CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The Organizational Structure provides for four Directorates that had a total number of 453 employees during the year. Not all critical funded vacancies were filled. There were 42 cases of injury on duty reported. Only two employees were suspended for alleged misconduct. No employees were charged with financial mismanagement. No performance rewards paid. The municipality spent R390 000 on Skills Development to improve the skills of the employees during the year. Management retained a healthy relationship with employees by meeting on a monthly basis with the two recognized labour unions on the Local Labour Forum.

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 0			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water, Waste Water (Sanitation)	72	84	70	14	17 %
Electricity	20	41	35	6	15 %
Waste Management	33	117	98	19	16 %
Housing	1	7	5	6	86 %
Roads, Storm water, Parks & Graveyards	49	79	65	14	18 %
Transport	0	0	0	0	0
Planning	0	29	20	9	31 %
Local Economic Development	0	4	3	1	25 %
Community & Social Services (Libraries)	5	8	5	3	38 %
Environmental Protection	0	0	0	0	0
Health	5	2	2	0	0
Security and Safety (Traffic)	5	12	9	3	25 %
Sport and Recreation	1	2	2	0	0
Corporate Policy Offices and Other	0	75	51	24	32 %
Finance	7	72	50	22	31 %
Totals	**198**	**532**	**415**	**121**	**23 %**

Vacancy Rate: Year 1

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	0	0.00
Other S57 Managers (excluding Finance Posts)	0	0	100.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	2	2	100.00
Senior management: Levels 13-15 (Finance posts)	4	1	25.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	3	0	0.00
Highly skilled supervision: levels 9-12 (Finance posts)	0	0	#DIV/0!
Total	**11**	**3**	27.27
*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 accumulated days.*			T4.1.2

COMMENT ON VACANCIES AND TURNOVER:

Vacancies could not be filled due to financial constraints.

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality complied with all collective agreements and all core policies are in place. Monthly meetings of managers and supervisors took place to discuss workforce management issues. Local Labour Forum meetings took place on a quarterly basis where policies and agreements were discussed.

T4.2.0

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action			Not Developed
2	Attraction and Retention	100	100	29-Jan-15
3	Code of Conduct for employees	50	0	To be workshopped
4	Delegations, Authorisation & Responsibility	100	100	As required
5	Disciplinary Code and Procedures	100	100	29-Jan-15
6	Essential Services			Not Developed
7	Employee Assistance / Wellness	100	100	29-Jan-15
8	Employment Equity	100	100	29-Jan-15
9	Exit Management	100	100	29-Jan-15
10	Grievance Procedures	70	0	Not Developed
11	HIV/Aids	100	100	29-Jan-15
12	Human Resource and Development	100	100	29-Jan-15
13	Information Technology	100	100	29-Jan-15
14	Job Evaluation			Not Developed
15	Leave	100	100	29-Jan-15
16	Occupational Health and Safety	100	100	29-Jan-15
17	Official Housing	0	0	Not Developed
18	Official Journeys	100	100	29-Jan-15
19	Official transport to attend Funerals			Not Developed
20	Official Working Hours and Overtime	60	60	Not Developed
21	Organisational Rights	100	100	Not Developed
22	Payroll Deductions	100	100	Not Developed
23	Performance Management and Development	100	100	29-Jan-15
24	Recruitment, Selection and Appointments	100	100	29-Jan-15
25	Remuneration Scales and Allowances			Not Developed
26	Resettlement			Not Developed
27	Sexual Harassment	100	100	29-Jan-15
28	Skills Development	100	100	29-Jan-15
29	Smoking	100	100	29-Jan-15
30	Special Skills	100	100	29-Jan-15
31	Work Organisation			Not Developed
32	Uniforms and Protective Clothing	100	100	29-Jan-15

33	Other:				
Use name of local policies if different from above and at any other HR policies not listed.					T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Many Workforce Policies have been reviewed and were approved on 29 January 2015. Our policies are guided by legislation and the Collective Agreement on Conditions of Service.

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

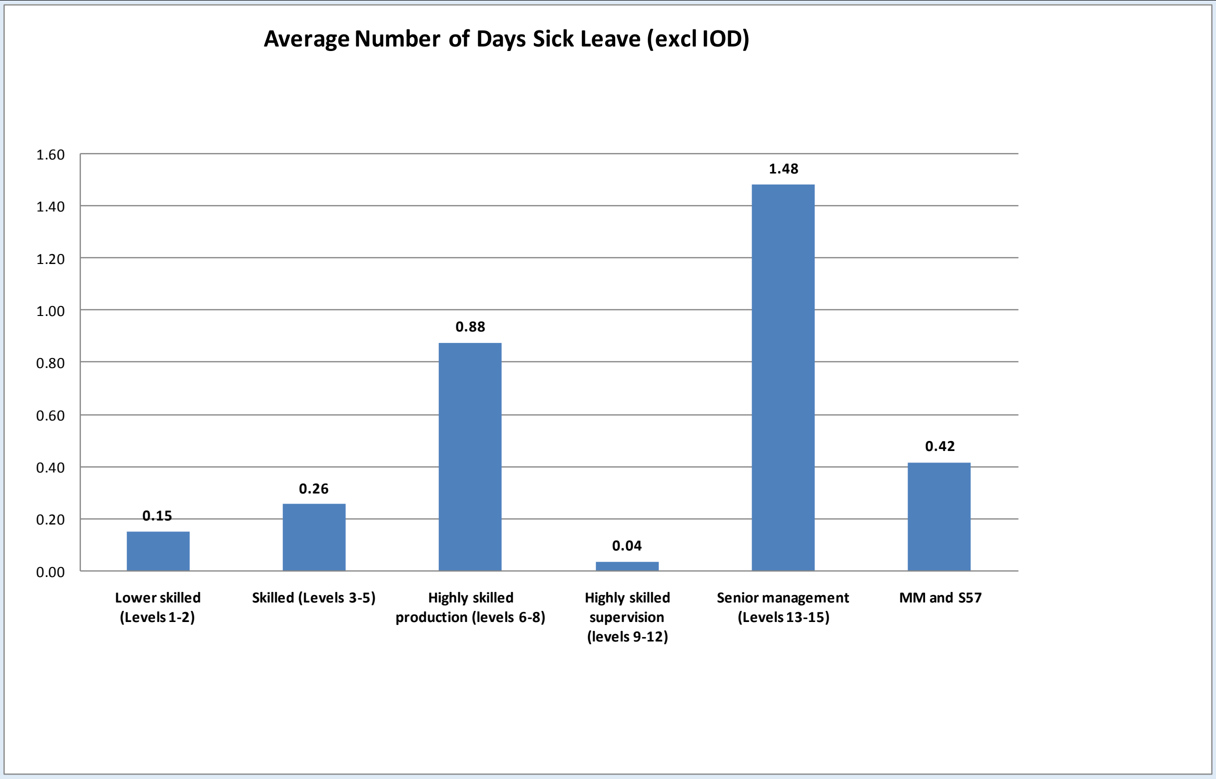
Number and Cost of Injuries on Duty					
Type of injury	**Injury Leave Taken** **Days**	**Employees using injury leave** **No.**	**Proportion employees using sick leave** **%**	**Average Injury Leave per employee** **Days**	**Total Estimated Cost** **R'000**
Required basic medical attention only	56	7	12.50%	0	0
Temporary total disablement	0	0	0.00%	0	
Permanent disablement	0	0	0.00%	0	
Fatal	0	0	0.00%	0	
Total	56	7	12.50%	11.2	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 1-2)	40	50%		224	0.09	
Skilled (Levels 3-5)	24	25%		118	0.06	
Highly skilled production (levels 6-8)	10	10%		77	0.02	
Highly skilled supervision (levels 9-12)	7	10%		7	0.02	
Senior management (Levels 13-15)	5	5%		4	0.01	
MM and S57	0	0%		1	0.00	
Total	**86**	**17%**	**0**	**431**	0.20	**0**

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

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

T4.3.2



T4.3.3

COMMENT ON INJURY AND SICK LEAVE:

The appointment of a Health and safety officer has greatly reduced injuries on duty. The sick leave policy is in place and is being implemented to the fullest degree.

T4.3.4

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
No suspensions reported for this period				
				T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
	No cases of Financial Misconduct		
			T4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:
During the 2015/2016 financial year there were no cases of Financial Misconduct.
T4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				

	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female	1	1	70	100%
	Male	2	2	70	100%
Total		3	3		
Has the statutory municipal calculator been used as part of the evaluation process?					yes
Note: MSA 2000 S51(d) requires that … 'performance plans, on which rewards are based should be aligned with the IDP'… (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).					T4.4.1

COMMENT ON PERFORMANCE REWARDS:

Performance bonuses were paid out to the Directors in accordance with legislation following a meeting with the Performance Management Evaluation Committee.

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The main focus for the year was compliance with the Minimum Competency Regulations for Senior and Middle Managers within the finance department. We have also trained officials in the IDP process as well as Business Plan Compilation so as to better assist members of the community to compile business plans for their own businesses. Uplifting the community through uplifting the municipality being the ultimate goal of that specific process. We also trained lower level employees in Labour Relations as well as Occupational Health and Safety.

T4.5.0

4.5 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	**Due to Financial constraints training was limited to those mentioned in the introduction.**												
	Male													
Councillors, senior officials and managers	Female													
	Male													
Technicians and associate professionals*	Female													
	Male													
Professionals	Female													
	Male													
Sub total	Female													
	Male													
Total		0		0	0		0	0		0	0		0	0

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

T4.5.1

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						
Chief financial officer						
Senior managers						
Any other financial officials			N/A			
Supply Chain Management Officials						
Heads of supply chain management units						
Supply chain management senior managers						
TOTAL	0	0	0	0	0	0
** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)*						T4.5.2

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality spent about 1.24% of the value of salaries on Skills Development which is within the limits of the approved Work Place Skills Plan. The municipality sent a number of individuals from various departments on training required in their sections. We take training very seriously in our municipality and all efforts are put forward to make training endeavours a success. We have not sent any senior financial manager on training to comply with the minimum competency regulation.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Pressures for the delivery of basic services, like clean water, have resulted in overspending on the overtime of the technical staff. The rapid growth of informal settlements has also placed increased pressure upon the entire municipality and its expenditure.

T4.6.0

4.6 EMPLOYEE EXPENDITURE

Source: MBRR SA22 T4.6.1

COMMENT ON WORKFORCE EXPENDITURE:

Delete Directive note once comment is complete – Explain the spending pattern in the context of the actual and two previous years plus the budget year. Refer to implications for workforce ratio in Chapter 5. Comment on factors influencing workforce expenditure during the year.

T4.6.1.1

Employees appointed to posts not approved				
Department	Level	Date of appoinment	No. appointed	Reason for appointment when no established post exist
	N/A			
				T4.6.4

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

No posts were upgraded for this financial period

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

The municipality did not have section 56 managers, therefor only declarations made were for councillors.

No interests were declared

T4.6.6

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality

T5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary

R' 000						
Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<u>Financial Performance</u>						
Property rates	17,614	26,019	27,019	13,730	%	%
Service charges	76,833	87,288	72,277	81,130	%	%
Investment revenue	8,169	8,516	8,670	9,575	%	%
Transfers recognised - operational	52,456	53,467	53,467	55,351	%	%
Other own revenue	(1,405)	8,527	9,124	1,285	%	%
Total Revenue (excluding capital transfers and contributions)	153,668	183,816	170,557	161,071	%	%
Employee costs	78,422	74,030	74,450	86,266	%	%
Remuneration of councillors	4,704	3,735	6,087	4,961	%	%
Depreciation & asset impairment	69,616	27,835	24,651	59,855	%	%
Finance charges	2,320	1,011	1,820	2,913	%	%
Materials and bulk purchases	40,466	48,549	46,937	49,425	%	%
Transfers and grants	10,908	5,280	13,102	9,577	%	%
Other expenditure	28,824	26,270	26,621	21,854	%	%

Total Expenditure	235,260	186,710	193,669	234,852	%	%
Surplus/(Deficit)	(81,593)	(2,894)	(23,112)	(73,780)	%	%
Transfers recognised - capital	29,336	22,112	23,112	25,077	%	%
Contributions recognised - capital & contributed assets					%	%
Surplus/(Deficit) after capital transfers & contributions	(52,256)	19,218	(0)	(48,703)	%	%
Share of surplus/ (deficit) of associate					%	%
Surplus/(Deficit) for the year	(52,256)	19,218	(0)	(48,703)	%	%
Capital expenditure & funds sources						
Capital expenditure	55,838	26,593	26,211	34,437	%	%
Transfers recognised - capital	45,013	24,311	24,311	32,861	%	%
Public contributions & donations	–	–	–	–	%	%
Borrowing	–	1,010	500	–	%	%
Internally generated funds	10,825	1,272	1,400	1,576	%	%
Total sources of capital funds	55,838	26,593	26,211	34,437	%	%
Financial position						
Total current assets	25,954	23,749	23,999	44,741	%	%

Total non current assets	818,440	788,597	762,004	834,526	%	%
Total current liabilities	83,104	38,301	38,301	126,189	%	%
Total non current liabilities	59,302	62,571	62,571	66,182	%	%
Community wealth/Equity	701,988	711,473	685,131	695,582	%	%
Cash flows						
Net cash from (used) operating	(6,945)	96,822	74,171	64,556	%	%
Net cash from (used) investing	(24,061)	(39,426)	(29,417)	(111,202)	%	%
Net cash from (used) financing	(2,750)	10,176	10,176	787	%	%
Cash/cash equivalents at the year end	(19,197)	67,572	54,929	(85,342)	%	%
Cash backing/surplus reconciliation						
Cash and investments available	(37,676)	3,402	3,402	1,124	%	%
Application of cash and investments	14,275	13,683	14,247	79,501	%	%
Balance - surplus (shortfall)	(51,951)	(10,282)	(10,846)	(78,378)	%	%
Asset management						
Asset register summary (WDV)	812,731	819,762	819,380	764,384	%	%

Depreciation & asset impairment	43,250	7,255	4,071	43,250	%	%
Renewal of Existing Assets	–	–	–	–	%	%
Repairs and Maintenance	5,077	4,097	2,937	2,140	%	%
Free services						
Cost of Free Basic Services provided	–	–	–	–	%	%
Revenue cost of free services provided	–	–	–	–	%	%
Households below minimum service level						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						T5.1.1

Financial Performance of Operational Services R '000						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	22,125	16,667	17,252	12,787	-30.34%	-34.91%

Waste Water (Sanitation)	13,624	10,668	10,683	7,525	-41.77%	-41.97%
Electricity	63,842	58,605	58,715	55,822	-4.99%	-5.18%
Waste Management	9,623	8,639	9,377	4,812	-79.53%	-94.88%
Housing	–	–	–	–	#DIV/0!	#DIV/0!
Component A: sub-total	109,214	94,579	96,026	80,946	-16.84%	-18.63%
Waste Water (Storm water Drainage)	–	–	–	–	#DIV/0!	#DIV/0!
Roads	13,158	11,005	10,260	11,480	4.14%	10.63%
Transport	–	–	–	–	#DIV/0!	#DIV/0!
Component B: sub-total	13,158	11,005	10,260	11,480	4.14%	10.63%
Planning	1,248	1,003	912	1,473	31.89%	38.06%
Local Economic Development	3,649	3,895	3,364	6,709	41.95%	49.85%
Component B: sub-total	4,897	4,898	4,277	8,182	40.14%	47.73%
Planning (Strategic & Regulatory)	–	–	–	–	#DIV/0!	#DIV/0!
Local Economic Development	–	–	–	–	#DIV/0!	#DIV/0!
Component C: sub-total	–	–	–	–	#DIV/0!	#DIV/0!
Community & Social Services	10,487	9,693	5,396	9,199	-5.38%	41.34%
Environmental Protection	–	–	–	–	#DIV/0!	#DIV/0!
Health	1,487	1,067	1,265	1,670	36.09%	24.24%
Security and Safety	796	4,971	6,157	8,176	39.21%	24.70%
Sport and Recreation	–	–	–	–	#DIV/0!	#DIV/0!
Corporate Policy Offices and Other	95,221	60,497	70,288	115,199	47.48%	38.99%
Component D: sub-total	107,991	76,228	83,106	134,244	43.22%	38.09%
Total Expenditure	**235,260**	**186,710**	**193,669**	**234,852**	20.50%	17.54%

In this table operational income (but not levies or tarrifs) is offset agaist 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

COMMENT ON FINANCIAL PERFORMANCE:

Delete Directive note once comment is complete **–** Comment on variances above 10%.

T5.1.3

5.2 GRANTS

Grant Performance						
						R' 000
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
-						
Operating Transfers and Grants						
National Government:	**55,351**	**53,467**	**53,467**	**55,351**		
Equitable share	48,286	50,293	50,293	50,293		
Municipal Systems Improvement	890	934	934	934		
Department of Water Affairs	–	–	–	–		
Levy replacement	–	–	–	–		
Other transfers/grants [insert description]	6,175	2,240	2,240	4,124		
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	**55,351**	**53,467**	**53,467**	**55,351**		

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.

Delete Directive note once comment is complete **–** Comment on the variances in the above table and other and indicate high value projects & total the remaining project.

T5.2.2

Details of Donor	Actual Grant Year 0	Actual Grant Year 1	Year 1 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Foreign Governments/Development Aid Agencies						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
N/A No Grants of this type received						T5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality only receives the MIG from the Division of Revenue Act, therefore the section will not be completed.

T5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The municipality only recently established this division and it is understaffed. The compilation of a fully updated and completed Asset Register is underway.

T5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 1				
Asset 1				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
				T5.3.2

COMMENT ON ASSET MANAGEMENT:

The municipality did not purchase any large assets during the financial period, besides office furniture and software. The only asset that could be deemed large is the vehicle that was purchased for the Mayor, but due to the fact that vehicles depreciate and it is not affecting the delivery of services it could not be regarded as large.

T5.3.3

Repair and Maintenance Expenditure: Year 1 R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	4,097	2,937	2788	31.95%
				T5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

There has been an over-spending within the repairs and maintenance and it is due to that most vehicles lifespan has been finished and the vehicles that are been used they need to be serviced regularly.

T5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

T5.4.1

T5.4.2

T5.4.3

T5.4.4

T5.4.5

T5.4.6

T5.4.7

T5.4.8

COMMENT ON FINANCIAL RATIOS:

Liquidity Ratio

From the prior year financial period, the municipality has improved in minimizing the liability and could be concluded that their current assets could try and sustain its operations.

Cost Coverage

Due to vacant posts on critical posts within the municipality the cost coverage has dropped whereby the municipality without assistance of government grants it could not operate for long period.

Total outstanding service debtors

As most municipal consumers are indigents and could not afford to pay the services as they became indigents while they had outstanding debts with the municipality. The amount owed to the municipality is higher what the municipality receives as revenue.

Debt coverage

The debt is slowly covered within the municipality as most consumers are social grant earners and farm-workers the payments done mostly once a month.

Creditors' system efficiency

Due to the fact that the municipality mostly relies on government grants, it can't meet its payment proportion. Therefore above 50% of suppliers are not paid within 30 days which also in contravention with the MFMA.

Capital charges to operating expenditure

The capital expenditure to the operating expenditure is above 50%. Due to that the municipality has more capital projects than operating expenditure which is led by the vacancies.

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend.

T5.5.0

5.5 CAPITAL EXPENDITURE

T5.5.1

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 0 to Year 1 R' 000		
Details	Year 0	Year 1

		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	0	0	0	#DIV/0!	#DIV/0!
	Public contributions and donations	0	0	0	0	#DIV/0!	#DIV/0!
	Grants and subsidies	29,336,175	22,112,000	23,112,000	25,077,296	4.52%	13.41%
	Other	0	0	0	0	#DIV/0!	#DIV/0!
Total		**29336175.05**	**22112000**	**23112000**	**25077296.01**	**#DIV/0!**	**#DIV/0!**
Percentage of finance							
	External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Grants and subsidies	100.0%	100.0%	100.0%	100.0%	#DIV/0!	#DIV/0!
	Other	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Capital expenditure							
	Water and sanitation	1,240,000	1,348,700	1,548,700	1,649,700	14.83%	22.32%
	Electricity	6,780,000	10,487,000	11,487,000	9,873,400	9.54%	-5.85%
	Housing	10,487,036	6,704,800	6,704,800	11,487,032	0.00%	71.33%
	Roads and storm water	10,829,139	3,571,500	3,371,500	2,067,164	-5.60%	-42.12%
	Other	0	0	0	0	#DIV/0!	#DIV/0!
Total		**29336175.05**	**22112000**	**23112000**	**25077296.01**	**#DIV/0!**	**#DIV/0!**
Percentage of expenditure							

	Water and sanitation	4.2%	6.1%	6.7%	6.6%	#DIV/0!	#DIV/0!
	Electricity	23.1%	47.4%	49.7%	39.4%	#DIV/0!	#DIV/0!
	Housing	35.7%	30.3%	29.0%	45.8%	#DIV/0!	#DIV/0!
	Roads and storm water	36.9%	16.2%	14.6%	8.2%	#DIV/0!	#DIV/0!
	Other	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
							T5.6.1

COMMENT ON SOURCES OF FUNDING:

Funding received only from grants

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS:

The municipality only overspent on one project. The rest were underspent. Please see section 46 report

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The municipality works around the clock to eradicate backlogs. The backlog for Services available to communities can be summarized as follow:

Number of Households in Municipality: 16 703

Number of Households with Piped water inside dwelling: 41.0 %

Number of Households with flush toilet connected: 59.6 %

Number of Households with to electricity: 87.4 %

Number of Households with access to waste removal: 5.8 %

T5.8.1

Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs

R' 000

Details	**Budget**	**Adjust-ments Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjust-ments Budget**	
Infrastructure - Road transport				%	%	Please refer to Section 46 Report (Annual Performance Report)
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	

Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	

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

T5.8.3

COMMENT ON BACKLOGS:

N/A

T5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The importance of cash flow management within the municipality is to ensure that that the municipality can continue with its existence with the cash that they have.

T5.9.0

5.9 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	Year 0	Current Year: Year 1		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	94,513	100,692	88,107	34,124
Government - operating	52,456	54,401	54,401	55,351
Government - capital	27,816	21,178	22,178	25,077
Interest	8,169	8,516	8,670	9,575
Dividends				
Payments				
Suppliers and employees	(173,287)	(81,780)	(84,340)	(108,031)
Finance charges	(2,320)	(1,011)	(1,820)	(2,913)
Transfers and Grants	(10,908)	(5,240)	(13,092)	(9,577)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(3,560)**	**96,755**	**74,104**	**3,605**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	(2,419)	–	–	–
Decrease (Increase) in non-current debtors	424	(5,421)	(5,421)	5,179
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	(724)	(67)	(67)	980
Payments				
Capital assets	(104,156)	(33,938)	(23,929)	(117,360)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(106,876)**	**(39,426)**	**(29,417)**	**(111,202)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	10	(1,010)	(1,010)	235
Borrowing long term/refinancing	–	9,586	9,586	1,571
Increase (decrease) in consumer deposits	56	1,600	1,600	37
Payments				
Repayment of borrowing	(2,815)	–	–	(1,056)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(2,750)**	**10,176**	**10,176**	**787**
NET INCREASE/ (DECREASE) IN CASH HELD	**(113,185)**	**67,505**	**54,862**	**(106,810)**
Cash/cash equivalents at the year begin:	**13,543**	**–**	**–**	**3**

Cash/cash equivalents at the year end:	**(99,642)**	**67,505**	**54,862**	**(3)**
Source: MBRR SA7				T5.9.1

COMMENT ON CASH FLOW OUTCOMES:

Delete Directive note once comment is completed - Supply a brief summary about the cash flow status of the municipality. Explain variances from Original and Adjustment Budget to Actual. Include information on operating activities and what effect they had on cash flow and on cash backing of surpluses. Information regarding cash flow may be sourced from **Table A7 of the MBRR.**

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Delete Directive note once comment is completed – Explain briefly the relevance of borrowing and investments to you municipality with reference to the tables below and your municipality's requirements in the year. Information may be sourced from **table SA3 AND SA15 in the MBRR**.

T5.10.1

Actual Borrowings Year -1 to Year 1 **R' 000**			
Instrument	**Year -1**	**Year 0**	**Year 1**
Municipality	0	0	0
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment Credit	0	0	0

Financial Leases	0	0	0
PPP liabilities	0	0	0
Finance Granted By Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptances	0	0	0
Financial derivatives	0	0	0
Other Securities	0	0	0
Municipality Total			
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total			
			T5.10.2

T5.10.3

Municipal and Entity Investments			
			R' 000
Investment* type	Year -1	Year 0	Year 1
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks	The Municipality currently has		
Guaranteed Endowment Policies (sinking)	no investments		
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total			
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total			
Consolidated total:			
			T5.10.4

COMMENT ON BORROWING AND INVESTMENTS:
Currently the Municipality has no investments.
T5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS
Delete Directive note once comment's completed - Provide overview of agreements, contracts and projects undertaken during the year through PPP's – Refer to further details of PPP details **Appendix H**. **Table SA3 (MBRR)** may also be used to gain information on PPP's.
T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

INTRODUCTION AND BACKGROUND

This report is a summary that highlights the implementation of the Supply Chain Management policy in Kai !Garib Municipality. Regulation 6(3) of the SCM regulations requires the Accounting Officer to report on the implementation of the SCM policy to Council to effect Council's oversight role in SCM.

SCM POLICY

The Municipality approved its Supply Chain Management Policy on 9th October 2009. The effective date of the policy was 1 December 2009.

CHALLENGE(S)	**PROPOSED SOLUTION(S)**
No revisions have been effected on this policy in order to incorporate legislative and statutory amendments by National Treasury, since its adoption.	An urgent policy review

SUPPLY CHAIN MANAGEMENT INSTITUTIONAL ARRANGEMENTS

The council developed its policy in line with the Supply Chain Management regulations issued by National Treasury. The National Treasury developed a generic supply chain management policy which was amended to suit the needs of the municipality.

Goods are being procured by way of:

- 1 Written quotation up to a value of R 2000.00
- 3 Written quotations up to a value of R 30 000.00
- Formal written quotations(RFQ's) for transaction in excess of R 30 000.00 up to R200 000.00
- A competitive bidding process for all transactions in excess of R 200 000.
- Where normal applicable SCM processes cannot be complied with as per the thresholds above, a written deviation is authorized by the Accounting Officer.

CHALLENGE(S)	PROPOSED SOLUTION(S)
Poor description and irrelevant votes on requisitions that creates a backlog on the execution of purchase orders; Frequent request for deviations from the Accounting Officer that stem from factors such as lack of planning Non-compliance to the General preconditions for consideration of written quotations due to a de-centralized procurement system- Reg 13 of the SCM regulations	Requisitions should be submitted with clearer descriptions and relevant budgets; Filling of crucial vacant positions to increase manpower in the unit; H.O.D's can start conducting needs analysis and request once-off tenders/RFQ's for goods and services purchased frequently or needed in large quantities at the beginning of the financial

	year Centralizing SCM activities

Establishment of the Supply Chain Management Unit

The current staff complement of the unit is as follows:

- 1x Manager: Expenditure
- 1x Accountant: SCM
- 1x Senior Purchasing Clerk
- 1x Data Clerk
- 1x Distribution Clerk

Only 1 position is currently filled and 4 positions are vacant and an intern has also been appointed.

CHALLENGE(S)	**PROPOSED SOLUTION(S)**
Staff Issues The unit is currently understaffed There’s a lack of segregation of duties	All vacant positions should be filled
Training The current temporary employees of the unit have not been equipped with the necessary skills to meet the demands of their tasks	Formal training should be organized to complement the current on-the-job training

ESTABLISHMENT OF THE BID COMMITTEES

The Municipality applies a fully-fledged bid committees system, and officials were appointed in October to participate in the committees, following a written letter of appointment from the Accounting Officer.

CHALLENGE(S)	PROPOSED SOLUTION(S)
Reg 29 (2)(b) of the SCM regulations requires a bid adjudication committee to consist of at least three senior managers of the municipality which must include – at least one senior supply chain management practitioner who is an official of the municipality The Bid Adjudication Committee is noncompliant to this requirement.	A speedy appointment of Expenditure Manager

ESTABLISHMENT OF A SUPPLIER DATABASE

It is an MFMA requirement that the municipality must have a list/database of accredited suppliers and service providers.

CHALLENGE(S)	PROPOSED SOLUTION(S)
Vendor information is currently captured on	The process of getting the SCM

an excel spreadsheet The number of active registered suppliers is Unknown Supplier rotation cannot be applied The SCM module on SEBATA system is currently not open for use Poor response to the database registration notices	module in operation must be sped up in order to facilitate: Vendor File data cleansing Electronic requisitions Procurement & bids awareness workshops to local suppliers should be introduced

REPORTING

National Treasury requires a report on all acquisitions in excess of R 100 000 to be submitted monthly basis.

CHALLENGE(S)	PROPOSED SOLUTION(S)
None	None

DEVIATIONS/RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESSES

The municipal supply chain management regulations allows for a municipality to deviate from normal

SCM processes if it impractical to follow SCM procedures.

CHALLENGE(S)	PROPOSED SOLUTION(S)
The majority of deviations received and approved by the Accounting Officer are as a result of poor planning and they usually don't constitute emergency/urgency as per policy. This will be a challenge to the SCM unit if this becomes an audit query, because the reasons provided for deviations do not prove the impracticality of following the normal SCM procedures.	A policy review that stipulates strict measures regarding deviations and breaches of procurement processes

IMPLEMENTATION OF THE MBD's

All municipal bid documents (MBDs) are in place in compliance with MFMA Circular 25 and include specifications and evaluation criteria as recommended by the Specifications Committee.

CHALLENGE(S)	PROPOSED SOLUTION(S)
Reg 27(2)(g) requires specifications to be approved by the accounting officer prior to	Going forward, the Specifications Committee must ensure that the Accounting Officer approves the specifications prior to

publication of the invitation for bids. This requirement is not being complied with.	advertising.

IMPLEMENTATION OF A GIFT DECLARATION REGISTER

Council's SCM policy stipulates that no official or other role player involved in SCM may accept any gift, reward, favor, hospitality or other benefit promised directly or indirectly, including to any close family member, partner or associate. Furthermore any official or other role player must declare any gift, reward, favor, hospitality or other benefit promised, offered or granted to that member or to a close family member, partner or associate of that member from suppliers or potential suppliers, of a value of R350.00 or more.

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

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

T5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

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

Delete Directive note once comment's completed - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained.

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Service Delivery Performance: Year 0	
Audit Report Status:	**Qualified Opinion**
Non-Compliance Issues	**Remedial Action Taken**
Property, Plant and Equipment	Implementation of Audit recovery plan
Revenue from exchange Transactions	Implementation of Audit recovery plan
Receivables from exchange transactions	Implementation of Audit recovery plan
Payables from exchange transactions	Implementation of Audit recovery plan
	T6.1.2

Auditor-General Report on Service Delivery Performance: Year 0	
Audit Report Status:	**Disclaimer**
Non-Compliance Issues	**Remedial Action Taken**
N/A	N/A
	T6.1.2

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

6.2 AUDITOR GENERAL REPORT YEAR 1

Auditor-General Report on Financial Performance Year 1*	
Status of audit report:	Qualified
Non-Compliance Issues	**Remedial Action Taken**
	Audit recovery plan compiled and adopted by council
Note: The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 1.*	
	T6.2.1

Auditor-General Report on Service Delivery Performance: Year 1*	
Status of audit report:**	Disclaimer
Non-Compliance Issues	**Remedial Action Taken**
** This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor-General Report on Service Delivery Performance Year 1*	
*** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.*	
	T6.2.2

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1
Refer to appendix
T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1: ***No comments*** T6.2.4

T6.2.5

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.

Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance %	Percentage Apologies for non-attendance %
BM Bock	PT	Committee for Institutional Development	Ward	100	100
A De Bruin	PT	Committee for Infrastructure Development	PR	100	100
AV Du Plessis	PT	Committee for Institutional Development	Ward	100	100
DW Fienies	PT	Committee for Socio Economic Development	Ward	100	100
FJ Handona	PT	Executive Committee	Ward	100	100
AM Isaacs	PT	Committee for Socio Economic Development	Ward	100	100
S Jacob	FT	Speaker	Speaker	100	100
WB Kamfer	PT	Committee for Infrastructure Development	Ward	10	100
WD Klim	PT	Committee for Infrastructure Development	Ward	100	100
E Meyer	PT	Executive Committee	PR	100	100
JJJ Olyn	FT	Executive Committee	Mayor	100	100
AC Snyers	PT	Committee for Infrastructure Development	Ward	100	100
JG Styles	PT	Committee for Infrastructure Development	Ward	100	100
MMJ Titus	PT	Committee for Socio Economic Development	PR	100	100
TPP Solomon	PT	Committee for Institutional Development	PR	100	100
AV Van der Westhuizen	PT	Committee for Institutional Development	PR	100	100
*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*					T A

CONCERNING TA

A spreadsheet exists to compile attendance data TA.1

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees		
Municipal Committees	**Purpose of Committee**	
Municipal Public Accounts Committees	Overseeing municipal accounts and spending	
Committee for Institutional Development	Labour relations, Skills Development, Conditions of Service	
Committee for Socio Economic Development	Social and economic development and upliftment	
Executive Committee	The financial expenditure of the municipality	
Committee for Infrastructure Development	Town planning, sportgrounds and facilities, Housing, Building Maintenance	
		T B

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

See Chapter 2 (T2.2.2)

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	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Electricity	No
Firefighting services	Yes	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	Yes	No
Municipal public transport	No	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	Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters	No	No
Stormwater management systems in built-up areas	Yes	No
Trading regulations	No	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
Continued next page		

Continued from previous page

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	No	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	No	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	Yes	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No	No
Local amenities	No	No
Local sport facilities	Yes	No
Markets	No	No
Municipal abattoirs	No	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	No	No
Pounds	No	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	No	No
Street lighting	Yes	No
Traffic and parking	Yes	No
**** If municipality: indicate (yes or No); * If entity: Provide name of entity***		T D

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during Year 1**	**Recommendations adopted (enter Yes) If not adopted (provide explanation)**
	Audit Committee was only appointed 23 June 2014	
		T G

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
					T H.1

Public Private Partnerships Entered into Year 1					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2008/09
					T H.2

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 1 (Current Year)		
Position	**Name**	**Description of Financial interests*** **(Nil / Or details)**
(Executive) Mayor		
Member of MayCo / Exco		
Councillor		
Municipal Manager	**Based on the financial declarations received, all members declared no interest.**	
Chief Financial Officer		
Deputy MM and (Executive) Directors		
Other S57 Officials		
** Financial intersests to be disclosed even if they incurred for only part of the year. See MBRR SA34A*		*T J*

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Municipal systems infrastructure grant (MSIG)			1200000	%	%	
Financial management grant (FMG)			1500000	%	%	
The Municipality does not budget for the grants seperately. Only as a whole of all grants received.						
Total				%	%	
** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*						T L

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The conditional grants received by the municipality are the Municipal Systems Infrastructure Grant and the Financial Management Grant. No additional Grants are received.

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APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

NC082 Kai! Garib - Supporting Table SA36 Detailed capital budget						
Municipal Vote/Capital project	Ref	Program/Project description	Project number	Total Project Estimate	Prior year outcomes	
R thousand	4				Audited Outcome 2013/14	Audited Outcome 2014/15
Parent municipality:						
List all capital projects grouped by Municipal Vote						
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Augrabies & Municipal Areas: Feasibility Study on Cemeteries	CS/NC/7306/10/10	644	629	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Lennertsville: Feasible Study for Cemetery Site	CS/NC/7307/10/10	97	84	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Kai !Garib Municipal Area: Feasibility Study Solid Waste	CS/NC/7738/10/10	1,516	1,124	109
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Community High Mast Light: Augrabies, Marchand, Alheit, Cillie & Lutzburg	L/NC/8139/10/11	3,062	2,564	251
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Community High Mast Lighting : Bloemsmond, Soverby, Curriescamp, Blaauwsekop	L/NC/8070/10/11	1,805	1,442	152
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Community High Mast Light: Lennertsville	L/NC/8073/10/10	294	260	2
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Community High Mast Light: Warmsand (1020)	L/NC/7308/10/11	300	271	1
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Lennertsville: Access & Collector Roads	NC0464/R,ST/12/13	7,277	7,594	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Keimoes: Access & Collector Roads	NC504/R,ST/12/14	17,637	2,275	6,263
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Lennertsville: Extention/Upgrading of External Water Supply (MIG 1204)	NC0471/W/12/13	4,860	1,205	3,250
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Alheit: Extention/Upgrading of External Water Supply (MIG 1200)	NC0474/W/12/13	6,854	3,947	5,694
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Augrabies: Upgrading of Water Network	NC0492/W/12/14	9,445	3,299	4,817
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Blaauwskop: New Access Road	NC0534/R,ST/14/15	2,760	–	162
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Marchand: Extention/Upgrading of External Water Supply (MIG 1199)	NC0472/W/12/13	4,265	221	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Warmsand: Extention/Upgrading of External Water Supply with Distribution Network (MIG 1201)	NC0473/W/12/13	6,654	628	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Kai !Garib Landfill Site Valuations		–	30,296	–

Vote 6 - PLANNING AND DEVELOPMENT		Kai !Garib Municipality Project Management Unit (PMU)		1,059	–	479
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Keimoes: Access & Collector Roads	NC504/R,ST/12/14	17,637	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Blaauwskop: New Access Road	R/NC/10262/14/14	2,760	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Cillie: Upgrading of Water Network	W/NC/10259/12/13	1,947	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Lutzburg: Upgrading of Water Network	W/NC/10258/12/13	2,931	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Warmsand: Upgrading of External Water Supply		7,379	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Marchand: Upgrading of External Water Supply		9,224	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Augrabies: Development of New Cemetery		1,543	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Lennertsville: Development of New Cemetery		2,956	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Alheit: Development of New Cemetery		1,163	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Cillie: Development of New Cemetery		931	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Mctaggerskamp: Development of External Water Supply		7,707	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Keimoes: Development of New Cemetery		5,606	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Soverby: Upgrading of External Water Supply		7,516	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Currieskamp: Upgrading of External Water Supply		1,927	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Eksteenskuil Eilande: Upgrading of External Water Supply		6,065	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Kakamas: Collector Roads		15,129	–	–
Vote 5 - TECHNICAL AND ENGINERING SERVICES		Kenhardt: Collector Roads		24,513	–	–
Vote 6 - PLANNING AND DEVELOPMENT		Project Management Unit: 2015_2016		1,089	–	–
Vote 6 - PLANNING AND DEVELOPMENT		Project Management Unit: 2016_2017		1,125	–	–
Vote 6 - PLANNING AND DEVELOPMENT		Project Management Unit: 2017_2018		1,180	–	–
Total Capital expenditure		**Please read with Section 46 report as changes are indicated in said document**			55,838	21,187

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme* R '000							
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class	Refer to Chapter 5						
Infrastructure - Total							
Infrastructure: Road transport - Total							
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total							
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total							
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total							
Reticulation							
Sewerage purification							
Infrastructure: Other - Total							
Waste Management							
Transportation							
Gas							
Other							
Community - Total							
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 1

Capital Programme by Project: Year 1					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
	Please refer to Section 46 Report				
Water					
"Project A"					
"Project B"					
"Project C"					
Sanitation/Sewerage					
"Project A"					
"Project B"					
Electricity					
"Project A"					
"Project B"					
Housing					
"Project A"					
"Project B"					
Refuse removal					
"Project A"					
"Project B"					
Stormwater					
"Project A"					
"Project B"					
Economic development					
"Project A"					
"Project B"					
Sports, Arts & Culture					
"Project A"					
"Project B"					
Environment					
"Project A"					
"Project B"					

Health	
"Project A"	
"Project B"	
Safety and Security	
"Project A"	
"Project B"	
ICT and Other	
"Project A"	
"Project B"	
	T N

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: Year 1		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water	Please refer to section 46 report	
"Project A"		
"Project B"		
Sanitation/Sewerage		
Electricity		
Housing		
Refuse removal		
Stormwater		
Economic development		

Sports, Arts & Culture	
Environment	
Health	
Safety and Security	
ICT and Other	
	T O

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Clinics (NAMES, LOCATIONS)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				T P

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Commmunity where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	**Scale of backlogs**	**Impact of backlogs**
Clinics:		
Housing:		
Licencing and Testing Centre:		
Reseviors		
Schools (Primary and High):		
Sports Fields:		
		T Q

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 1				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 1 R' 000	Total Amount committed over previous and future years
The municipality does not provide loans and/or grants				
** Loans/Grants - whether in cash or in kind*				T R

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

CONCERNING TS

Delete this Appendix if all returns have been made in accordance with reporting requirements.

Delete Directive note before publication

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APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	**Progress to date**	**Number or Percentage Achieved**
Output: Improving access to basic services	Municipality experienced critical vacancies and financial difficulty during financial year	
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
** Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.* T		

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.