



DRAFT ANNUAL REPORT

ON THE PERFORMANCE OF

KAROO HOOGLAND MUNICIPALITY

FOR THE 2014/15 FINANCIAL YEAR

**IN TERMS OF
SECTION 46 OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 2000
AND
SECTION 121 OF THE MUNICIPAL FINANCIAL MANAGEMENT ACT, 2003**

DRAFT : SEPTEMBER 2015 SUBMITTED

FINAL : January 2016

CONTENT

CHAPTER 1

Mayor's Foreword (Component A)

- 1.1 Municipal Manager's Overview**
- 1.2 Municipal Functions, Population and Environmental Overview**
- 1.3 Development Goals**
- 1.4 PGDS Development Targets**
- 1.5 Service Delivery Overview**
- 1.6 Financial Health Overview**

CHAPTER 2

- 2.1 Political and Administrative Governance**
- 2.2 Administrative Governance**
- 2.3 Intergovernmental Relations**

Public Accountability and Participation

- 2.4 Public Meetings**
- 2.5 IDP Participation and Alignment**

Corporate Governance

- 2.6 Risk Management**
- 2.7 Anti-Corruption Strategy**
- 2.8 Supply Chain Management**
- 2.9 By-Laws**
- 2.10 Websites**
- 2.11 Public Satisfaction on Municipal Services**

CHAPTER 3

Service Delivery Performance

- 3.1 Water**
- 3.2 Waste Water (Sanitation) Provision**
- 3.3 Electricity**
- 3.4 Waste Management**
- 3.5 Housing**
- 3.6 Free Basic Services and Indigence Support**
- 3.7 Roads**
- 3.8 Waste Water Storm water Drainage**
- 3.9 Transport**
- 3.10 Planning**
- 3.11 Local Economic Development**
- 3.12 Community and Social Services**
- 3.13 Cemeteries and Crematoriums**
- 3.14 Child Care; aged care; social programmes**
- 3.15 Pollution Control**
- 3.16 Health / Ambulance Services**
- 3.17 Health Inspections and Abattoir**

- 3.18 Fire / Disaster Management
- 3.19 Sport and Recreation
- 3.20 Executive and Council
- 3.21 Human Resource Services

CHAPTER 4 : ORGANISATIONAL DEVELOPMENT PERFORMANCE

- 4.1 Employee totals and vacancies
- 4.2 Policies

CHAPTER 5: FINANCIAL PERFORMANCE

- 5.1 Statement of Financial Performance
- 5.2 Grants
- 5.3 Capital Expenditure
- 5.4 Cash Flow
- 5.5 Borrowing and Investments
- 5.6 Supply Chain Management
- 5.7 GRAP Compliance

CONCLUSION

ANNEXURES (To be attached with Final Report)

Annexure A	Councillors, Committee Allocation and Council Attendance
Annexure B	Functions of Municipality
Annexure C	Disclosure of Financial Interests
Annexure D	Policies
Annexure E	Organogram
Annexure F	Personnel Information
Annexure G	Water Non Revenue
Annexure H	Population Details
Annexure I	SDBIP & Annual Performance Report
Annexure J	AFS for the year ended 30 June 2015
Annexure K	List of Disposals
Annexure L	Ward Reporting and Information
Annexure M	Conditional Grants Received and Spent
Annexure N	Long Term Contracts & PPP
Annexure O	Information listed on Webpage
Annexure P	Submission of documents to Departments, Treasury & AG
Annexure Q	B2B Reports
Annexure R	Audit Action Plan to Address Audit Outcomes
Annexure S	Auditor General Report
Annexure T	

CHAPTER I:

MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

❖ Vision

The Municipal Council of the Karoo Hoogland Municipality will strive to implement / establish a process to improve the quality of life of all its residents by maximum, utilization of resources and the continuous involvement of all community members by enhancing economic, social, health and environmental issues as well as effective service delivery.



❖ Key Policy Developments

The following National and Provincial KPA's were approved as part of the IDP and Karoo Hoogland Municipality focused on the following :-

- i) Municipal Transformation and Organisational Development
- ii) Basic Service Delivery
- iii) Local Economic Development
- iv) Municipal Financial viability and Management
- v) Good Governance and Public Participation

❖ Key Service Delivery Improvements

- To be completed with Final Annual Report submission.

During the financial year of 2014/15 the following successes were achieved which also formed part of the approved IDP :

- To be completed with Final Annual Report submission.

❖ Public Participation

Meetings were held with the community regarding the IDP and Budget. Council also held community meetings before there Council meetings in each ward. Ward Committees were established in three of the wards and only a few meetings were held during the year. During October 2014, February 2015, March 2015 and May 2015 Budget and IDP meetings were held with the community.

❖ Future Projects

To be completed with Final Annual Report submission.

❖ Conclusion

- To be completed with Final Annual Report submission.

JP Julies
Mayor
21 January 2016

I.1 MUNICIPAL MANAGER'S OVERVIEW

Our aim is to build the capacity of Karoo Hoogland Local Municipality to facilitate good governance and sustainability so that Council is able to meet its community's needs.

VISION STATEMENT

The purpose of a vision statement is to indicate in writing (a statement) what issues should be addressed in order to ensure a better future for all. Different issues/steps should be emphasised on how to create the future. This statement should be realistic and gap the bridge between the current reality (problems) and the future development (better world to live in).

The following **vision** was adopted for Karoo Hoogland Municipality:

“Karoo Hoogland will be an economical growth node in the Northern Cape, earmarked by active community participation. Council must create an environment that will enhance economic development with specific focus on poverty alleviation and the creation of direct and indirect job opportunities. Residents will have direct access to basic minimum services and a culture of pay for services must be promoted. Special focus on the development of life skills, infrastructure and education will add to economic growth. A safe and healthy environment must be ensured for the communities of Karoo Hoogland.”

Karoo Hoogland Municipality, as the legitimate representative of the local community, shall strive to promote developmental local government, promote socio-economic development, provide efficient, affordable, sustainable and quality service, improve the general conditions of women, the youth, the disabled and the elderly, protect and conserve the environment, achieve all these, through a strong and stable environment and effective administration. As well as the following:

- Render quality, effective and sufficient services
- Promote the general wellbeing through a safe and healthy environment amongst all residents.
- Equality and fairness in the allocation of resources, and
- Promote sound and sustainable economic growth in the municipal area.
- Karoo Hoogland administrative staff reaffirms its commitment to delivering services to our community, good governance and stable administrative with passion to serve the public.

To be finalised before Final Annual Report submission.

Mr GW von Mollendorf
Municipal Manager
23 January 2016

I.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Municipal Systems Act, Act 32 of 2000 states that:

- A Municipality is a state of organ within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act, 1998
- It consist of – the political structures and administration of the municipality and the community of the municipality

As stated by the act above. The Municipality represent the interests of the community and must take decisions that are reasonable and in the interest of the community. Municipalities cannot take decisions if the following issues are not taken into consideration. The IDP and the budgeting processes are affected by the following issues. Stats SA served as the source of information for the following information.

Karoo Hoogland Municipality consists of Sutherland, Williston and Fraserburg and surrounding rural area.

The municipality comprises an area of 32 274 km² and falls within the area of jurisdiction of Namakwa District Municipality.

Houses	* 2194	(Households serviced)
Households levied :	* 2309	
Population	* 11601	(Sensus 2011)
Registered erven	* 4398	
Total Households	* 3378	(Including Rural areas)
Indigents as at 30/06/2015	* 929	

Households with access to water and basic services: 2194

Households with access to sanitation:	2194
Households with access to electricity:	2194
Households with access to refuse removal:	2194

Karoo Hoogland Municipality have a total population of approximately 11 601 according to STATS SA Survey done in 2011. Karoo Hoogland is situated in the most Southern part of the Northern Cape and falls within the area of jurisdiction of Namaqua District Municipality with its head office located in Springbok. The three main towns in Karoo Hoogland are Williston, Fraserburg and Sutherland which are respectively 499 km, 592 km and 539 km from Springbok. Karoo Hoogland Municipality is divided into 4 Wards and there is an estimate of 2194 houses and 2309 households in the towns serviced by the Municipality.

POPULATION DISTRIBUTION IN KAROO HOOGLAND MUNICIPAL AREA

Fraserburg : 23% of total population

Non Urban areas (Rural) : 31% of total population

Sutherland: 19% of total population

Williston : 27% of total population

It is evident that the most significant portion of Karoo Hoogland's urban population resides in Williston (27%). The Karoo Hoogland LM also has a large rural population, with 31% of its population residing in the non-urban (NU) regions within the Municipality which covers approximately 99% of the LMs geographical area.

The age distribution of a population is important because the largest age group inevitably indicates its own demands on the market. A large number of residents are still dependant on government grants and is the unemployment rate currently 23.1%. This tendanst in

it self have a negative influence on the payment of services and a total of 929 households are subsidice by the service subsidized scheme.

The Karoo Hoogland population can be regarded as having a high **dependency ratio**. With **10.6%** of the population over the age of 65 and **24.5%** are under 15 years. *The latter youth group will be demanding education, housing and jobs in the near future.* The Karoo Hoogland gender distribution is 47, 8% males and 52, 2% females.

The average population growth rates between 2001 and 2010 are as follows:

- Northern Cape Province (0.3%)
- Namakwa District Municipality (-0.1%)
- Karoo Hoogland Local Municipality (-1.7%)

Wards within the Municipal Boundaries:

- Ward 1 - Williston
- Ward 2 - Fraserburg
- Ward 3 - Rural surroundings
- Ward 4 - Sutherland

ITEM	NUMBER BY 2011
POPULATION	11601
POPULATION GROWTH	-
POPULATION GROUPS	Black Africans : Coloured : Indian or Asian : White :
POPULATION BY AGE	15 yrs. : 15 - 34 yrs. : 35 - 65yrs : 65+ yrs. :
POPULATION BY GENDER	Male : Female :
HOUSEHOLDS (TOWNS & RURAL)	3378
REGISTERED INDIGENTS AS AT 30 JUNE 2015	929
HOUSES IN TOWNS	2194
HOUSEHOLDS LEVIED FOR SANITATION	2309
AVERAGE HOUSEHOLD SIZE	-
REFUSE DISPOSAL	Removed by local authority/Private : 2194
WATER	Piped water inside dwelling : 1596 Piped water inside yard : 598 Access to water : All households- 2194 Municipal boreholes : 15 (water sources for towns)
TOILET FACILITIES	Total sanitation accounts levied : 2309 Flush Toilets connected : 702 Flush toilet with septic : 798 UDS Toilet : 809 serviced by Municipal Contractor
ALL HOUSEHOLDS HAVE ACCESS TO WATER, SANITATION AND ELECTRICITY	

I.3 DEVELOPMENT GOALS

With the vision and the above as guidelines, the input and needs of the inhabitants as a base and the background information, which the Council already has, the following prioritized areas of potential have been identified for developments in the Municipal area:

- ❖ KAROO HOOGLAND MUNICIPALITY must make a positive contribution to the sustainable growth and development within its boundaries with special reference to economic and social youth development.
- ❖ To further enhance the current infrastructure with special reference to basic services and roads.
- ❖ The promotion of a safe and tourism friendly environment should be furthered in order to promote tourism and investor interest in the region. (*Tourism, i.e. eco-tourism, agri-tourism and astro-tourism*)
- ❖ The promotion of human resources within the organization through apprenticeships and skills development.
- ❖ To better the involvement of social organizations and churches.

CHALLENGES FACED BY THE MOST POVERTY STRICKEN WARDS

- High rate of teenage pregnancies
- Increase in drug and alcohol abuse
- HIV/AIDS
- Education and literacy
- Lack of basic life skills
- Increase in crime
- Tuberculosis
- Domestic violence
- High unemployment rate

I.4 PGDS DEVELOPMENT TARGETS

- To maintain an average annual economic growth rate of between 4% - 6%
- To halve the unemployment rate by 2016
- To reduce the number of households living in absolute poverty by 5% per annum
- To improve the literacy rate by 50% by 2016
- To reduce infant mortality by two third by 2016
- To reduce maternal mortality by two third by 2016
- To provide shelter for all by 2016
- To eliminate sanitation problems by 2016
- To reduce crime by 10% by 2016
- To stabilize the prevalence rate of HIV/ Aids and begin the reverse by 2016
- To redistribute 30% of productive agricultural land to PDI's by 2016
- To conserve and protect 6,5% of our valuable biodiversity by 2016 and
- To provide adequate infrastructure for economic growth and development by 2016.

The achievement of the above will see the municipality growing economically and become viable to minimize poverty levels.

I.5 SERVICE DELIVERY OVERVIEW

The Municipality deliver services to Williston, Sutherland, Fraserburg and surrounding farms.

SERVICE DELIVERY CHALLENGES FACED BY THE MUNICIPALITY

- With reference to the provision of basic services (water, electricity and sanitation) the municipality does not face any serious challenges as all households in the municipality receive basic services such as electricity, water and sanitation.
- The major challenge is to address the **housing backlogs** in all three towns as well as the road infrastructure.

ELECTRICITY

The Municipality supplies electricity to Fraserburg and part of Williston. The other part of Williston as well as Sutherland and the rural areas are serviced by ESKOM.

WATER

All households in the Karoo Hoogland Municipal area have access to water.

SANITATION

- All households in the Karoo Hoogland Municipal area have access to basic sanitation.
- Some of the erven in all three towns are connected to a waterborne sewerage system.
- Some erven are still equipped with sewerage drains and the sewerage is removed with sewerage removal vehicles.
- The balance of the erven has dry sanitation toilets, which are also serviced by the municipality.

ROADS

- The Municipality is only responsible for the maintenance of certain secondary roads in the three towns.
- The main roads in the three towns as well as the roads in the rural area are provincial proclaimed roads.
- The tar roads are not in a good condition and will have to be resealed in the future.

LANDFILL SITE

There are landfill sites in each of the three towns and need to be upgraded in the future.

The landfill site in Fraserburg is licensed with a permit. The landfill sites in Williston and Sutherland are being upgraded to be licensed.

ACCESS TO ESSENTIAL SERVICES

- The Municipality deliver all essential services in Williston, Fraserburg and Sutherland.
- All households have access to water.
- All households have access to sanitation.
- All households have access to electricity.
- All households have access to refuse removal.

The Municipality deliver services to **929** indigent households.(as at 30 June 2015)

I.6 FINANCIAL HEALTH OVERVIEW

AUDITOR GENERAL REPORT

The Auditor General's Report on the 2013/2014 Financial Year was received in January 2015. The Municipality did submit annual financial statements for the year under review on 31 August 2015.

COMMENTS ON THE ANNUAL REPORT PROCESS.

The Annual Financial Statements for the 2014/15 was completed and handed in on 31 August 2015. However last year - the various audit reports and the audit recovery plan could not be completed due to the fact that not all the audit reports were received from the Auditor General last year. This makes it difficult to align the new process of compiling the IDP, Budget and Performance Management System. The Municipality also does not have a Performance Management System currently. An Audit Action Plan was developed to address the queries and disclaimers in the Auditor General's Report of the past three years.

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW – YEAR 2014/2015			
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	28 607 149		30 468 761
Taxes, Levies and tariffs	18 952 452		18 075 008
Other	1 626 946		2 975 774
Sub Total	49 186 547		51 519 543
Less Expenditure	(62 802 386)		(55 218 073)
Surplus/ (Shortfall)	(13 615 839)		(3 698 839)

OPERATING RATIOS		Budget
Detail	%	
Employee Cost	29	18 157 194
Repairs and Maintenance	2	1 169 700
Finance Charges	1	293 500
Depreciation	23	14 652 800
General Expenses (Including Bulk Purchases)	55	28 529 192
Total		62 802 386

CHAPTER 2

GOVERNANCE

The Municipal Demarcation Board annually undertakes capacity assessments of all local authorities in South Africa and makes recommendations to the Provincial MEC of Local Government with regard to the capacity of each municipality to perform its functions in terms of the Municipal Structures Act. The powers and functions of KHM were not adjusted for the year under review. The municipality still performs 21 functions which is more than the average of 20 in our province.

2.1 POLITICAL GOVERNANCE

The Karoo Hoogland Council consists of 7 Councillors. There are 4 Ward Councillors and 3 PR Councillors. Only the Mayor is a full time Councillor of the Municipality.

The seven councillors represent the following political parties:

- | | | | | |
|---|---------------------------------------|---|----------------|---|
| ○ | Councillor JP Julies | - | COPE | (Mayor/Speaker) |
| ○ | Councillor (Ms) GM Beukes | - | ANC | |
| ○ | Councillor JE Davids | - | ANC | |
| ⊖ | Councillor (Ms) CM Fortuin | - | ANC | Resigned on 4 December 2014 |
| ⊕ | Councillor K Koopman | - | ANC | Appointed per bi-election on 1 April 2015 |
| ○ | Councillor JJ Van Der Colff | - | DA | |
| ○ | Councillor MM van Wyk | - | DA | |
| ○ | Councillor (Ms) E Vermeulen | - | COPE | |

In 2013/2014 Councillor AC V Van Wyk resigned in August 2013 and Councillor MM van Wyk was appointed by the party to take his seat at Council Meetings. In 2014/2015 Councillor CM Fortuin resigned from Council on 4 December 2014 and Councillor K Koopman was elected to be the Ward Councillor on 1 April 2015. **In terms of Section 9 of the Local Government: Municipal Structures Act (No. 117 of 1998) KHM is a Category B municipality with a plenary executive system combined with a ward participatory system.**

Council consists of the following Committees:

ADMINISTRATIVE / FINANCIAL COMMITTEE (4 COUNCILLORS)

This Committee is dealing with all the financial aspects, administrative aspects and personnel aspects of the Municipality.

TECHNICAL COMMITTEE (4 COUNCILLORS)

This Committee is dealing with all the projects, service delivery and infrastructure of the Municipality.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (3 COUNCILLORS)

This Committee is dealing with all relevant financial, audit issues. However this committee was not functional in the year under review.

ECONOMIC DEVELOPMENT AND TOURISM (4 COUNCILLORS)

This Committee is dealing with all relevant local economic development and tourism issues. However this committee was not functional in the year under review because the issues were discussed at the Administrative Committee.

LAND USE COMMITTEE (4 COUNCILLORS)

This Committee is dealing with all relevant land use, planning and commonage issues. However this committee was not functional in the year under review. The issues were discussed at the Infrastructure Committee.

LOCAL LABOUR FORUM COMMITTEE (3 COUNCILLORS, MM, 5 REPRESENTATIVES FROM SAMWU AND IMATU)

This Committee is dealing with all Labour related issues which are not bargained for in the Main Collective Agreement.

Total of **12** Council meetings were held during the year - 5 Special Meetings and 7 General Meetings

Total of **10** Committee meetings were held during the year.

Total of Community Meetings : **4** (27 August 2014, 27 Oct 2014, 24 Feb 2015, 22 June 2015)

Total of IDP & Budget meetings with the Community : **7** (10,11,12 Feb 2015, 24 March 2015, 4,5,11 May 2015)

Total of **1** LLF meeting with Employees. (22 April 2015)

2.2 ADMINISTRATIVE GOVERNANCE

MUNICIPAL MANAGER

Mr G W von Mollendorf (APPOINTED 4 NOVEMBER 2013)

CORPORATE SERVICE MANAGER - VACANT

Mr L Nothnagel (RESIGNED APRIL 2014)

CHIEF FINANCIAL OFFICER

Mr MK Botha (RESIGNED NOVEMBER 2014)

Acting CHIEF FINANCIAL OFFICER

Mr SJ Myburgh (Appointed January 2015)

DEPUTY HEAD OF INFRASTRUCTURE SERVICES

Mr FJ Lotter (Acting as Head since September 2011)

HEAD OF INFRASTRUCTURE SERVICES - VACANT

Vacant

2.3 INTERGOVERNMENTAL RELATIONS

PROVINCIAL AND DISTRICT INTERGOVERNMENTAL STRUCTURE

Meetings and interactions on the following levels are regularly attended to enhance the Municipality regarding National and Provincial Government Policies and practices.

- Work closely with District Municipality, Provincial Government and SALGA to finalize the Provincial Urban Development Framework.
- Rollout of National Local Government anti-corruption strategy to all Municipalities and coordinate the implementation of the strategy at a local level.
- Support regarding implementation of the Municipal Property Rates Act.
- Support Municipality to comply with MFMA priority areas for implementation.
- The Provincial IDP engagement process and ensure alignment with LED strategies of Municipalities and PGDS.
- Alignment of all sector plans with the PGDS and IDP's and the NSDP so as to meet service delivery targets.
- District to align sector plans i.e Housing and MIG and Municipalities IDP.
- Alignment of LED with District LED and the Provincial PGDS.
- Regular Back 2 Basics Reporting to the District since February 2015.

PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Procedures for community participation processes as set out in legislation adhered to by timeously giving out meeting notices. The Council had meetings on the various towns with community meetings the previous night with before the Council meetings.

The municipality has made special efforts to enhance communication with the general public through various organized structures. The relationship with organized NGO's such as local ratepayer's associations has improved drastically during the 2014/2015 financial year and regular meetings are being held to discuss matters of mutual interest. Council has endeavored to meet its legal obligations with regarding public participation with special reference to the following meetings which were held:

- IDP meetings
- Budget meetings

Ward Committees were established; however, unfortunately there were only three wards that held a few meetings.

Public Newsletters were circulated as well as public notices to keep the community informed.

- Timeous distribution of Council agendas resulting in an almost 100% attendance of scheduled meetings.
- It is a priority to implement a Document Management System to track and monitor Council resolutions for effective communication.
- A Council Resolution Register have been developed and are being updated monthly to track completion of resolutions
- The Old Municipal website focused on tourism and in June 2015 in the 2014/15 financial year a new website was developed where all required documents are being uploaded like the Budget, IDP, AFS, SDBIP, Policies etc

COMMUNITY DEVELOPMENT WORKERS

- CDW's deployed.
- There are 5 CDW's in KHM. Two in Fraserburg, two in Sutherland and one in Williston.
- There is a fairly good relationship with them and they are mainly being utilized to promote communication between Council and the public.

DISTRICT IGR FORUM FUNCTIONALITY

- The IGR in the Namaqua District is functional and is attended by the Mayor and the Municipal Manager on a regular basis.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria	Yes / No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPI's development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPI's in the strategic plan?	No
Do the IDP KPI's align to the Section 57 Managers?	No
Do the IDP KPI's lead to functional area KPI.s as per the SDBIP?	No
Were the indicators communicated to the public?	Yes

CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Municipalities must exercise their executive and legislative authority within a system of co-operative government as outlined in Section 41 of the Constitution.

The corporate governance component is clearly identified and prescribed in the Municipal Systems Act as well as the Municipal Financial Management Act. The following sub-components are highlighted:

2.6 RISK MANAGEMENT

The MFMA Section 62 (1) c required the Municipality to ensure that the Municipality has and maintain effective, efficient and transparent systems —

- i) Of financial and risk management and internal control.

The Municipality does have a Risk Management Policy in place as required in the above section.

An Internal Audit Unit as well as an External Audit Committee is not functional at the municipality. However discussions with the District Municipality will lead to a shared services Internal Audit Unit as well as an audit committee to be established during 2015/2016.

2.7 ANTI-CORRUPTION AND FRAUD

The municipality does have a Fraud and Anti-Corruption Strategy in place.

2.8 SUPPLY CHAIN MANAGEMENT

Karoo Hoogland has established a SCM Unit as required by the MFMA. Posts have also been provided for on the organogram to appoint personnel in this unit. However, due to budget restraints these positions have not all been filled yet.

The municipality has a SCM policy in place which is in accordance of the requirements of the MFMA. This policy was reviewed in the 2014/2015 financial year.

2.9 BY-LAWS

The Municipality has various policies in place. However, to date only few policies have been promulgated as by-laws. Various policies were revised during the 2014/2015 financial year with the view to promulgate them as by-laws. However processes take long and community input are being obtained.

2.10 WEBSITES : www.karoohoogland.gov.za

The Municipal website was developed in June 2015 in the 2014/2015 financial year to be compliant to upload compulsory documents requested by legislation for the community to view and comment on. Some documents have been uploaded, but still needs further upgrading to meet the legislative requirements.

COMMENT ON MUNICIPAL WEBSITE: CONTENT AND ACCESS www.karoohoogland.gov.za

The following documentation was uploaded on the Municipal Website in 2014/2015:

- Budget
- Financial Statements
- IDP
- SDBIP
- Policies
- Notices

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality has difficulty with the following services due to lack of sufficient funds to attend to all the necessary maintenance:-

- Electricity
- Water supply
- Road maintenance

The upgrading of these three services will reduce the amount of complaints by the general public. The maintenance of the tar roads is currently not done sufficiently and is still a concern of the community at this stage. The municipality is currently utilizing the funds received through the EPWP program to repair potholes in all three towns. A MIG project for the paving of streets in all three towns is awaiting approval.

COMPLAINTS REGISTER

A Complaints Register have been instituted at all three towns' offices where the public can write down their complaints and which are being addressed accordingly.

CHAPTER 3:

SERVICE DELIVERY PERFORMANCE

The following projects that were part of the IDP were completed to enhance service delivery in 2013/2014.

- The construction of the Oxidation Ponds in Fraserburg was completed.
- The streetlights in Fraserburg and Sutherland were installed and the High Mast Lights in Amandelboom was completed

The following projects form part of the multiyear strategic projects in the IDP and have already been approved for implementation in **2015/16** financial year

- Construction of Sutherland Storm water system. (commenced in 2014/2015)
- Upgrading for the water treatment works for the purification of the water in Sutherland
- Upgrading of Williston Internal Water reticulation system.
- Development /Upgrading of Three Sports Grounds. (Awaiting approval from MIG)
- Paving of gravel roads in three towns (Awaiting approval from MIG)

BASIC SERVICES

3.1 WATER PROVISION

The Municipality is dependent on underground water resources and a system of borehole pumps and pipelines are in place to feed the reservoirs in the three towns from where it is further reticulated to all households. During the previous year under review new reservoirs were built in Fraserburg, specifically to increase the storage capacity to ensure sufficient availability during power failures.

Water Service Delivery Levels	
Description	2014/2015
	Actual No
Water : (above min level)	2194
Pipe water inside dwelling	1596
Pipe water inside yard (but not in dwelling)	598
Using public tap (within 200m from dwelling)	0
Other water supply within 200m	0
Minimum Service Level and Above	0
Water : (supply by owners themselves) (agricultural erven)	0
No water supply	0
Total number of houses	2194

EMPLOYEES WATER SERVICES

The Municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of water. A portion of the total salary budget is allocated to water services as indicated in the table below.

Financial Performance : Water Services			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	4 835 325	2 089 082	43%
Expenditure:			
Employees	(2 545 899)	(1 847 619)	73%
Repair and Maintenance	(120 000)	(163 452)	136%
Other	(5 233 086)	(2 150 668)	41%
Total Operational Expenditure	(7 898 985)	(4 161 740)	53%
Surplus / (Deficit)	(3 063 660)	(2 072 657)	68%

3.2 WASTE WATER (SANITATION) PROVISION

- All households in the Karoo Hoogland Municipal area have access to basic sanitation.
- Some of the erven in all three towns are connected to a waterborne sewerage system.
- Some erven are still equipped with sewerage drains and the sewerage are removed with sewerage removal vehicles.
- The balance of the erven has dry sanitation toilets, which are also serviced by the municipality.
- All three towns have oxidation ponds.

The following projects form part of the multiyear strategic projects in the IDP.

- Eradication of UDS Toilets (809 households remaining)
- Installation of full waterborne sewer system
- To ensure proper operation and maintenance of existing infrastructure and equipment
- Replace individual septic tanks with full waterborne sewer system
- Reduce municipal capital and maintenance costs by removing suction trucks
- Upgrading of oxidation ponds (completed)

SANITATION SERVICE DELIVERY LEVELS	
Description	Year 2014/15
	Actual No
Sanitation / Sewerage (above minimum level)	2309
Flush toilet (connected to sewerage)	702
Flush toilet with septic tank	798
Other Toilet Provisions (above minimum service level)	809
No toilet provision	0
Total households	2309

EMPLOYEES SANITATION SERVICES

The Municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of sanitation. A portion of the total salary budget is allocated to sanitation services as indicated in the table below.

Financial Performance : Sanitation Services			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	3 939 404	2 006 591	51%
Expenditure:			
Employees	(370 923)	(723 928)	195%
Repair and Maintenance	(500 000)	(976 790)	195%
Other	(5 029 006)	(1 102 027)	22%
Total Operational Expenditure	(5 899 929)	(2 802 745)	48%
Surplus / (Deficit)	(1 960 525)	(796 175)	41%

3.3 ELECTRICITY PROVISION

The Municipality supplies electricity to Fraserburg and part of Williston. The other part of Williston as well as Sutherland and the rural areas are serviced by ESKOM.

The following project was completed in the year under review:

- ❖ Upgrading of Electrical Substation : Fraserburg
- ❖ Electrical reticulation throughout Fraserburg is mainly by means of overhead 11kV and low voltage. The age of these networks are in excess of 40 years and have degraded to such a state that normal maintenance and refurbishment is not adequate anymore to ensure safe and reliable operation.

ELECTRICITY SERVICE DELIVERY LEVELS	
Description	Year 2014/15
	Actual No
Energy (above minimum level) conventional meters	0
Electricity –pre-paid (min service level)	2194
Total number of households	2194

The following posts are approved on the organogram and are budgeted for :

- Electrician (1)
- General Worker Electrical (1)

Financial Performance : Electricity Services			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	12 817 396	7 939 928	62%
Expenditure			
Employee	(1 561 586)	(1 373 076)	88%
Repairs and Maintenance	(50 000)	(328 017)	656%
Other	(10 652 767)	(6 738 314)	63%
Total Operational Expenditure	(12 264 353)	(8 439 407)	69%
Surplus / Deficit	553 043	(499 478)	90%

3.4 WASTE MANAGEMENT

The Municipality has an Integrated Waste Management Plan 2014/2018 in place which was compiled by the District Municipality. The Municipality has a refuse removal team in each of the three towns. These teams are responsible for the removal of domestic as well as business refuse. The teams each comprises of a tractor driver and general workers and the refuse are collected manually and transported to the landfill sites in each town. Black bags are available to the public at the municipality in which refuse must be placed for removal. The municipality must ensure proper operation and maintenance of existing infrastructure and equipment through licensing and upgrading of landfill sites.

Solid Waste Service Delivery Levels	
Description	Year 1
	Actual No
Removed at least once a week	2194
Removal at least twice a week	0
Total houses	2194

Financial Performance : Refuse Services			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	1 759 363	1 683 743	96%
Expenditure:			
Employees		(41 857)	
Repair and Maintenance		(71 426)	
Other	(82 000)	(2 649 620)	3231%
Total Operational Expenditure	(82 000)	(2 802 745)	3418%
Surplus / (Deficit)	1 677 363	(796 175)	47%

3.5 HOUSING

The Municipality does not have a specific staff component to deal with housing matters as the provision of housing is a Provincial function. If a housing project is approved the services Consulting Engineers and Contractors are procured through prescribed SCM Principles. An objective of the municipality is also to enhance sustainable service delivery through infrastructure development with reference to the housing backlog of 680 houses by 2020.

During the 2013/14 financial year no new housing projects were funded.

During the 2014/15 financial year it was announced that 150 new erven will be planned in Williston.

During the 2015/16 a total housing project for all three towns will be submitted to address the housing need.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Due to the level of unemployment and subsequent poverty in the local municipal area, there are households that are unable to pay for normal municipal services. The Municipality therefore adopted an Indigent Management Policy to ensure that these households have access to at least all basic municipal services and was guided in the formulation of this Policy by the National Government's Policy in this regard.

All households who qualify in terms of the said policy, receives a subsidy on property rates as well as other service charges such as water, refuse and electricity (50kWh of electricity per month free of charge as well as 6000 liters water per household per month (appr. 200 liters of water/ day))

Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration program and whose registration has been approved and entered into the register of indigents qualify for the above concessions.

The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the Municipality's Policies on property rates and tariffs.

Currently there are **929** households that are receiving indigent support on a monthly basis.

Financial Performance : Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Actual	Budget 2014/15	Adjustment Budget	Actual	Variance to Budget
Water		600 000		650 114	108%
Sanitation		1 059 172		924 230	87%
Refuse		1 208 321		947 398	78%
Electricity		232 569		307 466	132%

ROAD TRANSPORT

3.7 ROADS

Williston, Fraserburg and Sutherland have tar roads and gravel roads. The Municipality must submit projects to MIG for the upgrading of roads regularly. The tar roads are currently in a poor condition with potholes occurring all over the roads. The Municipality endeavors to arrange training for its personnel to repair potholes and also purchase the necessary equipment and material to do the work in the future.

The Municipality however does not have the financial capacity to budget for the repair of all the potholes. The Municipality will have to seriously consider resealing most of the tar roads in the future before it become lapidated.

The following projects form part of the multiyear strategic projects in the IDP:

- ♣ Surfacing of existing gravel roads
- ♣ Surfacing of internal gravel roads using labour intensive methods
- ♣ Manufacturing paving blocks on site using local labour
- ♣ Surfacing of roads with concrete paving blocks
- ♣ Construction 2013 - 2016
- ♣ Cross cutting Infrastructure : Upgrading of all major routes
- ♣ Upgrade of all major routes
- ♣ Fabrication of stones
- ♣ Public lighting (High mass)
- ♣ Safety of streets (Speed bumps)
- ♣ Upgrading of Playing grounds
- ♣ Fencing of BNG Houses
- ♣ Upgrading of Community Hall
- ♣ Signage Street names and Numbers
- ♣ Upgrading of pedestrians routes
- ♣ Multipurpose center
- ♣ Driver License Testing Centre
- ♣ Upgrade of Swimming pool

EMPLOYEES ROAD SERVICES

The Municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including road services. A portion of the total salary budget is allocated to road services.

3.8 WASTE WATER STORMWATER DRAINAGE

Storm water drainage forms an integral part of road infrastructure. Due to the fact that the road infrastructure in the three towns is not up to standard it results in poor storm water drainage during times of heavy rain. The maintenance and construction of storm water structures will only be addressed once the municipality receives funds for the upgrading of its road infrastructure.

The Municipality does not have separate personnel attending to this function or a budget in this regard.

3.9 TRANSPORT

Transport is **not a function** of the Municipality, however, there is potential to expand this industry, particularly the provision of public transport through economic development. The majority of the Karoo Hoogland Local Municipality's population (82.3%) travel to school or to work by foot. Around 6.7% of the Karoo Hoogland population make use of public transport (i.e. the bus, train, taxi, or lifts with other people); while 1.6% make use of bicycles and 9.4% use their own private transport. Donkeys and horses as well as donkey/horse carts are also widely used in the area.

Significant portions of Karoo Hoogland's population are living in small, dispersed settlements and have limited transport capacity to travel the often significant distances between urban centres. As many of these households are also living in poverty, the lack of transport adds to the so-called "poverty trap", as these people are less able to conduct, for example, informal activities to alleviate their circumstances.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

The Municipality does not have a Planning department and for the purposes of specific town planning matters, the municipality procures the services of a Professional Town planner.

All other land use management matters are dealt with in terms of the Northern Cape Development and Planning Act. The municipality does have a Land Use Management Plan as well as a Spatial Development Framework and all matters in this regard are handled by the Corporate Services Department.

During the previous year under review the Spatial Land Use Management Act was passed by Parliament and all future land use management matters will be dealt with in terms of the new provisions of this Act. The municipality will receive assistance from Dept of Rural Development to gazette their new By-Law in this regard in 2015/2016.

3.11 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

SECTOR OF EMPLOYMENT, 2009 (SOURCE: QUANTEC DATA 2009)

	Northern Cape	Namakwa DM	Karoo Hoogland LM
Agriculture, forestry and fishing	16.6%	12.6%	23.5%
Manufacturing	3.8%	2.8%	5.3%
Electricity, gas and water	0.6%	0.4%	0.1%
Construction	4.6%	5.7%	1.8%
Wholesale and retail trade, catering and accommodation	16.1%	14.6%	15.5%
Transport, storage and communication	3.2%	3.3%	2.2%
Finance, insurance, real estate and business services	9.2%	8.1%	5.0%
Community, social and personal services	15.5%	17.7%	28.8%
General government	22.3%	18.6%	17.7%

From 1995 to 2009, an average GDP (Gross Domestic Product) growth rate of -0.9% was observed in Karoo Hoogland, which was inadequate to create sufficient jobs in the local economy to reduce the unemployment rate. Karoo Hoogland Municipality has a draft Local Economic Development Strategy which will be reviewed and approved in 2015/2016 financial year.

In relation to two years ago's EPWP projects of the upgrading of Bergstraat (Williston) and the Eradication of Persopis trees, there were no EPWP projects during the financial (2013/14) year. In 2014/15 EPWP projects jobs created: 45

THE FOLLOWING LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES WERE TAKEN FROM THE IDP:

Priority Issue: Education, illiteracy and skills development

Objectives:

- Engage with schools and relevant stakeholders regarding access to and development of training infrastructure
- Establish, with relevant stakeholders, general training and skills development programmes accessible by the community
- Engage with relevant stakeholders regarding the enhancement of education in the area

Priority Issue: The successful implementation of the new LED strategy:

Objective:

- To establish partnerships with relevant stakeholders and consult with them in the successful implementation of the LED strategy

Priority Issue: The development of a tourism industry:

Objectives:

- Develop a tourism strategy in consultation with stakeholders
- Develop skills and services related to tourism
- Develop tourism infrastructure
- The marketing of Karoo Hoogland as a tourism destination
- Establishment and enhancement of festivals unique to the area

Priority Issue: Stimulate local economy

Objectives:

- Attract potential investors through incentive programmes
- Develop basic infrastructure on vacant municipal land e.g. water, electricity
- Enhance skills and SMME development with a view to marketing services outside the region
- Identify agricultural projects for development and marketing

Priority Issue: Address social challenges that hinder economic development

Objectives:

- Establish, in consultation with stakeholders, a strategy for the management of alcohol abuse and related welfare challenges
- Develop or identify infrastructure to support social welfare programmes
- Develop and enforce by-laws relating to establishments that contribute to social challenges
- Develop youth empowerment programmes
- Develop and source skills related to social development

Priority Issue: Safe and affordable haven for visitors and residents

Objectives:

- Development of public facilities such as parks, sport and recreational infrastructure
- Engage with business sector regarding affordability of goods
- Develop, in collaboration with stakeholders, a crime prevention strategy
- Develop, in collaboration with relevant government departments, sufficient available health services
- Enhance access to public transport

Priority Issue: Develop environmental Policies and by laws

Objectives:

- To address environmental challenges and compile strategies
- Wetland Protection Strategy
- Revised and implement Integrated Waste Management Strategy
- Develop and Implement Environmental by laws
- Develop, mechanism to ensure environmental accountability and reporting

COMMUNITY & SOCIAL SERVICES

3.12 COMMUNITY AND SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES (LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHER THEATRES, ZOOS ETC)

LIBRARIES

The Municipality has four Libraries that render services to the communities of Williston, Fraserburg, Sutherland.

MUSEUMS

The Municipality operates and maintains two museums, one each in the towns of Williston and Fraserburg.

CEMETERIES AND CREMATORUIMS

The Municipality has a cemetery in each of the towns which are maintained by municipal workers. The Municipality does not have any crematoriums.

The Municipality does not have separate personnel attending to this function or a budget for it.

The following project has been identified in the IDP:

- Environmental Impact assessment with the view to expand current cemeteries

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Municipality does not provide this service as it is a Provincial function.

ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

The Municipality does not provide this service as it is a Provincial function and services are provided by Namakwa District Municipality.

HEALTH

3.16 HEALTH / AMBULANCE SERVICES

This is a Provincial function and provided by the Department of Health. The service is however not satisfactory due to the shortage of doctors, ambulances as well as inferior conditions of the road infrastructure between the towns.

3.17 HEALTH INSPECTIONS AND ABATTOIR

This service is rendered and financed by Namakwa District Municipality on a contract based to the Municipality.

SECURITY AND SAFETY

3.18 FIRE / DISASTER MANAGEMENT

Fire Services is currently a function of the Namakwa District Municipality however the Municipality do have a water truck and fire units for emergencies to attend to. The compiling of a Disaster Management Plan is currently a responsibility of Namakwa District Municipality who assists us with it.

SPORT AND RECREATION

3.19 SPORT AND RECREATION

The Municipality has sport grounds in Williston and Fraserburg which are maintained by municipal staff.

CORPORATE POLICY OFFICES AND OTHER SERVICES

3.20 EXECUTIVE AND COUNCIL

The Municipal Council consists of 1 full time Mayor and 6 part time councillors. The Municipal Manager is the Chief Executive Officer of the Council and also the Accounting Officer in terms of the MFMA.

The main priorities of Council are outlined in the Key Performance Areas as contained in the IDP:

SERVICE DELIVERY

Priority Issue: Lack of infrastructure for proper service delivery

Objectives:

- To enhance sustainable service delivery through infrastructure development

- To ensure proper operation and maintenance of existing infrastructure and equipment
- To develop appropriate skills required for efficient service delivery
- To ensure a healthy environment for all residents with reference to combinable diseases
- Provision of standard sanitation for all residents
- Improve the storm water infrastructure
- Improve road infrastructure

FINANCIAL VIABILITY

Priority Issues: The development of a financial plan with strategies to ensure that Karoo Hoogland will be a financial viable entity.

Objectives:

- To seek commitment of provincial treasury to assist with the development of a financial plan.
- To convert to mSCoA in July 2016
- Continuous focus on credit control

MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Priority Issues: To establish proper administrative and institutional infrastructure to properly regulate the implementation of the IDP

Objectives:

- Implementation of a new organogram with job descriptions

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Priority Issue: To ensure that the Constitution of South Africa is applied in Karoo Hoogland to improve the quality of life of all its citizens and to establish a society based on democratic values, social justice and fundamental human rights.

Objectives

- To actively involve the public in local government management
- To monitor and evaluate the performance of council in terms of its PMS

3.21 HUMAN RESOURCE SERVICES

There are 106 posts approved on the current organogram and there are currently 20 vacancies on the approved organogram. Due to budget constraints the Municipality is not able to appoint all personnel as indicated on the approved organogram.

Karoo Hoogland Municipality underwent a Work-study process to revise the organizational structure in 2013/2014 for implementation in 2015/2016 financial year. Karoo Hoogland Municipality recognized the significance and importance of the development and management of its employees in order to deliver an optimal service to the community.

STAFFING AND MANAGEMENT PROFILE

- The total staff complement as at 30 June 2015 was 86 permanent employees.
- 3 Financial Interns are also employed at 30 June 2015.

STATUS OF MANAGERIAL POSITIONS AS AT 30 JUNE 2014

- Municipal Manager was appointed in November 2013
- Head of Corporate Services is currently vacant
- Deputy Head of Infrastructure Services appointed on 1 September 2011
- Chief Financial Officer resigned in November 2014
- Acting Chief Financial Officer appointed January 2015

SKILLS DEVELOPMENT AND TRAINING

- The WSP was submitted on in time in terms of legislative requirements.
- In order to promote and enhance skills development and training, a HR Officer was appointed during the 2010/2011 year

EMPLOYMENT EQUITY PLANS & IMPLEMENTATION REPORTS

- The Employment Equity Plan is revised and submitted to the Departments of Labour and COGHSTA every two years. It was submitted in January 2014 for the period 2012- 2013.

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 POLICIES

POLICIES

NO	Name of Policy	Date adopted by Council
1	AANKOOPBESTUUR – VERKRYGING VAN GOEDERE & DIENSTE → INCORPORATED IN THE NEW SUPPLY CHAIN MANAGEMENT POLICY	10 JULIE 2001
2	AANVRAAGBESTUUR → INCORPORATED IN THE NEW SUPPLY CHAIN MANAGEMENT POLICY	24 AUGUSTUS 2005
3	AMPTELIKE WERKSURE / OFFICIAL OFFICE HOURS	10 JULIE 2001
4	ARGIEF / ARCHIVE	10 JULIE 2001
5	ARMLASTIGE BEGRAFNISSE/ INDIGENT FUNERALS	10 JULIE 2001
6	BANKFASILITEITE & TEKENMAGTE / BANKING FACILITIES & SIGNING AUTHORITY	10 JULIE 2001 15 MEI 2013
7	BATEBESTUUR / ASSET MANAGEMENT	5 DESEMBER 2001
8	BESIGHEIDSADVIESSENTRUM / BUSINESS SUPPORT CENTRE	10 JULIE 2001
9	DISSIPLINêRE PROSEDURE / DISCIPLINARY PROCEDURE	KOLLEKTIEF BEDING / COLLECTIVE
10	GEBRUIK VAN ALKOHOLIESE DRANK / USE OF ALCOHOL	9 JUNIE 2005
11	GELYKE GELEENTHEDE / EQUAL OPPORTUNITIES	10 JULIE 2001
12	GRIEWE PROSEDURE / GRIEVANCE PROCEDURE	23 JUNIE 2004 & 30 JUNIE 2004
13	HIV/VIGS / AIDS	3 NOVEMBER 2004 23 JUNIE 2004 & 30 JUNIE 2004
14	INTERNET	29 AUGUSTUS 2002
15	KOMMUNIKASIE / COMMUNICATION	31 JANUARIE 2007
16	KORRESPONDENSIE / CORRESPONDENCE	10 JULIE 2001
17	KREDIETBEHEER, DEURNIS- , INVORDERINGSBELEID CREDITCONTROL & DEBT COLLECTION & INDIGENT POLICY	HERBEVESTIG: 5 MEI 2011 KREDIETBEHEER : 26 MEI 2009 KREDIETBEHEER & INVORDERINGSBELEID: 15 SEPTEMBER 2008 9 JUNIE 2005 10 JULIE 2001

<i>18</i>	LOGISTIEKE BESTUUR, REKWISISIE, AANKOOP, ONTVANGS & UITREIKING / LOGISTICS MANAGEMENT, REQUISITION, RECEIPT AND ISSUING	24 AUGUSTUS 2005
<i>19</i>	MEDIA	29 AUGUSTUS 2002
<i>20</i>	MIGRASIE / MIGRATION (RELOCATION)	10 JULIE 2001
<i>21</i>	PRESTASIEBESTUUR / PERFORMANCE MANAGEMENT	29 AUGUSTUS 2002 4 JUNIE 2002 10 JULIE 2001
<i>22</i>	PRESTASIE TOEKENNINGSFUNKSIE / PERFORMANCE AWARD FUNCTION	12 JANUARIE 2006 3 NOVEMBER 2004
<i>23</i>	REGISTER VAN GEDELEGEERDE BEVOEGDHEDE / SYSTEM OF DELEGATIONS (DELEGATION OF POWERS)	31 JANUARIE 2007 TEKENMAGTE : 22 FEBRUARIE 2005 28 AUGUST 2013 (REVISED)
<i>24</i>	REGULERING VAN DIE AANHOU VAN DIERE, HONDE, PLUIMVEE & BYE / ANIMAL CONTROL	
<i>25</i>	REIS & VERBLYF / TRAVEL & SUBSISTENCE	NUUTSTE VORM: JUNIE 2013, 15 NOVEMBER 2011 29 AUGUSTUS 2002 10 JULIE 2001
<i>26</i>	RENTE / INTEREST	10 JULIE 2001
<i>27</i>	ROOK / SMOKING	17 OKTOBER 2007
<i>28</i>	SELFOON / CELLPHONE	10 JULIE 2001
<i>29</i>	SPORT	3 NOVEMBER 2004
<i>30</i>	STANDAARD DIENSVOORWAARDES / BASIC CONDITIONS OF SERVICE	WORD KOLLEKTIEF BEDING
<i>31</i>	STRAATHANDEL / INFORMELE HANDEL / INFORMAL STREET VENDORS	4 JUNIE 2002
<i>32</i>	STRATE / STREETS	WORD KOLLEKTIEF BEDING
<i>33</i>	SUBSIDIE VIR BEHOEFTEGIGE HUISHOUDINGS / INDIGENT HOUSING SUBSIDY	10 JULIE 2001
<i>34</i>	UITDIENSTREDINGSBONUSSE / RETIREMENT BONUS	10 MAART 2004
<i>35</i>	VERBOD OP & BEHEER OOR DIE AFVURING VAN VUURWERKE / CONTROL OF FIREWORKS	23 JUNIE 2004 & 30 JUNIE 2004 10 MAART 2004
<i>36</i>	VERHURING VAN AMPTELIKE WONINGS / RENTAL OF OFFICIAL HOUSES	10 JULIE 2001
<i>37</i>	VERKLARING VAN VERTROUOLIKHEID / DECLARATION OF CONFIDENTIALITY	10 MAART 2004
<i>38</i>	VERLOF / LEAVE	10 JULIE 2001
<i>39</i>	VERSKAFFINGSNETWERKBESTUUR: GEDRAGSKODE → INCORPORATED IN THE NEW SUPPLY CHAIN MANAGEMENT POLICY	24 AUGUSTUS 2005
<i>40</i>	VERVREEMDINGSBESTUUR → INCORPORATED IN THE NEW SUPPLY CHAIN MANAGEMENT POLICY	24 AUGUSTUS 2005

<i>41</i>	VOERTUIE / VEHICLE	10 JULIE 2001
<i>42</i>	VOORKOMING & ONDERDRUKKING VAN OORLASTE / PREVENTION OF NUISANCES	
<i>43</i>	VOORRAADBEHEER / ASSET CONTROL	10 JULIE 2001
<i>44</i>	WATERDIENSPLAN / WATER SERVICES PLAN	DRAFT
<i>45</i>	WERWING & KEURING/ RECRUITMENT	23 JUNIE 2004 & 30 JUNIE 2004 4 JUNIE 2002
<i>46</i>	WET OP BEVORDERING VAN TOEGANG TOT INLIGTING / ACCESS TO INFORMATION	29 OKTOBER 2003
<i>47</i>	EIENDOMSBELASTINGBELEID / RATES POLICY	5 FEBRUARIE 2009 26 MEI 2009
<i>48</i>	TARIEFBELEID / TARIFF POLICY	5 MEI 2011 15 SEPTEMBER 2008
<i>49</i>	BEGROTINGS BELEID / BUDGET POLICY	5 MEI 2011
<i>50</i>	MEENTBELEID / COMMONAGE POLICY	

TO BE UPDATED WIT FINAL ANNUAL REPORT SUBMISSION

NEW POLICIES 2014/2015
REVISED POLICIES 2014/2015
DRAFT POLICIES 2014/2015

CHAPTER 5

FINANCIAL PERFORMANCE

STATEMENTS OF FINANCIAL PERFORMANCE

This Key Performance Area is without any doubt the most important one, since no business or organization can fulfill its obligations without financial resources and sound financial management. The performance of Karoo Hoogland during the year under review must be benchmarked against the performance during the previous financial years.

While the 2008/09 and 2009/10 and especially 2010/11 saw a major improvement in the financial results and the Audit opinion, the 2010/11 showed a drastic decline in both the administration and financial viability of the Council.

The Budget and IDP were approved within the time limits and further financial constrains were put in place to ensure that the Municipality can fore full its obligations. The municipality is still depending on grants for any major projects.

The Annual Financial Statements for the three previous years were completed and Council received the 2014/2015 audit report in January 2015. The two previous reports were received and an audit recovery plan was drawn up to rectify the various issues as indicated in the report. Most of these issues relating to the Misstatements on the AFS was addressed and rectified.

5.1 STATEMENT OF FINANCIAL PERFORMANCE

APPENDIX D - Unaudited
KAROO HOOGLAND LOCAL MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VS BUDGET FOR THE YEAR ENDED 30 JUNE 2015
MUNCIPAL VOTE CLASSIFICATION

Department	Actual Income 2015	Actual Expenditure 2015	Surplus/(Deficit) 2015
Administration	15 621	1 803 182	(1 787 562)
Community Services	540 410	1 410 594	(870 183)
Council General Expenditure	14 901 994	9 266 606	5 635 388
Director Finance	22 355 393	16 485 050	5 870 342
Electricity	7 939 928	8 439 407	(499 478)
Planning and Development	0	1 572 410	(1 572 410)
Parks,Trees and Recreation	(13 201)	310 187	(323 388)
Sanitation	2 006 571	2 802 746	(796 175)
Streets and Public Works	0	6 199 027	(6 199 027)
Refuse	1 683 743	2 762 903	(1 079 160)
Water	2 089 082	4 161 740	(2 072 657)
Total	51 519 543	55 218 072	(3 698 529)

APPENDIX E(1) - Unaudited
KAROO HOOGLAND LOCAL MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VS BUDGET FOR THE YEAR ENDED 30 JUNE 2015

	Actual 2015	Budget 2015	Variance 2015
REVENUE			
Property rates	4 563 285	4 861 787	(298 502)
Government Grants and Subsidies	30 468 761	28 607 149	1 861 612
Public contributions and Donations	835	-	835
Fines	5 610	6 100	(490)
Property rates penalties and Collection Charges	217 030	0	(217 030)
Service charges	13 511 723	14 090 665	(578 943)
Rental of facilities and equipment	688 612	461 300	227 312
Interest earned - external investments	197 300	55 000	142 300
Interest earned - outstanding debtors	915 447	764 670	150 777
Agency services	216 998	203 000	13 998
Other revenue	582 302	136 876	445 426
Actuarial Gains	151 641	0	151 641
Total Revenue	51 519 543	49 186 547	2 332 996
EXPENDITURE			
Executive and Council	(9 266 606)	(2 654 994)	(306 674)
Budget and Treasury	(16 485 051)	(8 494 422)	(2 206 998)
Corporate Services	(1 803 183)	(4 763 201)	912 769
Planning and Development	(1 576 629)	(71 000)	(80 730)
Community and Social	(1 410 594)	(869 373)	31 699
Sport and Recreation	(310 187)	(1 045 378)	(330 325)
Waste Water Management	(2 802 746)	(5 899 929)	3 097 183
Waste Management	(2 762 903)	(82 000)	(2 680 903)
Streets and Public Works	(6 199 028)	(10 298 215)	4 099 187
Water	(4 161 740)	(7 898 985)	3 737 245
Electricity	(8 439 407)	(12 264 353)	3 824 946
Total Expenditure	(55 218 073)	(62 802 386)	(7 584 313)
SURPLUS/(DEFICIT) FOR THE YEAR	(3 698 530)	(13 615 839)	9 917 309

Due to the approved budget the correlation between actual and budget figures are distorted. Budgeted income was not achieved while the Budgeted Expenditure was in some instances exceeded. During the latter part of the period under review all expenditure not classified as essential, was curtailed.

5.2 GRANTS

Grants received were spent during the period under review. 2014/2015

MIG	R 8 890 000
EPWP	R 1 000 000
RBIG	R 1 920 005
FMG	R 1 800 000
MSIG	R 934 000
Library Grant	R 1 093 000
LGSeta	R 7 031

SPENDING AGAINST CAPITAL BUDGET

5.3 CAPITAL EXPENDITURE

The funding for the capital budget is derived from Grants. All funds received were spent.

MIG	R 8 890 000
RBIG	R 1 920 005

CASH FLOW MANAGEMENT AND INVESTMENTS

5.4 CASH FLOW

As set out in preamble the cash flow situation of the municipality is under pressure. On various occasions the municipality could not fulfill its obligations and were there R8.3m in creditors that remained unpaid. This situation escalated further subsequently to the period under review. It is imperative that expenditure be curtailed following corrective budgeting procedures. Credit Control needs to be addressed urgently.

5.5 BORROWING AND INVESTMENTS

No funds were borrowed under the period of review.

DBSA	Long Term Liability	R 2 626 694
Current Portion of Long Term Liability		R 173 141

OTHER FINANCIAL MATTERS

5.6 SUPPLY CHAIN MANAGEMENT

Due to the limited number of suppliers in the region it happens often that goods and services are procured from the sole suppliers. During the previous period under review the then Municipal Manager flaunted SCM regulations on a few occasions and were contractors appointed without following the correct procedures. These transgressions are pointed out in the Annual Financial Statements for review by the Auditor – General.

5.7 GRAP COMPLIANCE

The Annual Financial Statements will be GRAP compliant. The Financial Statements were compiled by the Acting CFO Mr. S Myburgh

CONCLUSION

Although the year was full of challenges there is still room for improvement.

In addition to what the Mayor has said it should be noted that the financial statistics contained in this report cannot be verified as it has not been audited due to the fact that the Municipality had not yet received the audit report regarding the year under review.