilitate and assist the Municipal Manager as the accounting officer of the District Municipality in his functions relating to asset management as set out in section 63 of the MFMA. The Municipal Manager has delegated the custody of and the responsibility for assets to the various Directors as defined in the organizational structure of the ZFM District Municipality

Acquisitions

Asset additions made during the year amounts to R780 159.65 which has been reconciled to the general ledger as at 30 June 2015 as required by section 63.

Support to B's

The unit rendered the following support to Mier Municipality during March and June 2015 as prioritized in the top layer SDBIP 2014/2015

- Assist with the title deed search at Mier Municipality
- assist with review of residual values at Mier Municipality
- assist with the review of depreciation methods at Mier Municipality
- Assist with the review of assets useful life's at Mier Municipality
- Assist to agree the title deed search results to the FAR at Mier Municipality

Disposals

Disposals were for the 2013/14 year done in November 2014 which falls within the 2014/15 year

5.4 CASHFLOW

Description	Year 0	Current Year: Year 1			R'000
	Audited Outcome	Original Budget	Adjusted Budget	Actual	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other					
Government - operating					
Government - capital					
Interest					
Dividends					
Payments					
Suppliers and employees					
Finance charges					
Transfers and Grants					
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	-	-	-	
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE					
Decrease (Increase) in non-current debtors					
Decrease (increase) other non-current receivables					
Decrease (increase) in non-current investments					
Payments					
Capital assets					
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	-	
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans					
Borrowing long term/refinancing					
Increase (decrease) in consumer deposits					
Payments					
Repayment of borrowing					
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD	-	-	-	-	
Cash/cash equivalents at the year begin:					
Cash/cash equivalents at the year end:					

5.5 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The District Municipality does not have any public private partnerships .

COMPONENT D: OTHER FINACIAL MATTERS

5.6 SUPPLY CHAIN MANAGEMENT

This matter was dealt with in Chapter 2 of this report

5.7 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice 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.

The District Municipality received two consecutive clean audits and this proves that we are moving in the right direction.

Chapter 6- AG Findings

INTRODUCTION

The Accounting Officer is responsible for the preparation and presentation of the financial statements in accordance with the South African Standards of Generally Recognized Accounting practice and the requirements of the Division of Revenue Act 2011

According to Chapter 9 of the Constitution, the Auditor General is one of the six independent institutions that should strengthen constitutional democracy, be impartial and exercise its powers without fear of favor. These powers include auditing and reporting publicly on the accounts, financial statements and financial management of most public sector institutions

6.1 AUDITOR GENERAL REPORTS FOR 2013/2014 YEAR

The ZF Mgcawu District Municipality received an unqualified audit opinion for two years in a row.

An opinion is said to be unqualified when the Auditor General concludes that the Financial Statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the financial statements. Therefore the Auditor General found that the ZF Mgcawu District Municipality does not have any significant findings in respect of matters contained in the Financial Statements

The Auditor General's report for the financial year ending 2013/2014 is attached

**REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL
LEGISLATURE AND THE COUNCIL ON ZF MGCAWU DISTRICT MUNICIPALITY
REPORT ON THE FINANCIAL STATEMENTS**

Introduction

1. I have audited the financial statements of ZF Mgcawu District Municipality set out on pages x to x, which comprise of a statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the ZF Mgawu District Municipality as at 30 June 2014, and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Additional matters

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

Unaudited supplementary schedules

8. The supplementary information set out on pages x to x does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected strategic objectives presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected strategic objectives presented in the annual performance report of the municipality for the year ended 30 June 2014:

- Strategic objective 1: To monitor and determine the housing backlogs in the district as well as to inform the public on housing information on pages x to x
- Strategic objective 2: To assess and provide targeted support improving institutional capacity and service delivery capabilities of category B-municipalities on pages x to x
- Strategic objective 3: To promote environmental health and safety of communities in the Siyanda District through the proactive prevention, mitigation, identification and management of environmental health services, fire and disaster risks on pages x to x

- Strategic objective 4: To promote safety of communities in the Siyanda District through the proactive prevention, mitigation, identification and management of fire and disaster risks on pages x to x
 - Strategic objective 7: To assess and monitor the status of infrastructure needs and requirements of B Municipalities on pages x to x
12. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned strategic objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives.

Additional matter

16. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives, I draw attention to the following matter:

Unaudited supplementary information

17. The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. I have not audited this information and, accordingly, I do not report thereon.

Compliance with legislation

18. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

19. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General

Kimberley

30 November 2014



Auditing to build public confidence

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

In terms of section 71 of the MFMA municipalities are required to return a series of financial performance data to the National Treasury at specific intervals throughout the year. The Chief Financial Officer hereby states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial officer).....

Dated

APPENDICES

APPENDIX A- COUNCILLORS, COMMITTEE ALLOCATION AND PARTY REPRESENTED

MAYORAL COMMITTEE

NO	NAME & SURNAME	Party Represented
1.	Cllr G van Staden	ANC
2.	Cllr P Wetbooi	ANC
3.	Cllr GH Mothibi	ANC
4.	Cllr B Sinxeve	ANC
5.	Cllr PM Mgcer	ANC

INSTITUTIONAL DEVELOPMENT

NO	NAME & SURNAME	Party Represented
1.	Cllr PM Mgcer	ANC
2.	Cllr PM Kotze	DA
3.	Cllr M Mabilo	TCF
4.	Cllr AM Van Wyk	DA

SERVICE DELIVERY

NO	NAME & SURNAME	Party Represented
1.	Cllr P Wetbooi	ANC
2.	Cllr B Bock	ANC
3.	Cllr J Assegaa	DA
4.	Cllr C Tities	DA

SOCIAL & LOCAL ECONOMIC DEVELOPMENT

NO	NAME & SURNAME	Party Represented
1.	Cllr GH Mothibi	ANC
2.	Cllr E Mnyaka	ANC
3.	Cllr J Thomas	COPE
4.	Cllr JPI Joseph	DA

GOOD GOVERNANCE & PUBLIC PARTICIPATION

NO	NAME & SURNAME	Party Represented
1.	Cllr B Sinxeve	ANC
2.	Cllr M Oliphant	ANC
3.	Cllr SP May	ANC
4.	Cllr DZ Ntlanganiso	

FINANCIAL VIABILITY

NO	NAME & SURNAME	Party Represented
1.	Cllr G van Staden	ANC
2.	Cllr K Dodds	ANC
3.	Cllr A Isaacs	ANC
4.	Cllr A de Bruin	COPE

APPENDIX B- COMMITTEES AND COMMITTEE PURPOSES

COMMITTEE OTHER THAN MAYORAL AND THEIR PURPOSES

Institutional Development	This committee deals with institutional matters including administration and human resources
Service Delivery	This committee deals with service delivery issues also focusing on local municipalities
Social and Local Economic Development	LED forms an important part of economic growth in the region
Good Governance and Public Participation	Matters relating to communication, ward committees and public participation
Financial Viability	Finance related information (compliance reports and budgets)
MPAC	Performs an oversight function such as evaluating the annual report and financial statements

APPENDIX C- THIRD TIER STRUCTURE

THIRD TIER STRUCTURE	
Directorate	Directors
Financial Services	Acting Director Kitching
Technical Services	Acting Director Tities
Corporate Services	Director Van Zyl

APPENDIX D- MUNICIPAL FUNCTIONS

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	NO	
Building regulations	NO	
Child care facilities	NO	
Electricity and gas reticulation	NO	
Firefighting services	NO	
Local tourism	YES	
Municipal airports	NO	
Municipal planning	YES	
Municipal health services	NO	
Municipal public transport	NO	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	NO	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	
Stormwater management systems in built-up areas	NO	
Trading regulations	NO	

Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	NO	
--	----	--

DRAFT

APPENDIX G- MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS



FEEDBACK FROM

INTERNAL AUDIT

SUMMARY OF RESOLUTIONS AND RECOMMENDATIONS OF THE AUDIT COMMITTEE

RESOLUTION & RECOMMENDATION LAUNCHED		RESOLUTIONS & RECOMMENDATION IMPLEMENT		RESOLUTION & RECOMMENDATION OUTSTANDING	
QUARTER	NUMBER	QUARTER	NUMBER	QUARTER	NUMBER
Quarter 1	3	Quarter 1	3	Quarter 1	0
Quarter 2	10	Quarter 2	10	Quarter 2	0
Quarter 3	6	Quarter 3	6	Quarter 3	0
Quarter 4	12	Quarter 4	0	Quarter 4	12

LAUNCHED 31 IMPLEMENTED 19 OUTSTANDING 12

Detail summary of decisions taken by the Audit Committee during the 2014/2015 Financial Year

<i>August 2014 Meeting</i>	<i>1. The concern that the liabilities are more than the Assets of the Municipality. 2. That management must update the Annual Financial Statements with the Audit Committee recommendations.</i>
<i>August 2014 Meeting</i>	<i>1. That management ensures that that Annual Financial Statements were amended prior to submission to the Office of the Auditor General at 31 August 2014.</i>
<i>December 2014 Meeting</i>	<i>1. Management must ensure that only accredited Service Providers be used for providing of training. 2. That management must attend to the aspect of repeating findings been raised every quarter. 3. The concern that the metal detectors get lost in the presence of security personnel and that feedback must be provided. 4. That the payment requisition be amended to make provision for the expiring date of the Tax Clearance Certificate , the existence of a BEE certificate and the deregistration of companies. 5. Proof that the audit recovery plan for 2013/2014 was approved by the council. 6. That a separate reconciliation report of the Cash Flow and Financial Position as well as the comparison between the income and cash flow statement be presented to the audit committee meeting. 7. That management must implemented what they have planned. 8. Request a presentation on Supply Chain Management and IT Policies at the next audit committee meeting. 9. That the issue of findings on the Support to B municipalities be discussed at a political level and various council meetings. 10. That management provide the audit committee with a copy of the management letter and audit report of 2013/2014.</i>

March 2015 Meeting

1. The meeting resolved that a meeting will be set up with the Service provider and feedback in this regard will be given by Mr Beukes in the next meeting. 2. That the Fraud prevention policy must be updated and reviewed annually. 2. A report on the outstanding payments of ALFA Panelbeaters will be given during the next audit committee meeting. 3. The meeting resolved that a presentation on the amendment of the payment voucher must be presented during the next audit committee meeting. 4. The audit committee is concern about the defecit of R 2 388 573 , 47. The meeting requested that an update must be given during the next audit committee meeting. 5. The audit committee request management to take the security of the Network as well as the Business Continuity Plan very seriously.

June 2015 Meeting

1. That officials be held accountable for not reporting an accident within 24hours. 2. That Internal audit conduct a special audit on the system as to to check whether controles pertaining to changing of adreses on the system work as intended. 3. The audit committee awaiting responses as to whether strategic risks identified were attended to. 4. That management conducted an overall assessment to evaluates the usage of the equitable share and to avoid that the equitable share is only use to cover personal costs. 5. That management must ensure that the list of inputs from the audit committee be included in the review of the fraud policy documents. 6. That the checklist be updated to cater for the validity of service providers VAT registration number and the correctness thereof. 7. That management presents a follow up report on the outstanding payment of Alfa Panelbeaters. 8. Feedback on the liason with Provincial Treasury and the Institute of Internal Auditors to do the Quality Assurance Review for the District Municipality at no cost. 9. That the Chairperson of the audit committee be involved in the appointment of an audit committee member at ZF Mgcawu District Municipality. 10. That a feedback mut be provided as to who has scored the audit committee a total of 3 for the audit committee independency. 11. That the Annual Financial Statements be completed on 31 July 2015 and submitted to Internal Audit and the Audit Committee for review on 3 August 2015 . 12. That a meeting between the management , the internal audit and the audit committee to be held on 11 August 2015 to discussed the review notes of the Annual Financial Statements.

APPENDIX J- DISCLOSURES OF FINANCIAL INTEREST

DISCLOSURES OF FINANCIAL INTEREST		
PERIOD 1 JULY 2014 TO 30 JUNE 2015		
Position	Name	Description of financial interest
Executive Mayor	G Van Staden	Director at Upington Convenience Centre (Pty)Ltd Director at SA Soutwerke (Pty) Ltd Director at Upington Super Salt (Pty) Ltd Director at Kwari Ya Letswe (Pty) Ltd Director at Gold Tune Trading 30 (Pty) Ltd
Councilor	P Kotze	Director at Feed 4 U (Pty) Ltd
Councilor	M Mabilo	Director at TCF Funeral Services (Pty) Ltd

Councilor	GH Mothibi	Director at Tsantsabane Social and Labour Development Forum Director at Northern Cape Mining Logistics and Services (Pty) Ltd Director at Charofor (Pty) Ltd
Councilor	E Mnyaka	Director at Rosedale Skills Development and Innovation
Middle Manager	H Combrinck	Director at Kalahari Kuierfees
Middle Manager	F Strauss	Member at WJP Strauss Boerdery CC
Middle Manager	H Theron	Director at S Schroeder and Associates
Middle Manager	J Willemse	Member at Black Sparrow Trading CC
Middle Manager	B van Kratenburg	Director at BMD trading (Pty) Ltd
Middle Manager	J van Wyk	Director at JVW Group (Pty) Ltd

VOLUME II: ANNUAL FINANCIAL STATEMENTS

The completed Annual Financial Statements will be volume II of the Annual Report

The statements will be attached as Appendix B

CLOSING REMARKS

DRAFT