

BA-PHALABORWA MUNICIPALITY

2013/14 ANNUAL REPORT



THE HOME OF MARULA AND WILDLIFE TOURISM

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MAYOR 'S FOREWORD



It is my privilege to present the Annual report for the 2013/14 financial year. I would like to take this opportunity to thank our residential and business communities and our stakeholders for their support and contributions as we passionately working towards our vision of been ***“Best Tourist Destination in Limpopo by 2020”***.

2013/14 financial year the municipality did not perform well with regard to own funded projects. The under-performance was due to financial constraints as a result of low revenue collection. The other high-light for the year was that the municipality managed to spend all funds allocated to Municipal Infrastructure Grant (MIG), that is, 100 % spending, quiet well before the end of the financial year. As such the municipality received additional MIG re-allocation of R13M for the good performance recorded. This good achievement was due to the utilization of forward planning in terms of implementation of conditional grants projects.

After realising the challenges of revenue collection the municipality appointed a debt collector and intensified on the implementation of the Credit Control policies. The municipality further had challenges with the development of the Municipal Property Valuation Roll (2015/19) due to the process of investigations which was conducted by the Department of Cooperative Governance Human Settlements and Traditional Affairs.

Despite all the challenges experienced during the financial year, the efforts by the team members enabled us to deliver and achieve the following:

Achievements:

- Constructed 20 High-masts lights in Mashishimale and Maseke;
- Connected 1067 households to the electricity network at Selwana and Kurhula;
- Completed the development of electricity master plan;
- Increased the collection of waste removal from 22 553 to 22 941;
- Facilitated and finalized the signing of an agreement with tribal authorities for the donation of land for development of landfill site;
- Upgraded 6km of gravel roads to paving;
- 6 projects implemented EPWP way, thus creating employment opportunities;
- Created 575 jobs through municipal initiatives (EPWP);
- Supported 231 SMMEs through Municipal Supply Chain Management processes;
- Spent MIG allocation 100%, and received re-allocation of R13M for good performance; and
- Improved on stakeholder involvement as 4 mayoral imbizos were held.

Key challenges for the 2013/14 financial year:

The key challenges for the 2013/14 financial year are amongst others the following:

- Low revenue collection which affected implementation of own funded capital projects;
- Culture of non payment of services in townships;
- Old water and electricity infrastructure; and
- Compilation of Municipal Property Valuation Roll (2015/19) which was delayed by investigations conducted by COGHSTA;

The municipality engage its communities through mayoral imbizos which are held on a quarterly basis. It further conducts public participation meetings to engage and report back to the community on the progress made with regard to implementation of service delivery

projects and challenges experienced. Furthermore, councillors meeting their constituencies in the wards through monthly ward meetings.

We present this report mindful that many infrastructure, social, economic and environmental development challenges remain and furthermore urge our communities to pay for their services in order to able the municipality to continuing offering good, sustainable services. However, we take pride in the difference we have made in the lives of many of our people in this financial year. Furthermore, this report is presented acknowledging the contributions of Members of the Executive Committee, all other councillors, management and staff, our strategic partners and communities themselves.

COMPONENT B: EXECUTIVE SUMMARY



1.1. MUNICIPAL MANAGER'S OVERVIEW

The Accounting Officer's Year End Institutional Performance Overview

This Annual Report has been compiled in line with the provisions of Section 46 of the Local Government: Municipal Systems Act 32 of 2000 which mandates a municipality to prepare an annual performance report for each financial year reflecting the performance of the municipality and of each external service provider during the financial year.

The Annual Report is based on targets set for the implementation of the 2013/14 IDP through the Service Delivery Budget and Implementation Plan. The key performance indicators are classified according to the five key performance areas of local government and are aligned to the municipal objectives as outlined in the IDP

This report will record progress made by the municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery Implementation Plan. It will also reflect on the challenges encountered during the financial year.

The annual of the municipality will be presented in terms of Key Performance Areas and performance indicators as approved by the Mayor in the Service Delivery Implementation Plan as follows:

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The Key Performance Area for Municipal Transformation and Institutional Development had 20 key performance indicators for the 2013/14 financial year. The municipality recorded

good performance on 16 key performance indicators which constituted to 80% and non performance was recorded in 4 key performance indicators totalling to 20%. The good performance recorded was as a result of 1 more reviewed policy on the 6 planned policies. The skills development plan was reviewed and submitted on the 30th of April 2014, which was two months before the due date. The IDP, Budget, PMS & MPAC Process plan, the reviewed IDP and the final SDBIP were processed on time and approved by council on the planned dates. All Section 54 & 56 Managers signed their performance agreements. The Institutional Annual Performance Report was submitted to the Department of Cooperative Governance, Provincial Treasury and Office of the Auditor General. The poor performance was as a result of less number of positions filled due to austerity measures and the non appointment of the Technical Service's Director Position which has been vacant for a year. Appointments in the three highest level of management of employees from previously disadvantaged groups is still a challenge in the municipality with only one position filled out of the 5 planned positions.

KPA 2: BASIC SERVICE DELIVERY

The Key Performance Area for Basic Service Delivery had 14 key performance indicators during the financial year under review. The Municipality managed to record good performance on 9 key performance indicators which constituted to 64% and 3 key performance indicators were reflecting partially achievement which equalled to 21% and 1 key performance indicator reflected poor performance which constitutes to 7%. There was one key performance indicator which was unaccounted for which constituted to 7%. The good performance was as a result of 9 projects that were implemented through the EPWP way and the municipality managed to connect 1067 new consumer units to the electricity network. The poor performance recorded on the Basic Service Delivery KPA was due to the target not reached of number of HH receiving free basic electricity. The municipality is experiencing challenges in funding own capital projects. The current budget offered limited funds for the implementation of capital projects using own revenue. The municipality to an extent relies on grant funding to finance capital projects.

KPA: 3 LOCAL ECONOMIC DEVELOPMENT

The Key Performance Area for Local Economic Development had 4 key performance indicators during the 2013/14 financial year. The Municipality managed to record good performance in 4 key performance indicators which constituted 100%. The Municipality managed to create 578 jobs through municipal initiatives. The Municipality is currently implementing Social Labour Plans for roads projects by PMC in Namakgale. There is project for Energy High mast lights in Gravelotte which is funded by Consurch. Electricity Sub Station upgrade by Foskor is being implemented. The rehabilitation of Lulekani Dumping site phase one (1) is complete and phase 2 is underway.

KPA 4: MUNICIPAL FINANCIAL VIABILITY MANAGEMENT

The Key Performance Area for Municipal Financial Viability Management had 20 key performance indicators during the 2013/14 financial year. The Municipality managed to record good performance on 16 key performance indicators which constituted to 80%. The 3 partially achieved indicators were recorded and constituted to 15% and the municipality recorded poor performance in 1 key performance indicator which constitutes 5%. The rand value on the budget spent on MSIG and MIG was fully spent. The budget planning schedule and the adjustment budget was done according to the IDP, Budget, PMS and MPAC process plan. The municipality also managed to appoint supply chain committee structures within the planned dates. The poor performance recorded was due to low revenue collection and funding of own projects.

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Key Performance Area for Good Governance and Public Participation had 32 key performance indicators during the financial year under review. The Municipality managed to record good performance on 27 key performance indicators which constituted 84% and 5 key performance indicators indicating poor performance which constituted 16%. The good performance was as a result of the review of code of conduct. All six IDP Representative (REP) forums were held as per the process plan. The Risk Based Audit Plan was approved 10

days before the due date. All Council, EXCO, MPAC, LLF were held according to the IDP, Budget, PMS & MPAC process plan. The Municipality managed to conduct Community Satisfaction Survey internally and 4 days prior the due date. The poor performance recorded was due to the delay in approving the Fraud & Anti Corruption and the ICT strategies.

THE OVERALL MUNICIPAL PERFORMANCE

The municipality had 5 key performance areas with a total number of 90 key performance indicators for the 2013/14 financial year. The municipality managed to record good performance on 72 key performance indicators which constituted 80 %, partially achieved indicators constituted 8%, and poor performance recorded was on 11 key performance indicators which constituted 12%.

CORRECTIVE MEASURES TO IMPROVE PERFORMANCE

Filling of Section 56 Managers positions:

The position Director: Technical Services was advertised and interviews were conducted. The interviewing report was presented to council however council delayed taking a resolution to appoint until the advertisement expired. The position of the Director: Technical is already re-advertised and short-listing and interviews will be conducted as per the provisions of the Regulations on appointments of Senior Managers.

Appointments from the previously disadvantaged groups:

The appointment of personnel from this category was affected by austerity measures which were approved by council due to cash flow challenges. The municipality improved on the implementation of credit control policy. Furthermore, culture of payment campaigns will be conducted in the whole municipal area in order to do awareness to community members on the importance of paying for services. The municipality also utilizes the services of a debt collector for the collection of debts which are above 90 days.

Draft SDBIP submission to council for noting:

The draft Service Delivery and Budget Implementation Plan will be submitted to council for noting together with the draft IDP, Budget and PMS at the end of March every financial year as required by legislation.

Capital expenditure (own funding):

Implementation of own funded capital projects are affected on an annual basis due to low revenue collection and starting of the implementation process towards the end of the financial year. Noting this challenge the municipality will start planning for implementation of capital projects in the first quarter of the financial year. The municipality will further intensify the implementation of the credit control policy.

of assets verification and maintenance conducted:

The municipality aligned the reporting of asset verifications and maintenance with the municipal quarterly reporting. The asset verification and maintenance reports will be presented to senior management, EXCO and Council on a quarterly basis with all other quarterly reports.

Deadline for adopting audit action plan:

The delay in approving the AG action Plan was due to non availability of Audit Committee members in December. In addressing the challenge, the municipality will call a special audit committee meeting for processing and reviewing the action plan before presenting to council for approval.

% of internal audit queries recommendations implemented:

The internal audit queries are included in the performance plans of all senior managers and this will allow regular monitoring and implementation progress on a monthly basis.

of audit committee reports presented to council:

The audit committee reports are presented to council by the chairperson of the audit committee. The municipality will provide the council meeting schedule to the audit committee and also invite the chairperson in all council meetings for the presentation of the audit committee report. The municipality through the Office of the Municipal Manager (Internal Audit Section) will do regular reminders to the chairperson of the audit committee for the presentation of the audit reports.

of insurance reports submitted to council:

The municipality developed a policy schedule for coordinating the activities aligned to council insurance. The Office of the Municipal Manager through Risk Management will call regular monthly meetings in preparation for reports to be presented to senior management meetings.

Review of ICT strategy:

In the development of the ICT strategy, the municipality was to be assisted by Mopani District Municipality through its budget. Noting that the district municipality stopped the implementation of the project, the municipality will implement the project in the new financial year (2014/15).

Low revenue collection:

During the period under review the municipality did not perform well in terms of revenue collection, thus affecting implementation of own funded projects. In order to address this under performance, towards the end of the financial 2013/14 the municipality started to implement credit control fully and also utilizes the service of a debt collector to assist the municipality in recovering the money which is still lying with our consumers. Furthermore, the municipality will provide awareness campaign to the municipal consumers on the importance of paying for the services they receive from the municipality. This strategy will further be employed throughout the 2014/15 financial year in order to continue enhancing revenue collection.

Development/compilation of Municipal Property Valuation Roll:

The municipality had challenges regarding the compilation of the Municipal Property Valuation Roll due to the delay caused by investigations conducted by the Department of Cooperative Governance Human Settlements and Traditional Affairs. In addressing the challenges, the municipality together with the Task Team comprising of COGHSTA and Provincial Treasury developed an implementation plan which will guide the process of developing the Municipal Property Valuation Roll for 2015/19.

ISSUES RAISED IN THE 2012/13 AUDITOR GENERAL'S REPORT

- Fixed Asset Register (Immovable Assets);
- Prior year opening balances;
- Property Plant and Equipments; and
- Compliance with Laws and Regulations.

In addressing the issues raised by the Auditor General, the municipality developed an action plan with time frames and responsible officials to attend to all issues raised. By the end of the financial year progress on the implementation of Auditor General Action Plan was at 92%. The only outstanding queries was regarding the stands and farms which the municipality together with the Department of Cooperative Governance Human Settlements and Traditional Affairs developed implementation plan to address the issues on a multi – year basis as they require huge financial resources.

1. 2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Ba-Phalaborwa Municipality is a Category B municipality established in terms of Section 155 of the Constitution of the Republic of South and strives to achieve the following objects of local government (as enshrined in Section 152 of the Constitution):

- ✓ To provide democratic and accountable government for local communities;
- ✓ To ensure the provision of services to communities in a sustainable manner;
- ✓ To promote social and economic development;
- ✓ To promote a safe and healthy environment; and
- ✓ To encourage the involvement of communities and community organisations in the matters of local government.

The Municipality is situated in the North-Eastern part of South Africa in the Limpopo Province. It is one of the five local municipalities in the Mopani District family of municipalities. It has a geographical area of 7461.6 km² that constitutes more than 27% of the Mopani District. It serves as a convenient gateway to the Kruger National Park and the Greater Limpopo Transfrontier Park through the Mozambique Coast.

Key Challenges facing the Municipality

- Fixed Asset Register (Immovable Assets);
- Prior year opening balances;
- Property Plant and Equipments; and
- Compliance with Laws and Regulations.

In addressing the issues raised by the Auditor General, the municipality developed an action plan with time frames and responsible officials to attend to all issues raised. By the end of the financial year progress on the implementation of Auditor General Action Plan was at 92%. The only outstanding queries was regarding the stands and farms which the municipality together with the Department of

Cooperative Governance Human Settlements and Traditional Affairs developed implementation plan to address the issues on a multi -year basis as they require huge financial resources.

Municipal Key Objectives for 2013-14

- Integrate social development and services for sustainability
- Integrate technical and social infrastructure and services for sustainability
- Sustain the environment
- Improve financial viability
- Enhance stakeholder involvement
- Facilitate sustainable development
- Advance good corporate governance
- Develop tourism and grow the economy

Population

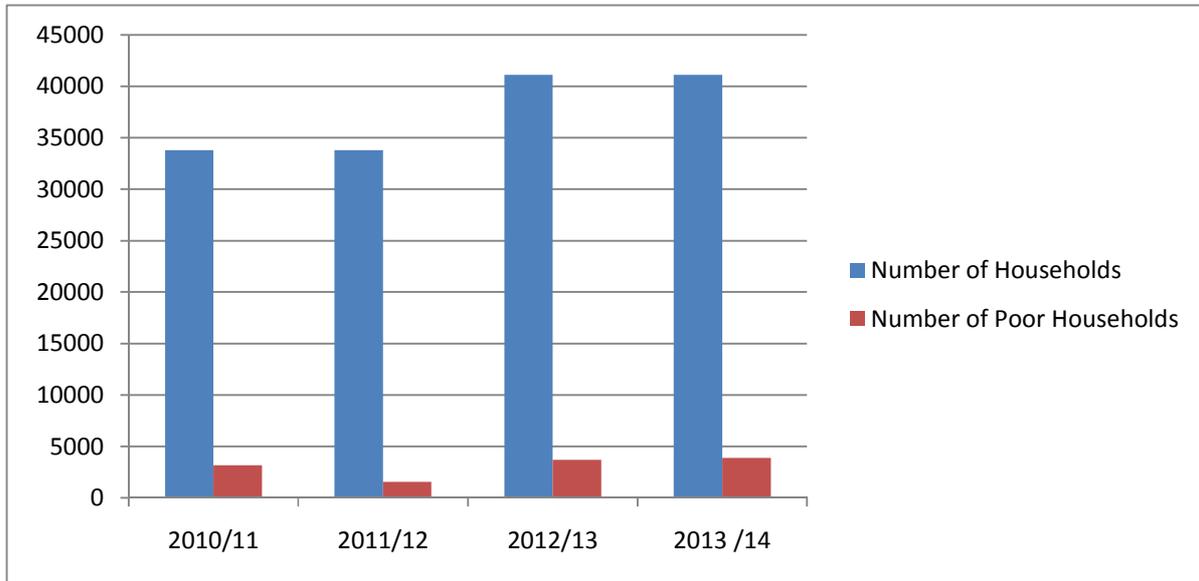
The table below compares municipal demographics as presented by Statistics South Africa (STATS SA) in the 2001 Census and the 2011 Census.

Municipal Demographics based on 2001 Census and 2011 Census

Census 2001		Census 2011		Difference	
Population	Households	Population	Households	Population	Households
131 098	33 529	150 637	41 115	19 539 (13%)	7 586 (18%)

Population Details									
Population 150 495									
Age	2009/10 (1996)			2010/11 (2001)			2011/12 (2011)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	5 805	6 183	11 988	7 516	7 676	15 192	9 721	9 721	19 433
5-9	6 260	6 447	12 707	7 203	7 654	14 857	7 536	7 848	15 384
10-19	6 189	6 404	12 593	7 345	7 490	14 835	7 118	7 555	14 674
20-24	5 313	5 276	10 589	6 519	7 230	13 749	8 132	7 995	16 127
25-29	5 196	4 640	9 836	5 924	6 390	12 314	6 842	7 371	14 195
30-34	4 073	4 171	8 244	4 735	5 169	9 904	5 392	6 016	11 407
35-39	3 595	3 571	7 166	4 169	4 654	8 823	4 649	5 390	10 039
40-44	3 155	2 833	5 988	3 681	3 865	7 546	3 886	4 395	8 282
45-49	2 662	2 077	4 739	3 419	3 041	6 460	3 103	3 787	6 890
50-54	1 995	1 280	3 275	2 708	2 139	4 847	2 691	2 852	5 542
55-59	1 390	1 100	2 490	1 783	1 212	2 995	2 415	2 252	4 667
60-64	725	890	1 615	1 167	1 102	2 269	1 660	1 620	3 280
65-69	542	662	1 204	495	837	1 332	957	1 206	2 163

70-74	299	333	632	420	657	1 077	651	957	1 608
75-79	201	276	477	223	297	520	339	632	972
80-84	92	126	218	128	244	372	203	444	647
85+	91	137	228	69	139	208	118	321	439
Total	53 198	52 089	105 287	64 356	67 180	131 536	72 923	77 572	150 495
Source: Statistics SA						T1.2.2			



Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment rate	Proportion of households with no income	Proportion of population in low-skilled employment	HIV/AIDS prevalence	Illiterate people older than 14 years
2011/12	4012 (11.9%)	38.8%	11%	56%	25.2%	2011/12
2012/13	4012 (11.9%)	38.8%	11%	56%	25.2% *	2012/13
2013/14	4012 (11.9%)	38.8%	11%	56%	25.2% *	

T1.2.4

*District Prevalence rate (Source: Dept of Health 2012)

Overview of neighborhoods within `Name of Municipality`		
Settlements Type	Households	Population
Towns		
Phalaborwa	3389	13976
Sub-Total		
Townships		
Namakgale	8398	25808
Lulekani	3843	20917
Gravelotte	757	

Sub-total		
Rural Settlements		
Selwane	2932	12326
Makhushane	3550	6608
Maseke	1985	7830
Mashishimale	3967	7002
Majeje (incl Benfarm A, B, C, Humulani & Matikoxikaya)	5315	29226
Sub-total		
Informal Settlements		
Kurhula	544	
Tshelang Gape		
Sub-total		
Total	34680	150637
T1.2.6		

Source: Ba-Phalaborwa Municipality GPS 2012

Natural Resources		
Major Natural Resource (Phalaborwa Area)	Major Natural Resource (Murchison area)	Relevance to Community
Magnetite	Mineral sand	Economic (mining)
Copper	Antimony	Economic (mining)
Vermiculite	Gold	Economic (mining)
Nickel	Zinc	Economic (mining)
Apatite	Mercury	Economic (mining)
Zirconium	Paving and clad stones	Economic (mining)
Titanium	Emeralds	Economic (mining)
Uranium	Ilmenite	Economic (mining)
T1.2.7		

Ba-Phalaborwa has the highest concentration of minerals deposits in the Mopani District, hence, mining is the largest economic sector in the Municipality and is also the largest employer.

1.3 SERVICE DELIVERY OVERVIEW

INTRODUCTION TO SERVICE DELIVERY

Services	Households received services (2013/2014)	Total No of Households have access to basic services	Comment
Water connected to yard	48	33144	Water connection to the yard

Electricity	1422		Selwane, Matshilapata and Kurhula village
Roads	6 km		Roads project which were implemented are Patamedi, Honie to topville, Matiko Xikaya
			T1.3.1

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Financial Overview – 2013/14			
Details	Original Budget	Adjustment Budget	Actual
Income	260,636	268,343	105,163
Grants	103,487	112,305	224,774
Sub Total	364,123	380,648	329,937
Less Expenditure	470,260	484,248	332,496
Net Total	106,137	103,600	2,559
Operating Ratios			
Detail	%		
Employee Cost	29%		
Repairs & Maintenance	4.9%		
Finance Charges & Depreciation	18.4%		
T1.4.3			
Total Capital Expenditure 2012/13 - 2013/14			
Detail	2012/13		2013/14
Original budget	54,117		60,620
Adjustment budget	55,921		60,651
Actual	42,991		48,745
T1.4.4			

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 13/14

STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	31/07/14
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	01/07/14
3	Finalise 4 th quarter Report for previous financial year	30/07/14
4	Submit draft Annual Report to Internal Audit and Auditor-General	31/01/14
5	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	31/01/14
6	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	30/08/14
7	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	January
8	Municipalities receive and start to address the Auditor General's comments	December - January
9	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January
10	Audited Annual Report is made public and representation is invited	February
11	Oversight Committee assesses Annual Report	February
12	Council adopts Oversight report	
13	Oversight report is made public	April- 2015
14	Oversight report is submitted to relevant provincial councils	April- 2015
T1.7.1		

COMMENT ON THE ANNUAL REPORT PROCESS:

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Politically, the Mayor is the head of the municipality. In managing the affairs of the municipality, the Mayor delegated some of the responsibilities to Members of the Executive Committee who lead different portfolio committees. The Heads of Portfolio committee account to the Mayor on the affairs of their respective directorates during the Executive Committee meetings, wherein, monthly reports of directorates are discussed. The Executive Committee do oversight on the portfolio committee reports and recommends to council for approval.

The Municipal Manager as the administrative head of the institution deals with the daily affairs of the municipality. All directors appointed and reporting to the Municipal Manager are responsible for the affairs of their respective departments, and on a monthly basis reports are presented to the municipal manager during senior management meetings. The recommendations of senior management are presented to their respective portfolio committees by the responsible directors in order for the portfolio committee chairpersons and members of the portfolio committees to do oversight and take ownership of the reports.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Mayor is the political head in the institution. The municipality has the political management team comprising of the Mayor, Speaker and Chief Whip which meets on a regular basis to discuss the affairs of the municipality in order to give political direction.

The municipality have established portfolio committees which are led by members of the Executive Committee. The portfolio committees do oversight on all the reports that are to be processed to the executive committee meetings. The municipality further established Municipal Public Accounts Committee which probes the financial reports of the municipality and provides some recommendations and advice for implementation by council. The Audit Committee also do oversight on performance information and provide some opinions and recommendations for implementation.

The annual report is tabled by the Mayor in council and thereafter referred to MPAC for probing. For purposes of transparency, the annual report is published in the municipal website and copies placed in all municipal buildings, to afford members of the public access and to forward their comments. The MPAC after probing, tables a report to Council for approval.

T2.1.1

POLITICAL STRUCTURE		
Structure	Name of Public Representative	Function
MAYOR	Cllr NA Sono	<ul style="list-style-type: none"> ✓ Presides at meetings of the executive committee; and ✓ Performs the duties, including ceremonial functions, and exercises the powers delegated to by the Council
SPEAKER	Cllr MD Maake	<ul style="list-style-type: none"> ✓ The Speaker of Council – ✓ Presides at meetings of Council; ✓ Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Municipal Systems Act;

		<ul style="list-style-type: none"> ✓ Must ensure that the Council meet at least quarterly; ✓ Must maintain order during meetings; ✓ Must ensure compliance in the Council and Council committees with the Code of Conduct set out in Schedule 1 of the Municipal Systems Act; and ✓ Must ensure that Council meetings are conducted in accordance with the rules and orders of the Council.
CHIEF WHIP	Cllr SL Mohlala	<ul style="list-style-type: none"> ✓ Responsible for political management of Council meetings and committee meetings. Maintains party relations and ensure that political decision-making takes place timeously and diligently.

COUNCILLORS

Ba-Phalaborwa Municipality have 36 Councillors of which 18 are Ward Councillors and 18 are Proportional Councillors.

T2.1.2

POLITICAL DECISION-TAKING

The municipality has developed the 2013/14 corporate calendar approved by council. The calendar directs all municipal activities including Portfolio Committee, EXCO and Council meetings. The portfolio committees which are led by members of EXCO do oversight on reports of different directorates and recommend their decisions to the Executive Committee Meeting which is chaired by the Mayor. The Executive Committee further plays oversight on the reports of portfolio committees and recommends to Council which take decisions by taking Council Resolutions. The resolutions are decisions taken by politicians for administration to implement.

During 2013/14 financial year 413 Council resolutions were taken and all resolutions were implemented.

6 Ordinary and 13 Special Council meetings were held during the 2013/14 financial year.

11 Ordinary and 12 Special Executive Committee meetings were held during the 2013/14 financial year.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager oversees all financial matters of the institution. The Municipal Manager further has approved delegations of powers wherein all senior managers are delegated responsibilities. The financial matters are delegated to the Chief Financial Officer, Administration and Human Resources matters are delegated to the Director: Corporate Services; planning and development issues are delegated to the Director: Planning & Development; service delivery matters are delegated to the Directors: Technical Services and Community and Social Services.

T2.2.1

TOP ADMINISTRATIVE STRUCTURE		
Structure	Name of Official	Function
Municipal Manager	Dr SS Sebashe	The head of administration and also the Accounting Officer for Ba-Phalaborwa Municipality. Provides guidance and advice on compliance financial and all legislation to the political structures, political office bearers and officials.
Director Corporate Services	Ms IM Moakamela	<ul style="list-style-type: none"> ✓ Renders Human Resource Management Services by Skills Development and Training Services; ✓ Manages communication

TOP ADMINISTRATIVE STRUCTURE

Structure	Name of Official	Function
		<p>and information services to the municipality particularly IT utilization and support services;</p> <ul style="list-style-type: none"> ✓ Provides secretarial services to the Council, the Executive Committee, Section 80 committee, section 79 committees; ✓ Provides legal advisory services with regard to policies, by-laws and labour relations as well as interpretation of legislation; and ✓ Provides administrative support to the department by rendering support to satellite offices and rendering messenger services and ancillary services.
Director Community and Social Services	Mr JW Bayana	<ul style="list-style-type: none"> ✓ Manages the parks and cemeteries; ✓ Manages the waste management; ✓ Manages special programmes in relation to youth, gender; ✓ Attends to environmental management; ✓ Manages the library services; ✓ Lead and direct strategic objectives of the municipality in relation to health; ✓ Regulate and manage traffic, enforce by-laws and educate the public on road safety; and ✓ Oversee the management of licensing section and testing station.
Director Technical Services	K Mpharalala (Acting)	<ul style="list-style-type: none"> ✓ Manages engineering services by designing civil engineering structures and rendering mechanical and electrical engineering

TOP ADMINISTRATIVE STRUCTURE

Structure	Name of Official	Function
		services; ✓ Render project management services by administering contracts for all civil infrastructure projects and amongst others managing local capacity building; and ✓ Renders building control services by administering building plans, conducting building inspections and doing minor maintenance on council buildings.
Director Economic Development, Spatial Planning and Human Settlements	M.P. Seduma (Acting Director)	✓ Renders spatial planning for land development; ✓ Manages land use on behalf of the municipality; ✓ Formulates, implements and maintains comprehensive local economic development plans; ✓ Promotes tourism, agriculture and alleviation of poverty; ✓ Promotes trade and industry; ✓ Manages the valuation roll of the municipality; ✓ Formulates and implementation of integrated development strategy planning; ✓ Manages the municipality's performance management system; and ✓ Approves rezoning application in respect of land within the area.
Chief Financial Officer	Mr AF Mushwana	✓ Administratively in charge of the budget of the municipality and treasury office; ✓ Assist the Municipal Manager in the administration of the

TOP ADMINISTRATIVE STRUCTURE		
Structure	Name of Official	Function
		<p>municipality's bank accounts and the preparation and implementation of the municipality's budget;</p> <ul style="list-style-type: none"> ✓ Renders fleet management; ✓ Manages the revenue collection of the municipality; and ✓ Renders supply chain management.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The municipality as the third sphere of government work in corporation with other spheres of government and their related government entities. In terms of provision of services, the municipality work hand in hand with other government institutions. With regard to provision of water, the Mopani District Municipality assist local municipality to be able to provide the service as they are the WSA. Provincial departments also support the municipality on re the municipal manager oversees all financial matters of the institution and the municipality further approved delegations of powers wherein all senior managers are delegated responsibilities. The financial matters are delegated to the Chief Financial Officer, Administration and Human Resources matters are delegated to the Director: Corporate Services; Planning and development issues are delegated to the Director: Planning & Development; Service delivery matters are delegated to both Director: Technical Services and Director: Community and Social Services. The Department of Corporate Governance Human Settlements and Traditional Affairs support the municipality by RDP houses allocations in line with housing needs submitted by the municipality.

Treasury supports the municipality with the management of municipal financial affairs.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality accounts to the public through various mechanisms as adopted by council. On a quarterly basis, the municipality conduct feedback sessions to community members through Mayoral Imbizos. Furthermore, Ward Councillors account to their respective constituencies through monthly ward committee meetings. On a quarterly basis, the municipality hold Council Meetings wherein, reports and affairs of the municipality are discussed and public members are invited to be part of the planned council meetings.

The municipality also utilizes its website to publish reports, documents etc. (As per the provision of Section 75 of the MFMA). During the probing of the annual report, the MPAC conducts public hearings and in these hearings members of the community are invited to observe the proceedings.

The municipality had an adopted process plan which guides all activities in terms of the preparation of the IDP, Budget and PMS. In line with the approved process plan by Council, the municipality conducts its quarterly Mayoral Imbizos, wherein progress in terms of the implementation of the approved IDP, Budget and PMS is given to the community and at the same time the municipality will do consultation with community members on the development and review of the IDP, Budget and PMS for the next financial year.

Through- out the financial year feedback sessions are conducted on a quarterly basis in order to account to the community on the progress made and furthermore planning for the next financial year as the processes run simultaneously.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The municipality has established a unit which deals with communication; the unit is also responsible for marketing the institution and communicating all activities of the municipality.

The municipality accounts to the public through various mechanisms as adopted by council. On a quarterly basis the municipality conduct feedback sessions to community members through Mayoral Imbizos. Furthermore, ward councillors accounts to their respective constituencies through monthly ward committee meetings. On a quarterly basis the municipality hold council meetings wherein reports and affairs of the municipality are discussed and public members are invited in these council meetings.

The municipality also utilizes its website to publish reports documents etc. (As per the provision of section 75 of the MFMA). During the probing of the annual report MPAC conducts public hearing and in these hearings members of the community are invited to observe the proceedings.

Furthermore, the municipality puts complaints registers in strategic positions for members of the community and staff members to include their compliments and complaints.

The municipality further employs local Radio station and news papers to communicate with our communities.

WARD COMMITTEES

Key purpose of ward committees and major issues that the ward committee has dealt with during the year

- They serve as an official's specialised participatory structure within the Municipality area of jurisdiction
- They facilitate community between the community and the municipality
- They assist the ward councillor in identifying conditions, challenges and needs of the residence within the ward

- They disseminate information in the ward concerning municipal affairs
- They receive queries and complaints from residence in the ward concerning municipal service delivery; communicate such queries and complaints to the municipality and advice the community on the municipality's responses
- They interact with other forums and organisations on matters and policies affecting the ward
- They also serve as a mobilising agent for community actions

Public Meetings							
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Rep Forum- Preparatory phase (IDP)	24/07/2013	26	10	32			
Rep Forum- Analyses phase (IDP)	26/09/2013	15	8	28			
Rep Forum- Strategies phase (IDP)	28/01/2014	19	9	27			
Rep Forum- Projects phase (IDP)	27/02/14	15	8	33			
Rep Forum- Intergration phase (IDP)	27/03/14	23	11	30			
Rep Forum- Approval phase (IDP)	21/05/14	14	9	37			
Mayoral Imbizo (makhushane)	10/08/2013	24	19	240	No service delivery, RDP houses, toilets, cllrs not communicating with the public, no water, need for a road from Mkahushane to mashishimale, why did the Malungane Electrification stopped, SAPS vans used to transport people, electrification of selwana stopped, need	No	Batho Pele feedback report.

					for graveyard		
Mayoral Imbizo (Mashishimale)	15/11/2013	15	10	256	Tar road in Maseko not completed, no free basic services, electrification project stopped, high unemployment rate, no elearnership from the municipality. Water leakages	No	Batho Pele feedback report
Mayoral Imbizo (Namakgale)	13/02/2014	13	6	104	Debt collection by a service provider why not the municipality, no service delivery, what criteria are using to appoint contractors, need for a school, Cllrs are not communicating with the community.	No	Batho Pele feedback report
Public Paticipation on draft IDP& Buget (Phalaborwa Town)	07/04/2014	16	9	44	Clarity on where the Energy High Mast were erected, increase on the library tarffis & Balepye projects not included in the budget	Yes	07/04/2014
Public Paticipation on draft IDP& Buget (Maseke Ward 10)	08/04/2014	13	15	115	How do communities apply for bursaries, request for low bridge, roads and clinic and the need for service delivery in the area,	Yes	08/04/2014

Public Participation on draft IDP& Buget (Makhushane W1, 2 & 9)	09/04/2014	17	11	226	Request for low bridge, library, community hall, street paving.	Yes	09/04/2014
Public Participation on draft IDP& Buget (Mashishimale-lebeko High School W 8 & 9)	10/04/2014	12	9	151	When do municipality compile their budget. Where is the sports ground going to be build, a need for new primary school in the area,no water and streets. Need for agricultural activities and support. The municipality to complete the incomplete road	Yes	10/04/2014
Public Participation on draft IDP& Buget (Majeje tribal Ward 03 & 17)	11/04/2014	15	12	134	Majeje not budgeted for, the importance of door to door need, need for a library, street paving, waste collection, Apollo lights and to solve RDP issues	Yes	11/04/2014
Public Participation on draft IDP& Buget (Selwana TSC Ward 18)	12/04/2014	5	8	83	Why do the stadium in Mashishile instead of selwana, University needed, Appolo lights, why is service delivery in selwana moving on a slow pace.	Yes	12/04/2014

Public Participation on draft IDP& Budget (Matiko-Xikaya-Shiphamele School ward 16 & 17)	13/04/2014	8	14	70	No budget for Matiko-Xikaya, why prioritise archive instead of service delivery projects. Tribalism, the long waited pipe that was promised. No culvers, skips, clinic, where is the stolen R1m. a need for low bridge in the cemetery, high crime, VIP Toilets, no grading of streets and no jobs.	Yes	13/04/2014
Public Participation on draft IDP& Budget (Namakgale Community Hall ward 1,4,5,6 & 7)	13/04/2014	16	15	129	Why build another stadium in mashishimale while the existing stadium are dilapidated, is the municipality getting any funds from. National Government. Communities are not benefiting in their wards for projects. Need for rehabilitation of Zamani school, water shortage, no Tarred roads in Garden view.	Yes	13/04/2014

Public Participation on draft IDP& Buget (Gravelotte ward 18)	14/04/2014	6	13	36	Need for houses, waterApollo lights, there is discrepancies in monthly statements billing for water while communities do not have water. Need for title deeds. Nothing budgeted for gravelotte.	Yes	14/04/2014
Public Participation on draft IDP& Buget (Lulekani Community Hall Ward 13,14 & 15)	15/04/2013	11	12	259	Matiko xikaya road not budgeted, no promotion of local economy, local artists not considered in Marual Festival, no projects for lulekani,poor treatment of patients in Maphutha Hospital, need for classroom, need for Apollo lights, sports ground in Biko, debushing	No – Community members disrupted the meeting	15/04/2013
Public Participation on draft IDP& Buget (Phalaborwa Townward 11 & 12)	16/04/2014	6	7	13	When the valuation roll is not completed, maintenance of street not in the budget, how far far is the municipality with outstanind debt that should be covered. Need for water pressure &	Yes	16/04/2014

					sanitation, no provision for small business electricity tariffs.		
Public Participation on draft IDP& Budget (Gravelotte)	27/05/2014	15	12	43			
Public Participation on draft IDP& Budget (Lulekani)	28/05/2014	14	11	367			
Public Participation on draft IDP& Budget (Namakgale)	29/05/2014	16	9	203			
Public Participation on draft IDP& Budget (Phalaborwa town)	30/05/2014	18	5	16			

T2 4.3

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	YES
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align to the Section 57 Managers	YES
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	YES
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	YES
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

Introduction

Within the context of the Municipality established mission or vision, management establishes strategic objectives, selects strategy, and sets aligned objectives cascading through the institution. The municipality has developed governance documents and adopted enterprise risk management framework which will assist in achieving municipality objectives as set out in the IDP and SDBIP, set forth in four categories:

Strategic– high-level goals, aligned with and supporting its mission

Operations– effective and efficient use of its resources

Reporting– reliability of reporting

Compliance – compliance with applicable laws and regulations.

Ba-Phalaborwa Municipality recognizes that it is obliged to systematically manage and regularly review its risk profile at a strategic, operational, and management level. The municipality has developed this policy that determines the process and identifies tools for realizing its objectives. Not only does it wish to minimize its risks but also maximize its opportunities.

Guideline Risk Management Unit

In terms of the Municipal Finance Management Act No56 of 2003 section 62(1)(i) “the accounting officer of the municipality is responsible for managing the financial administration of the municipality, must take all reasonable steps to ensure that the municipality has and maintains effective, efficient, transparent systems of financial, Treasury Regulations (section 3.2) Risk assessments must be conducted regularly

Sec 6(1) (g) reiterates sec 216 of the Constitution Sec 38 (1)(a) (i) and (ii) Accounting Officer must maintain: Effective & efficient system of **risk management and internal control** System of **internal audit** (IA) – control and direction of **Audit Committee**

Main Purpose:

The purpose of risk management is to identify potential risk factors before they occur, this involves identify, assess, manage and monitor risks, which could have an impact on the institution’s pursuit of its goals and objectives.

Risk management is a continuous, forward-looking process that is an important part of business and technical management processes. Risk management should address issues that could endanger achievement of critical objectives. A continuous risk management approach is applied to effectively anticipate and mitigate the risks that have critical impact on the project.

Benefits involves but not limited to:-

- To avoid certain adverse outcomes through taking proactive steps
- To ensure that opportunities are identified and exploited
- To assist management to make informed decisions
- To identify and respond to changing social, environmental and legislative requirements
- To align risk appetite and strategy
- To reduce operational surprises and losses
- To prevent injury, damage and loss to stakeholders and employees or their property.
- To ensure compliance with the King 111 Code of Corporate Governance and other legislative requirements

Main Priorities:

To mitigate risk to an acceptable risk appetite level as approved by the municipal council, review the Anti fraud and corruption strategy that meet the minimum requirements in fighting against crime, review the risk management strategy and ensure that identified risks

are managed to an acceptable level. Develop and monitor risk management implementation plan. Organizing and serving as the secretariat of the Risk Management Committee.

Major Achievements:

Risk management and internal control

The policy is managed by the Municipal Manager with content input from those with accountability in specific areas. A Risk Register is being developed and is monitored on quarterly basis.

Top five risks

1. Failure to provide water services at local level as a water services authority
2. Environmental degradation
3. Ageing infrastructure
4. Non compliance to legislation
5. Inadequate internal controls leading to loss of revenue
6. Inability to access funding

2.7 ANTI-CORRUPTION AND FRAUD

Introduction

During 1997, Government initiated a national anti-corruption campaign. This campaign progressed to a National Anti-corruption Summit held in April 1999 at which all sectors of society (public and private) committed themselves to establishing sectoral anti-corruption strategies. At the same time, they also committed to the co-responsibility for fighting corruption through the coordination of these sectoral strategies.

Ba-Phalaborwa Municipality requires all staff at all times to act honestly and with integrity and to safeguard the municipal resources for which they are responsible. The Municipality is

committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits.

Objectives

The primary objective of this strategy is to prevent fraudulent conduct before it occurs by encouraging a culture within the Ba-Phalaborwa Municipality where all employees, members of the public and other stakeholders continuously behave with and promote integrity in their dealings with, or on behalf of municipality.

Standing statement by Ba-Phalaborwa Municipality in fighting against corruption, **such *Ba-Phalaborwa Municipality will not tolerate corrupt or fraudulent activities, whether internal or external, and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.***

Strategies in place

The municipality has developed and approved governance documents in the best interest of the stakeholders and the public. This Anti-Corruption Strategy and Fraud Prevention Plan has been developed as a result of the expressed commitment of Government to fight corruption, guided by the following acts.

- ✓ Municipal System Act 32 of 2000 (MSA)
- ✓ Municipal Finance Management Act 56 of 2003 (MFMA)
- ✓ Minimum Information Security Standard (MISS)
- ✓ The Public Service Anti-Corruption Strategy
- ✓ (PSACS) The Local Government Anti-Corruption Strategy (LGACS)
- ✓ National Anti-Corruption Strategy (NACS)
- ✓ Prevention and Combating of Corrupt Activities Act, 12 of 2004
- ✓ Prevention of Organised Crime Act, 121 of 1998 (POCA)
- ✓ Financial Intelligence Centre Act, 38 of 2001 (FICA)
- ✓ Protected Disclosures Act, 26 of 2000

The whistle blowing policy, investigation policy and the Gift, Donation and sponsorship policy were also developed and adopted for the financial year under review. Awareness campaigns are conducted with the assistance of the provincial departments to the communities of Ba-Phalaborwa.

Key risk areas

The risk management unit has identified key risk areas where fraud can ensue, and controls have been put in place, mitigations measures have been identified and monitored.

The municipality is conducting the screening of companies before appointment; this will ensure that only legitimate companies or services providers are offered an opportunity. The following risks have been identified:-

INTERNAL AUDIT

Main Purpose:

The main purpose of the Internal Audit Unit was to help the Municipality achieve its set objectives by providing an independent objective assurance and consulting services to improve risk management, controls and governance processes.

Main Priorities:

The main priorities included the review of the Internal Audit Governance Documents, monitoring of the auditor general action plan, and evaluation of audit committee performance and implementation of Internal Audit Annual Plan.

Major Achievements:

The approved annual Internal Audit plan is was as follows;-

Types of Audits	Planned for the Year	Planning at Year-End	Execution At Year End	Reporting Stage at Year-end	Completed	Removed from the plan	Rolled Over	Remarks
Risk-Based Audit	6		0	0	6	0	0	
Compliance Audits	16	1	0	0	15	0	0	Project outsourced due to skills

Financial Audits	10	0	0	0	9	0	0	Passed by events
IT Audits	2	1	0	0	1	0	0	Project outsourced due to skills
Internal Controls Review	6	0	0	0	9	0	0	
Adhock	2	0	0	0	2	0	0	
Quality Assurance	2	0	0	0	2	0	0	
Follow-Up Audits	8	0	0	0	10	0	0	
Due Diligence	1	0	0	0	0	0	0	Removed due to being passed by events
Total	53	2	0	0	52	0	4	

Notes: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T4.3.6). MSA 2000 S83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The municipality has an adopted supply chain management policy that has been approved by Council before the start of the 2013/14 financial year. The policy outlines processes to be followed when procuring goods and services. The policy has been derived from supply chain

models published by National Treasury and is updated annually with changes of legislation or updates issued by authorities.

The municipality also drafted procedure manuals to be used as guiding tools, hence, acknowledge the deviations incurred during the 2013/14 financial year due circumstances beyond its control. It is commonly mentioned that deviation is exceptionally on disaster occurrence.

Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

T2.8.1

2.9 BY-LAWS

By-laws introduced during 13/14					
Newly Developed	Revised	Public Participation conducted prior to adoption of By-Laws (Yes/no)	Dates of Public Participation	By-Laws gazette (yes/no)	Date of Publication
None					

COMMENT ON BY-LAWS:

THERE WAS NO BY-LAWS DURING THE 2013/14 FINANCIAL YEAR

T2.9.1.1

2.10 WEBSITES

Municipal website: content and currency of material		
Documents published on the municipality's /entity's website	Yes/No	Publishing date
Current annual and adjustment budgets and all budget related documents	NO	
All current budget related policies	NO	
The previous annual report (2012/13)	NO	
The annual report (2012/13)published / to be published	NO	

All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards	YES	31/07/2014
All service delivery agreements (2013/14)	NO	
All long term borrowing contracts (2013/14)	NO	
All supply chain management contracts above a prescribed value (give value) for (2013/14)	NO	
An information statement containin a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during (2013/14)	NO	
Contracts agreed in (2013/14)to which subsection (1) of section 33 apply, subject to subsection (3) of that section	NO	
PPP agreements referred to in section 120 made in (2013/14)	NO	
All quartely reports tabled in the council in terms of section 52 (d) during (2013/14)	NO	
Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are of course encouraged touse their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments T2.10.1		

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipal website was not functionally in the 2013/14 financial year.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

The Municipality conducted the 2013/14 community satisfaction survey during the month of August 2013. The survey was conducted in-house. The municipality used the ward committees as field workers to conduct and gather data. A combination of both qualitative and quantitative research methodologies were used. Questionnaires were used as a tool to gather data. The sampling size was 450 questionnaires (18 questionnaires per Councillor) with a response rate of over 63%.

T2.11.1

COMMENT ON SATISFACTION LEVELS:

T2.11.2.

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

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

2013/14 financial year

There are 41,116 households in the Ba-Phalaborwa municipality, of which 82% households receive water adequately, 11% households has water infrastructure which needs to be upgraded to enhance the potential for communities to receive water supply continuously and in a sustainable manner. 7% of the households have no water infrastructure as result of new developments (new extensions) in the municipal area.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION	
	T3.1.1

Households				
Description	Year- 3	2011/12	2012/13	2013/14
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level) <i>Piped water inside dwelling</i>		12251	12251	12251
<i>Piped water inside yard (but not dwelling)</i>		17090	17138	17186
<i>Using public tap (stand pipes)</i>		3803	3803	3803
<i>Other water supply (within 200m)</i>	0	33144	33144	33240
<i>Minimum service level and above sub-total</i>		98%	98%	81%
Minimum service level and above percentage		413	413	413

Water; (below min level)				7912
Using public tap (more than 200m from dwelling)		235	235	
Other water supply (more than 200m from dwelling)		0	0	
No water supply	0	647	647	8315
Below minimum service level sub-total		2%	2%	8315
Below minimum service level percentage		33792	33793	19%
Total number of households*				41115
To include informal settlements				
T3.1.3				

The wording “within/more 200m from dwelling” be replaced with “stand pipes” as it challenging to measure.

Households – water service delivery levels below the minimum							Households
Description	Year-3	2011/12	2012/13	2013/14		Actual No.	
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.		
Formal Settlements							
Total households		33792	33792			41115	
Households below minimum service level		647	647			8315	
Proportion of households below minimum service level							
Informal Settlements							
Total households							
Households below minimum service level							
Proportion of households below minimum service level							
T3.1.4							

Water service policy objectives taken from IDP									
Service Objectives Service indicators (i)	Outline service targets (ii)	2012/13		2013/14			2013/14		
		Target	Actual	Target		Actual	Target		
		*previous year (iii)	(iv)	*previous year (v)	*current year (vi)	(vii)	*current year (viii)	*current year (ix)	*following year (x)
Service objectives xxx									
HH without	Additional households	500	600		600				

minimum water supply	provided with minimum water supply during the year (No. of HH) without supply at year end)								
Improve reliability of water supply	Reduce the number of interruptions (ints) in supply of one hour or more compared to the baseline of 2011/12 (xxx interruptions of one hour or more during the year)								
Improve water conservation	Reduce unaccountable water levels compared to the baseline of 2011/12 (xxx kilolitres (Kls) unaccounted for during the year								

Note; This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are universal municipal indicators. Previous year refers to the targets that were set in the 2010/11 Budget/IDP round. Current year refers to the targets set in the 2011/12 Budget/IDP round. Following year refers to the targets set in the 2012/13 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of IDPs and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a role.

T3.1.6

Employees; Water Services					
Job Level	2012/13	2013/14			
	Employees No.	Posts No.	Employees No.	Vacancies fulltime equivalence) No.	Vacancies (as a % of total posts) %
0-3	1				
4-6	2				
7-9	2				
10-12	9				
13-15	4				
16-18	11				
19-20					
Total	29				

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.1.7

A narrative providing information on the staff critical to service delivery and shortage hereof to accompany the above table on all municipal services. Municipalities should report for employees where cost centers are allocated.

Financial Performance 2013/14; Water services

R`000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	123,018,791.80				
Expenditure;					
Employees	6,066,402.88				
Repairs and Maintenance	3,135,010.35				
Other	319,474.08				
Total operational expenditure	9,520,887.31				
Net operational (service) expenditure	- 132,539,679.11				
Net expenditure to be consistent with summary table T5.1.2 in chapter5. Variances are calculated by dividing the difference between the actual and original budget by the actual T3.1.8					

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

T3.1. 10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

THE INTRODUCTION SHOULD INCLUDE THE CHALLENGES

Sanitation Service Delivery Levels				
Description	Households			
	2011/12 Outcome No.	2012/13 Outcome No.	2013/14 Outcome No.	2013/14 Actual No.
Sanitation/sewerage; (above minimum level)				
Flush toilet (connected to sewerage)	14060	14070	14070	
Flush toilet (with septic tank)	1090	1090	1090	
Chemical toilet	208	208	208	
Pit toilet (ventilated)	10368	10368	10368	
Other toilet provisions (above min. service level)	8070	28970	8070	
	33792	33792	33792	
Minimum service level and above sub-total				
Minimum service level and above percentage	100%	82%	82%	
Sanitation/sewerage; (below minimum level)				
Bucket toilet				
Other toilet provisions (below min service level)	0	7324	7324	
No toilet provisions	0	7324	7324	
Below Minimum service level sub-total	33792	41116	41116	
Below Minimum service level percentage				
Total Households				
*total number of households including informal settlements				
T3.2.3				

Households; Sanitation service delivery levels below the minimum						
Description	Households					
	Year-3	2011/12	2012/13	2013/14		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjustment Budget No.	Actual No.
Formal Settlements						
Total Households		33 792	41116			
Households below minimum service level		0	7324			
Proportion of households below minimum Service level						
Informal Settlements						
Total Households						
Households below minimum service level						
Proportion of households below Minimum service level						
T3.2.4						

Employees: Sanitation Services					
Job Level					
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts) %
0-3					
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Total					

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.2.7

Financial performance 2013/13; Sanitation Services					
					R`000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	12,205,045.82				
Expenditure					
Employees	546,295.53				
Repairs and Maintenance	1,463,803.51				
Other	304,177.75				
Total Operational Expenditure	2,314,276.79				
Net Operational (service) expenditure	- 14,519,322.61				

Net expenditure to be consistent with summary table T5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual

T3.2.8

Capital Expenditure 2013/14; Sanitation Services					R`000
Capital Projects	2013/14				Total project value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All					
Project A	N/A	N/A	N/A	N/A	
Project B	N/A	N/A	N/A	N/A	
Project C	N/A	N/A	N/A	N/A	
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.2.9					

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL: No projects implemented for sanitation

T3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The municipality is currently supplying electricity to approximately 95% Households of 41115 for 2014.

T3.3.1

Electricity Service Delivery Levels				
Description	Year-3	2011/12	2012/13	Households
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min. service level)		31901	32221	39248
Electricity – prepaid (min. service level)				
Minimum service level and above sub- total		31901	32221	39248
Minimum service level and above percentage		94	95%	
Energy: (below minimum level)		1891	1571	1868
Electricity (< min. service level)				
Electricity – prepaid (<min. service level)				
Other energy sources				
Below minimum service level sub-total		1891	1571	1868
		5.6%	4.6%	4.5%
Below minimum service level percentage		33792	33792	41115
Total number of households				
T3.3.3				

Households – Electricity service delivery levels below the minimum						
	Year-3	2011/12	2012/13	2013/14		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal settlements						
Total households		33792	33792			41115
Households below minimum service level		1891	1571			1868
Proportion of households below minimum service level						
Informal settlements						
Total households		N/A	N/A			
Households below minimum service level						
Proportion of households below minimum service level						
T3.3.4						

Employees; Electricity Services					
Job Level	2012/13	2013/14			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3			1	1	50%
4-6			2	0	
7-9			11	2	15%
10-12			10	7	41%
13-15			7	14	66%
16-18					
19-20					
Total					
<p>Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					
T3.3.6					

Financial performance 2013/14; Electricity Services					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	20,594	92,002	92,002	83,761	8,41
Expenditure					
Employees	7,141	8,831	7,620	6,476	1,144
Repairs and Maintenance	4,417	4,696	11,070	9,855	1,205
Other	51,065	92,432	79,497	72,106	7,391
Total Operational Expenditure	62,624	105,959	98,187	88,437	9,749
Net Operational (service) expenditure	(42,030)	(13,957)	(6,185)	(4,676)	(1,509)
Net expenditure to be consistent with summary table T5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual					
T3.3.7					

Capital Expenditure 2013/14; Electricity Services					
R`000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total All	20,000	29,998	18,367	1,633	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.3.8					

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The Selati project was funded internal and due to financial constrains we only spent R 4.4m
 Malungane,Nyakelang,tshube Electrification completed on 30 November 2014

T3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT
T3.4.1

Solid waste service delivery levels				
Description	2011/12	2012/13	2013/14	households
	Actual No.	Actual No.	Actual No.	Actual No.
Solid waste removal: (minimum level) Removed at least once a week	1	1	1	
Minimum service level and above sub-total	22 553	22 553	22941	
Minimum service level and above percentage	67%	67%	55,79%	
Solid waste removal: (below minimum level) Removed less frequently than once a week Using communal refuse dump Using own refuse dump Other rubbish disposal No rubbish disposal				
Below minimum service level sub-total	11 240	11 240	18174	
Below minimum service level percentage	33 %	33 %	44,21%	
Total number of households	33 793	33 793	41115	
				T3.4.2

Households: solid waste service delivery levels below the minimum						
Description	2011/12	2012/13	2013/14	2013/14	2013/14	Households
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal settlements						
Total households						
Households below minimum service level Proportion of household below minimum service level						
Informal settlements						
Total households						
Households below minimum service level Proportion of household below minimum service level	11 240	11 240	18174	18174	-	18174
						T3.4.3

Households - Solid Waste Service Delivery Levels below the minimum						
Description		2011/12	2012/13	2013/14		
		Actual	Actual	Original Budget	Adjusted Budget	Actual
		No.	No.	No.	No.	No.
Formal Settlements						
Total households		0	0			
Households below minimum service level		0	0			
Proportion of households below minimum service level		0	0			
Informal Settlements						
Total households		11 240	11 240		18174	18174
Households below minimum service level		11 240	11 240		18174	18174
Proportion of households below minimum service level		33%	33%		44,21%	44,21%
Employees: Solid Waste Management Services						
Job Level	2012/13	2013/14				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3			1	-	0%	
4 - 6			1	-	0%	
7 - 9			3	-	0%	
10 - 12			7	-	0%	
13 - 15			60	20	33,33%	
16 - 18			-			
19 - 20			-			
Total			72	20	33,33%	
Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.						

Employees: Waste Disposal and Other Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3			1		
4 - 6			1		
7 - 9			3		
10 - 12			7		
13 - 15			60	20	33,33%
16 - 18			-		
19 - 20			-		
Total			72	20	33,33%

Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Employees: Waste Disposal and Other Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3			1		
4 - 6			1		
7 - 9			3		
10 - 12			7		
13 - 15			60	20	33,33%
16 - 18			-		
19 - 20			-		
Total			72	20	33,33%

Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial performance 2013/14; solid waste management services

Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	9,128	9,513	10,768	10,426	342
Expenditure;					
Employees	185	669	763	694	69
Repairs and maintenance	168	850	0	0	0
Other	3,104	3,671	3,174	3,249	(75)
Total operational expenditure	3,457	5,190	3,937	3,943	(6)
Net operational (service) expenditure	5,671	4,323	6,831	6,483	(349)
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by actual					
T3.4.7					

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

T3.4.10

3.5. HOUSING

INTRODUCTION TO HOUSING

Ba-Phalaborwa Municipality assists the provincial Department of CoGHSTA with the facilitation of provision of housing to promote sustainable human settlements within the municipal area. The municipality thus relies on housing allocations by CoGHSTA as the competent housing authority to initiate, plan and implement programmes and projects aimed at addressing housing backlogs within the municipal area. There were no housing projects that were allocated to Ba-Phalaborwa in the 2013/14 financial year.

Employees; Housing services					
Job level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as % of total posts)
	No.	No.	No.	No.	%
0-3	0		0	1	
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Total					

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.7.7

Financial performance 2013/14; Housing services					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure					
Employees					
Repairs & Maintenance					
Other					
Total operational expenditure					
Net operational (service) expenditure					

Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by actual

T3.5.5

Capital expenditure; 2013/14; Housing services					
					R`000
Capital projects	2013/14				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.5.6					

There were no housing projects implemented by the Municipality.

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Ba-Phalaborwa Municipality is one of many municipalities in the country with limited land needed for housing development initiatives. Despite the Municipality having limited contribution towards constructing houses, it plays a crucial role that includes facilitating and managing the identification of beneficiaries to benefit from housing projects, managing the control of planning initiatives and developments taking place within the municipal area as guided by the SDF and LUMS.

Since the municipality is not a housing authority, there were no human settlements projects implemented by the municipality during the 2013/14 financial year. However there were housing related projects identified (e.g. Township establishment) with the aim of promoting sustainable livelihoods and improve the spatial structure of townships in the municipal area. The Provincial Department of CoGHSTA has been approached to assist the municipality with housing provision in the 2014/15 financial year.

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has an approved indigent policy that guides activities to be followed when registering households. Indigent registration is performed yearly and assessment is conducted throughout to review and check changes in customer income.

The policy outlines categories of indigent qualification. The qualification process is done through ward councillors with all 18 wards covered.

All qualifying indigents are then captured on the municipal financial management system for benefits allocations on a monthly basis. There are challenges experienced whereby indigent's consumption exceeds the allocated services levels, due to the fact that the municipality has no system in place to disconnect when the free basic service consumption levels are exhausted. Furthermore, consumers are not collecting their municipal paid-up (free) electricity tokens from Eskom, leading to unnecessary wasteful expenditures.

T3.6.1

Free basic services to low income households											
	Number of households										
	Total	Households earnings less than R1.100 per month									
		Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse			
		Total	Access	%	Access	%	Access	%	Access	%	
2011/12	33974										
2012/13	41115										
2013/14	41115	41115		2886		2886		3674		2886	
T3.6.3											

Financial performance 2013/14; cost to municipality of free basic services delivered					
Services delivered	2012/13		2013/14		
	Actual	Budget	Adjustment budget	Actual	Variance to budget
Water	6,815,472.39				
Waste water (sanitation)	239,294.90				
Electricity	108,077.31				
Waste Management (solid waste)	215,334.12				
Total	7,378,178.73				
T3.6.4					

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The policy outlined the categories of indigent qualification categories. The qualification process is done through ward councillors and all the 18 wards are covered during the processes.

All qualifying indigents are then captured on the municipal financial management system for benefits allocations on a monthly basis. There are challenges experienced whereby indigent's consumption exceeds the allocated services levels, due to the fact that the municipality has no system in place to disconnect when the free basic service consumption levels are exhausted. Furthermore, consumers are not collecting their municipal paid-up (free) electricity tokens from Eskom, leading to unnecessary wasteful expenditures.

The grants are included on the Equitable Share allocation for services provided by the local municipality, water and sewerage services are directed to the District municipality.

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

This component includes: roads; transport; and waste water (storm water drainage).

INTRODUCTION TO ROAD TRANSPORT

Gravel road infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
2011/12	148	N/A	N/A	148	
2012/13	165	N/A	N/A	165	
2013/14	555	N/A	N/A	832	
					T3.7.2

Replace the word "tarred" with "asphalt"

Asphalted Road Infrastructure					
	Total Asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2011/12	240	N/A	3.3	N/A	
2012/13	240	N/A	N/A	N/A	
2013/14	224	N/A	3	N/A	
					T3.7.3

Cost of construction/maintenance							R`000
	Gravel			Tar			
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained	
2011/12	N/A	N/A	N/A	N/A	N/A	N/A	
2012/13	N/A	N/A	N/A	N/A	N/A	N/A	
2013/14	N/A	N/A	N/A	N/A	N/A	N/A	
							T3.7.4

Employees: roads services					
Job level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3			1	1	100%
4-6			2	1	50%
7-9			1	0	0%
10-12			6	0	0%
13-15			15	14	48%
16-18					
19-20					
Total					

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.7.7

Details	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	30,508,569	31,794	40,162	33,740	6,872
Expenditure:					
Employees	3,369,147	3,491	3,719	3,282	436
Repairs & Maintenance	3,011,767	5,450	5,150	3,659	1,491
Other	46,576,763	51,052	56,484	49,151	7,333
Total operational expenditure	52,957,677	59,992	60,202	52,433	7,769
Net operational (service) expenditure	-	(28,198)	(19,590)	(18,693)	(897)
	22,449,107				

Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual

T3.7.8

Capital expenditure 2013/14: Road Services					
					R`000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	17,120	23,440	18,493	(1,373)	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.7.9					

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Development of municipal roads as required	km of municipal roads developed
2011/12	2.8km
2012/13	4.3km
2013/14	6km
	T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Public transport within the Ba-Phalaborwa area of responsibility is shared as follows:

- Two short haul bus companies transporting within and between the urban zones:
 - Great North Transport
 - Megabus
- There is also a few long distance hauliers operating between Phalaborwa and Gauteng:
 - City to City
 - Trans Cape
 - Translux
- An application has also been received for bus services from Ba-Phalaborwa to Zimbabwe and return.
- Taxi services are provided by the following taxi associations:

- Phalaborwa Taxi Association
- Namakgale Taxi Association
- Lulekani Taxi Association
- Namakgale Long Distance Taxi Association.

The above mentioned transport service providers are part of the Phalaborwa Transport Forum chaired by the Directorate Community and Social Services and the Portfolio Committee Chairperson, with the Traffic section serving as the secretariat. Meetings are held on a quarterly basis, with representatives also expected to attend the Mopani District Transport Forums. These meetings are not well attended at all and a concerted effort is in progress to increase participation. All new applications are submitted to the forum and discussed before any letters of approval by Council are forwarded to the relevant issuing authority.

During the 2013/14 financial year a major problem was experienced between the taxi associations and the Megabus due to perceived problems of “customer theft and pricing.” A sub-committee from the Executive Committee met with both parties as did senior Traffic officials and it seem that common sense has prevailed with no violence and a continued service to the residents. The process is being closely monitored by us as well as the SAPS.

All busses and Taxis are subjected to Stand Licences and Ranking facilities and are checked on a continuous basis for compliance and roadworthiness.

T3.8.1

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

T3.9.1

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Ba-Phalaborwa Municipality has a Spatial Development Framework that is supported by the Land Use Management System and aligned to the IDP. The enactment of SPLUMA has been accommodated with a Council Resolution to comply to the Act taken by the Ba-Phalaborwa Municipal Council. There are major unplanned developments taking place along the R71 which is the main activity corridor, that serves as a strategic access route to the nodal points Namakgale, Lulekane and Phalaborwa Town.

According to Statistics SA, Census 2011, the rural population of Mukhushane, Selwane, Mashishimale, Majeje and Maseke constitutes 65.5% of the total population within Ba-Phalaborwa Municipality. The result and the implication of the statistics is the potential for high demand of basic services, and the need for the provision of socio-economic services and facilities in the rural areas.

In order to complement the mission of the municipality, particularly on managing the environment for future sustainable economic growth, and supporting the values of the municipality, the Planning and Development Department embarked on an intense process of research and stakeholder engagement to address land development challenges faced by the municipality in relation to property vesting, land tenure upgrading and law enforcement.

The review of the LED strategy commenced during the 2013/14 financial year, giving effect of strategic interventions and recommendations in relation to economic opportunities, strengths and weaknesses within the municipal area.

Ba-Phalaborwa Municipality promotes local economic empowerment through the implementation of the Expanded Public Works Program (EPWP) and the Community Works Programme (CWP) which is intended to create short term employment and alleviate poverty. The Municipality did exceptionally well with regard to SMME support,

empowerment and job creation through the municipal Supply Chain Management policy amongst other Key Performance Indicators.

T3.10.0

3.10 PLANNING

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Planning application received			6	18	18	
Determination made in year of receipt			4	12	15	
Determination made in following year			2	4	3	
Applications withdrawn			0	1	0	
Applications outstanding at year end			2	4	3	

T3.10.2

Employees: Planning Services					
Job level	2012/13	2013/14			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3					
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Total					

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial performance 2013/14: Planning services					
Details	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	507,837	15	395	170	255
Expenditure:					
Employees	5,937,316	6,967	7,491	6,994	497
Repairs & Maintenance	-	160	60	3	57
Other	1,112,190	4,782	1,641	513	1,129
Total operational expenditure	7,049,506	11,910	9,193	7,510	1,683
Net operational (service) expenditure		(11,895)	(8,798)	(7,340)	(1,458)
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual					
T3.10.5					

Capital expenditure 2013/14: Planning Services					
					R`000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.10.6					

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Planning and Human Settlements section manages and controls the use of land within the municipal area. The biggest challenge faced by the municipality in relation to physical planning is illegal developments and land invasions. The municipality has embarked on a law enforcement process by issuing out notices to illegal developers and land invaders as per Section 30, of the Land Use Management Scheme.

T3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Local Economic Development Unit is responsible for the consolidation of the local economic trends and tourism development in the Municipal area. The municipality has an LED Strategy in place adopted by Council in 2014, and has been finalised. The LED strategy serves as guide in the support of SMME initiatives, agriculture support and tourism development in the Ba-Phalaborwa Municipal area. Some of its recommendations are private sector recommendations that need private sector investments in agriculture, mining, manufacturing and hospitality.

Most of the service delivery recommendations are reported under Technical and Community Services such as: the provision of water, roads, electricity and waste management.

T3.11.1

Economic Employment by Sector			
Sector	2011/12 No.	2012/13 No.	2013/14 No.
Agric, forestry and fishing	500	1,120	1,120
Mining and quarrying	11,127	5,501	5,501
Manufacturing	1,549	3,090	3,090
Wholesale and retail trade	6,153	2,954	2,954
Finance, property, etc.	1,850	1,358	1,358
Govt, community and social services	4,702	6,214	6,214
Infrastructure services	-	2,139	2,139
Total			
T3.11.3			
COMMENT ON LOCAL JOB OPPORTUNITIES:			
T3.11.4			

Job Creation through EPWP* Projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2011/12	10	352
2012/13	7	235

2013/14	N/A	575
*-Extended Public Works Programme		T3.11.6

Employees: Local Economic Development Services					
Job level	2012/13	2013/14			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	0	0%
4-6	1	1	1	0	0%
7-9					
10-12					
13-15					
16-18					
19-20					
Total					

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.11.8

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The department consists of the following divisions:

- ✓ Environmental Health
- ✓ Parks and Cemeteries
- ✓ Library Services
- ✓ Traffic and Licensing
- ✓ Mayoral/Special Programmes

Under the Mayoral/Special Programmes there are three officials who are responsible for co-ordination of the programmes, viz:

- Co-ordinator - HIV/Aids
- Co-ordinator - Youth, Gender, Disability, Children and the Elderly

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

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

The Library has five (five (5) fully established libraries as well as mobile school/community library based at Lebeko High School in Mashishimale. The services rendered include printing and electronic information resources, audio-visuals, public internet services, inter-library loans, and free access to computers for personal use and photocopying services, user education and library outreach programmes.

Three key Municipal priorities are to improve access to library services, bridging the digital divide, as well as improved and sustained stakeholder relations. Providing computers and user education in all the five fully established libraries; enhance stakeholder participation to increase funding and other resources; as well as improving the municipal library outreach services.

Through improved relations with stakeholders the increased staff component by eight, improve library ICT facilities and increase access to library services, improve library collections with constant supply of newspapers.

T3.52.1

Financial performance 2013/14: Libraries, Archives, Museums, Galleries, Community Facilities, other					
Details	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	138,206	7,764	13,822	15,749	1,927
Expenditure:					
Employees	1,686,549	32,961	32,016	29,420	2,596
Repairs & Maintenance	-	3,063	1,120	1,518	398

Other	275,874	7,506	17,894	17,319	575
Total operational expenditure	1,962,423	43,530	51,428	47,858	3,569
Net operational (service) expenditure	- 1,824,218	(35,766)	(37,606)	(32,109)	(5,497)
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual					
T3.52.5					

Capital expenditure 2013/14: Libraries, Archives, Museums, Galleries, community facilities, other R`000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	1,000	-	-	-	
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.52.6					

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

The Library Services section functions very well. There are employees who have been seconded to the Municipality by the Provincial Department of Arts and Culture, as well as by the Palabora Foundation. The Library Services Development Plan has been development, submitted to management and also approved by Council.

T3.52.7

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

The Municipality is able to provide graves on demand. The Municipality is faced with challenges regarding the provision of graves during public holidays due to the fact that payments for the grave has to be done in the Budget and Treasury Office, whilst the

allocation is done by the Community and Social Services Department resulting into challenges in control systems.

It becomes difficult for the municipality to function as the cemetery has reached its capacity. The graves are being vandalised since they are not fenced.

The provision of cemetery services to tribal authorities is also a challenge because communal areas are not proclaimed towns, therefore not a municipal function to of municipalities. However, the municipality is assisting with water provision and road grading.

T3.55.1

Financial performance 2013/14: Cemeteries and Crematoriums					
Details	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	102,145	125	105	98	7
Expenditure:					
Employees	183,335	669	397	200	197
Repairs & Maintenance	2,997	500	0	0	0
Other	79,136	447	57	39	18
Total operational expenditure	265,468	1,616	454	239	215
Net operational (service) expenditure	-	(1,491)	(348)	(140)	(208)
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual					
T3.55.5					

COMMENT ON THE OVERALL PERFORMANCE OF CEMETERIES & CREMATORIUMS SERVICES:

The Municipality is able to provide graves on demand. The Municipality is faced with challenges when it comes to the provision of graves during public holidays because the

payment for the grave has to be done in Budget and Treasury Office, whilst the allocation is done by Community and Social Services department. There is a challenge when it comes to control.

There is also a problem when it comes to fencing of cemeteries as there are no funds. Graves are being vandalized.

The provision of cemetery services to tribal authorities is also a challenge as it is not the function of municipalities. However we assist by providing water and grading.

A new cemetery has been established in Lulekani.

T3.55.7

COMPONENT E: ENVIRONMENTAL PROTECTION

3.14 BIO-DIVERSITY, LANDSCAPE (INCL.OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Environmental and Bio-diversity Management is fragmented within the Municipality with all Directorates being responsible for their own special talents and key performance Areas. It is and has been for some time a strategic intervention of this Municipality to form an Environmental Unit with overall responsibility and coordinating functions. Due to the current unstable financial situation and austerity measures this could however not be implemented but remains a target.

There is also no Environmental Management Plan and Framework in place for the same reasons and it is now obvious that in terms of legislation and processes prevalent we must now plea with the Provincial and National authorities for assistance.

This institution has for 10 years been an active player in the cleanest town and later the Greenest town competition strategy. We have always either been first or second in our district as well as province and have also placed highly in the National competition. This highlights the importance attached to the Environment and Bio-Diversity which has been mainstreamed to all sections and is now included in their operational and maintenance key performance areas.

The area has a number of well controlled parks with lawns and cultivated gardens as well as a number of Parks that have been left in a semi wild state to propagate the green lung effect and maintain open areas. These areas are receiving limited control such as grass cutting and alien plant control. The last scenario present is a number of parks and open areas that are not controlled and left to be wild to preserve the bio-diversity. There are however major challenges with this strategy which include deforestation, poaching and land invasion. The lack of awareness with regards Traditional Authority owned land and the misuse thereof is of great concern with strategies to combat this in the process of formulation.

The concept of only developing “dry” parks that do not require much water or maintenance has also been accepted by this institution as the norm.

T3.60.1

COMPONENT F: HEALTH

3.15 HEALTH INSPECTION, FOOD AND ABBATOIR LICENCING AND INSPECTION, ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Mopani District Municipality is in the process of transferring the Environmental Health Practitioner Services from local municipalities to the District Municipalities. At this stage this function are “shared” but the local municipality and the Provincial department and officers.

T3.64.1

COMPONENT G: SECURITY AND SAFETY

The Municipality is represented on the Cluster and JOC meetings that are convened by Phalaborwa SAPS. Applications for marches by the Public are also held by the Municipality where approval is given after having a meeting with SAPS.

3.16 OTHER (DISASTER MANAGEMENT)

Disaster Management Function:

Ensure community well-being

Main Purpose:

To administer a comprehensive disaster management program in partnership with all local and neighboring stakeholders outside the municipal jurisdiction aimed at saving lives, protection of properties, safeguarding government's properties, operating emergency and disaster units, staff composition, administration and the protection of the environment.

Main Priorities:

Developing a Municipal Disaster Resistant area.

Major Achievements:

Ba-Phalaborwa has managed to provide shelter, tents, mattresses and blankets to the public affected disaster as and when it happens.

The Municipal Disaster Management Unit was involved in the following potential disaster prone activities in conjunction with the South African Police:

- ✓ 2013/14 Marula Festivities;
- ✓ Coronation of Kgoshi Maseke;
- ✓ 2013/14 festive season planning;
- ✓ Premiers' visit;
- ✓ Cholera awareness campaigns;
- ✓ Rabies awareness campaigns;
- ✓ State of readiness exercise for all role players in the Phalaborwa town – hazardous material spill simulation;
- ✓ Several disaster management meetings i.e., Kruger National Park Disaster Management Forum, Fire Protection Association, South African Police Cluster meetings and others;
- ✓ 2013/14 Municipally organized events.

Constraints Experienced:

Radio equipment was not functioning as expected because of its outdated technology, i.e. repeaters and general maintenance of said equipment.

The approved Disaster Management Plan calls for the appointment of a Risk Reduction Officer and an Awareness and Response officer.

Employees: Disaster management, Animal Licensing and control, control of public					
Job level	2012/13		2013/14		
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3					
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Total					

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.66.4

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

Sport and Recreation is not a Section per se, as the unit consists of only one employee who is a Co-ordinator responsible for Mayoral Programmes. There are also no statistics, but calendar events such as Mayoral Marathon, etc. were held during the financial year. The Sport Council, which caters for all sporting codes, is in place.

T3.68.0

3.17 SPORT AND RECREATION

Capital expenditure 2013/14: Sport and Recreation					
R`000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.68.5					

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc
<p>Due to financial constrains, the Municipality does not have a corporate policy office. Policies are developed by the various departments and quality assured by the legal unit with subsequent approval by Council. A master file containing all the policies is maintained by the Corporate Services Department.</p>
T3.69.0

3.18 EXECUTIVE AND COUNCIL

The Ba-Phalaborwa Municipal Council is headed by the Speaker and this is the legislative authority of the Municipality. The Executive committee is headed by the Mayor, assisted by the Municipal Manager. The appointed Directors deal with the day- to- day running of their respective directorates. The roles and responsibility of Politicians and the Administration are clearly defined in the approved delegation of Authority. The Development of the delegation of Authority is reviewed and approved yearly by Council.

Employees: The Executive and Council					
Job level	2012/13	2013/14			
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%

0-3					
4-6					
7-9					
10-12					
13-15					
16					
Total					

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.69.4

3.19 FINANCIAL SERVICES

Debt recovery								
Details of the types of account raised and recovered	2011/12		2012/13			2013/14		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in year	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that were collected %
Property Rates			60,257,421	55,000,000	39%	57,239	65,100	51%
Electricity – B			4,388,741	6,000,000	7%			
Electricity - C			50,470,529	69,000,000	77%	83.082	92,002	79%
Water – B			0	0		0	0	0
Water – C			0	0		0	0	0
Sanitation			0	0		0	0	0
Refuse			9,122,953	7,500,000	39%	10,422	10,768	41%
Other			0	0		0	0	

B-Basic, C-Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them

T3.70.2

Employees: Financial Services					
Job level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					

Total					
T3.70.4					

3.20 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resource Section has performed very well during the 2013/14 in the following areas:

1. The Organisational Structure was reviewed in line with the 2013/14 IDP and Budget;
2. The section managed to develop and review the existing HR policies in line with the 2013/14 SDBIP;
3. The Municipality also has a Bursary Scheme which has helped to capacitate Municipal employees.
4. The Local labour forum is functional and deals with matters of mutual interest.

T3.71.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

- ✓ The Human Resource Section deals with the Following:
- ✓ Recruitment, Selection and Benefits;
- ✓ Skills Development;
- ✓ Occupational Health and Safety;
- ✓ Labour Relations;
- ✓ Organisational Development; and
- ✓ Employee Wellness.

T3.71.2

Employees: Human Resource Services					
Job level	2012/13		2013/14		
Job Level	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total)

	No.	No.	No.	equivalents) No.	posts) %
0-3					
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Total					
T3.71.4					

Financial performance 2013/14: Human Resource Services					
Details	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:					
Other Employees	3,169,738	4,268	1,411	1,197	213
Repairs & Maintenance		60	60	2	58
Other	4,362,779	7,854	6,135	5,983	153
Total operational expenditure	7,532,518	12,181	7,606	7,181	424
Net operational (service) expenditure	- 7,532,518	(12,181)	(7,606)	(7,181)	(424)
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual					
T3.71.5					

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

3.72.1

SERVICE STATISTICS FOR ICT SERVICES

- Provide ICT support to the Municipality;
- Manage of Information Security;
- Provide effective maintenance and support services;
- Coordinate of network connectivity;
- Provide effective use of systems and Website; and
- Distribution and allocation of IT equipment.

Employees: ICT Services					
Job level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Total					

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.72.4

Financial performance 2013/14: ICT Services					
Details	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:					
Other Employees	388,331.63	490	1,316	1,147	169
Repairs & Maintenance	186,234.31	360	161	6	155
Other	571,312.43	557	572	442	131
Total operational expenditure	1,145,878.37	1,407	2,049	1,595	454
Net operational (service) expenditure	-1,145,878.37	(1,407)	(2,049)	(1,595)	(454)

Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual

T3.72.5

Capital expenditure 2013/14: ICT Services					
R`000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	1,900	556	370	1,530	

Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) T3.72.6					

3.21 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

- Provide ICT support to the Municipality,
- Manage of Information Security
- Provide effective maintenance and support services,
- Coordinate of network connectivity,
- Provide effective use of systems and Website
- Distribution and allocation of IT equipment

T3.72.7

3.22 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T3.73.1

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Offer General Legal advisory services and labour relations

Compliance support

T3.73.2

R`000					
Details	2012/13	2013/14			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:					
Other Employees					
Repairs & Maintenance					
Other					
Total operational expenditure					
Net operational (service) expenditure					
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual T3.73.5					

Capital expenditure 2013/14: Property; legal; Risk Management and Procurement Services					
					R`000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) T3.73.6					

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

It is a requirement in terms of the Municipal Systems Act to review the organisational structure on a yearly basis in order to align it with our IDP for the purpose of keeping necessary resources to use for the delivery of services.

In terms of the approved organisational structure for the financial year 2013/14, the structure reflected a total number of 649 positions out of which 454 positions were filled.

TURNOVER

A total number of 34 employees left the organisation in the financial year 2013/14 as follows:-

Resignations = 10 employees resigned in the financial year

Early retirement: = 5 employees opted for early retirement

Normal retirement = 8 employees attained their normal retirement and exited the employ

Death exit = 11 employees terminated the employ due to death

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	2012/13		2013/14		
	No. Employees	No. Approved posts	No. of employees	No. of vacancies	% of vacancies
Water	40	80	40	42	53%
Legal	2	2	1	1	50%
Electricity	31	57	34	23	40%
Waste Management	82	87	78	9	10%
Housing	5	7	5	2	40%

Finance	41	58	34	24	41%
Roads	31	38	29	9	24%
ICT	1	4	3	1	25%
Planning	4	12	9	3	25%
Local Economic Development	2	3	2	1	33%
Library	6	21	6	15	29%
Community & social services (parks & Cemetery)	66	83	62	21	25%
Disaster Management	4	4	3	1	25%
Health		-	-	-	-
Security & safety (Traffic & licensing)	37	41	36	5	12%
Special programs	3	3	3	0	0%
Human Resources	9	11	8	3	27%
Executive and Council support	56	74	56	18	24%
Totals	420	585	409		
Headings follow the order of services as set out in Chapter 3. Service totals should equate to those included in the chapter 3 employee schedules. Employee and approved posts numbers are as at 30 June.					

Vacancy Rate: 2013/14			
Designation	*Total approved posts No.	*Variances (Total time that vacancies exist using fulltime equivalents) No.	*Variances (as a proportion of total posts in each category) %
Municipal Manager	1		
CFO	1		
Other S57 Managers (excluding Finance Posts)	4		
Other S57 Managers (Finance posts)	-		
Municipal Police	-		
Fire Fighters			
Senior Management: Levels 1-3 (excluding Finance Posts)	18		
Senior Management: Levels 1-3 (Finance Posts)	5		
Highly skilled supervision: Levels 4-6 (excluding Finance posts)	66		
Highly skilled supervision: Levels 4-6 (Finance posts)	22		
Total	117		
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.			

Turn-over Rate			
Details	Total Appointments as of beginning of financial year No.	Terminations during the financial year No.	Turn-over Rate*

2011/12	40	13	0,3%
2012/13	55	46	0,8%
2013/14	22	34	1,5%
*Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year			T4.1.3

COMMENT ON VACANCIES AND TURNOVER:

The vacancy rate is high as a result of the austerity measures on appointment. At the same time, the municipality has experience a high number of exits as compared to the appointments made at the beginning of the year.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The needs of the IDP dictate the workforce of the municipality. As a result, the municipality workforce is managed through the review of the organogram on an annual basis in order to align with the functions of the municipality in achieving its strategic objectives.

T4.2.0

4.2 POLICIES

HR Policies & Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action			
2	Code of Conduct for employees		100%	
3	Delegations, Authorisation & Responsibility	100%	100%	
4	Overtime Policy		100%	29/05/2013
5	Housing accommodation policy		100%	
6	Cell phone and 3g card policy	100%	Review in 2014/15	
7	Internal Communication policy			
8	Funeral Policy	100%		
9	Disciplinary Code and Procedures			
10	Essential Services			
11	Employee Assistance / Wellness			
12	Employment Equity		100%	14 January 2014

13	Staff Provisioning policy		100%	27 June 2014
14	Vehicle Transport policy	100%		
15	Induction Manual	100%		
16	Grievance Procedures			
17	HIV/Aids	100%		
18	Training and Development policy	100%		
19	Job Evaluation			
20	Leave policy		100%	26 November 2013
21	Occupational Health and Safety policy		100%	26 November 2013
22	Organisational Rights			
23	Performance Management and Development			
24	Recruitment, Selection and Appointments	100%		
25	Sexual Harassment		100%	27 June 2014
26	Skills Development(Bursary Policy)		100%	29 May 2013
27	Experiential learning policy		100%	29 May 2013
28	Smoking			
29	Uniforms and Protective Clothing		100%	26 November 2013
30	Information Technology	100%	100%	
31	Succession Planning policy		100%	26 November 2013
32	Human Resources Procedure Manual		100%	27 June 2014

The municipality has developed a number of policies that enables its functioning in terms of the MSA. The policies are reviewed on an annual basis as directed by the SDBIP on the total of policies to be reviewed within a financial year.

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and cost of injuries on duty					
Type of injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average injury leave per employee	Total estimated cost
	Days		%	Days	R`000
Required basic medical attention only	-	8	-		
Temporary total disablement	40	8	20%		
Permanent disablement	N/A	N/A	N/A		
Fatal	N/A	N/A	N/A		

Fatal						
Total					+	
T4.3.1						
Number of days and cost of sick leave (excluding injuries on duty)						
Designations	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per employees	Estimated cost
	Days	%	No.	No.	Days	R`000
Lower skilled (level 1-2)						
Skilled (level 3-5)						
Highly skilled production (levels 6-8)						
Highly skilled supervision (level 9-12)						
Senior management (levels 13-15)						
MM & S57						
Total						

COMMENT ON INJURY AND SICK LEAVE:

The municipality has proven to be managing injuries on duty in compliance to the Occupational Health and Safety Act. This is evidenced by the low total of leave injuries taken in the reporting period, which amounts to 40 leave days.

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 finalized	Date finalized
N/A	N/A	N/A	N/A	N/A
T4.3.5				

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality has identified the 2013/14 employees training needs and developed its Workplace Skills Plan (WSP) that is reviewed on a yearly basis through which employees are capacitated to address the identified skills gaps in order to improve on performance. The municipality finds it difficult to implement the WSP in its totality due to financial constraints.

T4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix															
Management	Gender	Employees in post as at 30 June 2014	Number of skilled employees required and actual as at 30 June 2014												
			No.	Learnerships			Skills programme & other short courses			Other forms of training			Total		
				Actual 30 June 2013	Actual 30 June 2014	Target	Actual 30 June 2013	Actual 30 June 2014	Target	Actual 30 June 2013	Actual 30 June 2014	Target	Actual 30 June 2014	Actual 30 June 2012	Target
			454	40	28	40	240	134	240	285	153	280	315	24	
	Sub Total		454	40	28	40	240	134	240	285	153	280	315		
													29	10	
	Sub Total														
	Total												94	80	

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 assessment 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)(a))
Financial officials						
Accounting officer						
Chief Financial Officer						
Senior Managers						
Any other financial officials						
Supply Chain Management officials						
Heads of SCM units						
SCM senior managers						
Total						

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

Skills Development Expenditure										
Management Level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2013/14							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S54 & 56 Managers	Female	2	48 000	48 000	4 139	4 139	0	0	52 139	52 139
	Male	3	0	0	0	40	38 000	21 675	38 000	21 675
Legislators,	Female	36	96000	96000	223 488	19600	125000	145570	490 000	437

senior officials and managers						0				570
	Male	49	296000	296000	105000	105000	175000	122515	576000	531515
Professionals	Female		0	0	0	0	0	0	0	0
	Male		0	0	0	0	0	0	0	0
Technicians and associate professionals	Female	16	0	0	40975	40975	0	0	40 975	40 975
	Male	50	0	0	140 000	177225	0	0	140000	177 225
Clerks	Female	54	0	0	35400	35400	23333	85785	58733	121185
	Male	48	0	0	33600	33600	46667	85785	80 267	119385
Service and sales workers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Elementary occupation	Female	86	0	0	30 000	103 950	0	0	30000	103950
	Male	126	0	0	20 000	69 300	0	0	20000	69300
Sub Total	Female	194	144000	144000	379514	204064	148 333	100 355	671847	448419
	Male	276	296 000	296000	298600	280135	289`667	375545	884267	951680
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan										
										T4.5.3

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

The Municipality has achieved in addressing the Financial Competency regulations in that all senior managers were placed in the program. While others have achieved, some are still need to submit Portfolios of evidence. The last five officials are still in the program.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The Municipality is not able to maintain its workforce because of its geographical location. Vibrant employees always leave the municipality to look for greener pastures in developing areas or cities. This puts the municipality under pressure as positions have to be advertised

over and again, at the same time, it is difficult to attract scarce skills. However we are in the process of developing a succession Planning policy.

T4.6.

4.6. EMPLOYEE EXPENDITURE

COMMENT ON WORKFORCE EXPENDITURE:

The Municipality is not able to maintain its workforce because of its geographical location. Vibrant employees always leave the municipality to look for greener pastures in developing areas or cities. This puts the municipality under pressure as positions have to be advertised over and again, at the same time, it is difficult to attract scarce skills. However we have since developed a succession planning policy which shall be used to address the challenge.

T4.6.1.1

Number of employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Lower skilled (level 16)	Female	98
	Male	77
Skilled (level 14-10)	Female	2
	Male	8
Highly skilled production (levels 9-7)	Female	
	Male	
Highly skilled supervision (level 6-4)	Female	
	Male	
Senior management (levels 3-1)	Female	
	Male	
MM & S57	Female	
	Male	
Total		
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		

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

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

The review of the organisational structure led to the upgrading of general workers from post level 17 to post level 16.

T4.6.5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

The municipality's financial performance is assessed mainly on its financial potential and capacity of estimated revenue base to be collected, which is billing information. The municipality's financial health depicts a favourable position, however, revenue collection is not sufficient to fund the expenditures incurred.

The municipality has set funds aside during the 2013/14 financial year to fund its capital programmes, but due to non payment of services, not all planned projects were implemented.

All the 2013/14 programmes funded from grants were implemented without any challenges.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The municipality has performed fairly much better in all of its service delivery components, except in circumstances where there was pressure to fund the unforeseen electricity projects after the disaster encountered. The emergency electricity projects were implemented and fully paid without any challenges.

The financial health of the municipality is not favourable when comparing the repayment/bulk payable to the water board. The ratio depicts insolvency if the entire balances of bulk water have to be paid by the local municipality. The municipality is operating without working capital; it means current collection is used to fund activities without any reserves.

T5.1.0

5.1. STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	2012/13	Current year 2013/14			2013/14 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget
Financial Performance						
Property Rates	60,257,422	65,100	65,100	57,239	7,861	7,861
Service charges	79,414,463	101,515	102,770	93,504	8,011	9,266
Investment revenue	42,368,991	250	250	55,900	(55,650)	(55,650)
Transfers recognised – operational	65,471,177	74,154	74,154	72,872	1,282	1,282
Other own revenue	8,557,619	93,771	100,163	18,132	75,639	82,031
Total revenue (excluding capital transfers and contributions)	256,069,671	334,790	342,497	297,647	37,143	44,850
Employees costs	93,712,304	111,154	111,750	94,192	16,962	17,558
Remuneration of councillors	9,051,723	12,185	11,175	10,492	1,693	683

Depreciation & asset impairment	178,173,475	76,500	76,500	63,701	12,799	12,799
Finance charges	226,094	803	803	128	675	675
Materials and bulk purchases	53,402,144	82,060	81,060	67,501	14,559	13,559
Transfers and grants		187,557	202,799	86,476	91,074	106,316
Other expenditure	63,556,304	470,260	484,248	332,496	137,764	151,752
Total Expenditure	398,122,044	(135,470)	(141,751)	(34,849)	100,621	106,902
Surplus (deficit)	-					
	142,052,373	29,333	38,151	32,291	(2,958)	5680
	32,895,477	111,154	111,750	94,192	16,962	17,558
Transfers recognised – capital						
Contributions recognised – capital & contributed assets	-	12,185	11,175	10,492	1,693	683
	-					
Surplus (deficit) after capital transfers & contributions	109,156,896	(106,137)	(103,600)	(2,529)	103,608	101,071
Share of surplus (deficit) of associates	-					
	-					
Surplus (deficit) for the year	109,156,896	(106,137)	(103,600)	(2,529)	103,608	101,071
	-					
Capital expenditure & funds sources						
Capital expenditure		60,620	60,651	48,745	11,875	11,906
	42,991,000					
Transfers recognised – capital	29,238,108	29,333	36,341	28,439	8934	7,902
Public contributions & donations						
Borrowing						
Internally generated funds	13,752,891	31,287	24,310	20,306	10,981	4,004
Total source of capital funds	42,991,000	60,620	60,651	48,745	11,875	11,906
Financial position						
Total current assets	56,845,466	182,428	182,428	284,875	(102,447)	(102,447)
Total non- current assets	1,057,189,270	1,231,748	1,231,748	1,051,575	180,173	180,173

Total current liabilities	373,493,995	9,000	9,000	392,588	(383,588)	(383,588)
Total non-current liabilities	33,735,598	189	189	50,157	(49,968)	(49,968)
Community wealth/equity	706,805,143	1,404,987	1,404,987	893,704	531,283	531,283
<u>Cash flows</u>						
Net cash from (used) operating	43,314,974	61,635	53,783	35,002	26,633	18781
Net cash from (used) investing	42,949,251	(60,620)	(60,651)	(48,745)	11,875	11,906
Net cash from (used) financing	940,880	0	0	(6,131)	6,131	6,131
Cash/cash equivalents at the year end	2,066,481	4,015	2,572	(17,807)	21,822	(20,379)
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	2,066,481	4,015	2,572	(17,807)	21,822	20,379
Application of cash and investments	-	-	-	-	-	-
Balance – surplus (shortfall)	2,066,481	4,015	2,572	(17,807)	21,822	20,379
<u>Asset management</u>						
Asset register summary (WDV)	1,057,189,270	1,222,960	1,222,960	1,051,321	171,639	171,639
Depreciation & asset impairment	69,182,379	76,500	76,500	61,010	15,490	15,490
Renewal of existing assets	-	-	-	-	-	-
Repairs and maintenance	12,434,620	18,327	19,803	14,878	3,449	4,925
<u>Free services</u>						
Cost of free basic services provided	-					
Revenue cost of free services provided	-					
<u>Households below minimum service level</u>						
Water	-					
Sanitation/sewerage	-					
Energy	-					
Refuse	-					
Variances are calculated by dividing the difference between actual & original /adjustments budget by the actual. Table is aligned to MBRR table 1						

5.2 GRANTS

Grant Performance						
Description	2012/13	2013/14			2013/14 variance	
	Actual	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
					%	%
Operating transfers and grants National Government:						
Equitable share	61,461,000	69,433	69,433	69,433	0	0
Finance Management grant	1,500,000	1,550	1,500	1,500	0	0
Municipal systems improvement	800,000	890	890	890	0	0
Provincial Government						
Health subsidy						
Housing						
Ambulance subsidy						
Sports & recreation						
Other transfers/grants (insert description)						
District municipality						
Other grant providers:						
EPWP		1,000	1,000	1,000	0	0
DBSA		0	0	0	0	0
Total operating transfers & grants		72,873	72,873	72,873		
Variations are calculated by dividing the difference between actual and original/adjustments budget by actual						
T5.2.1						

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The municipality is the recipient of the following grants:

Municipal Infrastructure Grants, Neighbourhood Development Partnership Grant, Municipal System Improvement Grant and Integrated Electricity Grant

T5.2.2

5.3 ASSET MANAGEMENT

TREATMENT OF THE THREE LARGEST ASSETS				
Assets 1				
Name				
Description				
Asset Type				
Key staff involved				
Staff responsibilities				
Asset Value	2010/11	2011/12	2012/13	2013/14
Capital implications				
Future purpose of asset				
Describe key issues				
Policies in place to manage asset				

Assets 2				
Name				
Description				
Asset Type				
Key staff involved				
Staff responsibilities				
Asset Value	2010/11	2011/12	2012/13	2013/14
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	2010/11	2011/12	2012/13	2013/14
Capital implications				
Future purpose of asset				
Describe key issues				
Policies in place to manage asset				

T5.3.2

COMMENT ON ASSET MANAGEMENT:

T5.3.3

Repair and maintenance expenditure 2013/14

	Original budget	Adjustment budget	Actual	Budget variance
Repairs and maintenance expenditure	18,327	19,803	14,878	4,925
T5.3.4				

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

T5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

5.6 SOURCES OF FINANCE

Capital Expenditure – funding sources 2012/13- 2013/14

Details	2012/13	2013/14				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<i>Source of finance</i>						
External Loans						
Public contributions and donations						
Grants and subsidies		29,333	36,341			(3%)

	29,238,108			28,439	24%	
Other	13,752,891	31,287	24,310	20,306	22%	(35%)
Total	42,991,000	60,620	60,651	48,745	0.05%	(20%)
Percentage of finance						
External Loans						
Public contributions and donations						
Grants and subsidies	68.01	48%	59%	57%		
Other	31.99	52%	41%	43%		
Capital Expenditure						
Water and Sanitation						
Electricity	13,573,912	20,000	29,998	18,367	50%	(8%)
Housing						
Roads and storm water	26,168,506	17,120	23,440	18,493	37%	8%
Other	3,248,582	23,500	7,218	11,885	(69%)	(49%)
Total	42,991,000	60,620	60,651	48,745		
Percentage of expenditure						
Water and Sanitation						
Electricity	31.57	33%	49%	38%		
Housing						
Roads and storm water	60.87	28%	39%	40%		
Other	7.56	39%	12%	22%		
T5.6.1						

COMMENT ON SOURCES OF FUNDING:

The municipality is funding its capital programmes using Grants, internally generated revenue and unconditional grants.

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital expenditure of 5 largest projects*						R`000
Name of project	Current year			Variance current year		
	Original budget	Adjustment budget	Actual expenditure	Original variance (%)	Adjustment variance (%)	
A-						
B-						
C-						
D-						
E-						
*Projects with the highest capital expenditure in 2013/14						
Name of project – A						
Objective of project						
Delays						
Future challenges						
Anticipated citizen benefits						

Name of project – B					
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					

Name of project – C					
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					

Name of project – D					
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Service Backlogs as at 30 June 2014				
	*service level above minimum standard		**service level below minimum standard	
	No. HHs	%HHs	No. HHs	%HHs
Water				
Sanitation				
Electricity				

Waste management				
Housing				
% HHs are the service above/below minimum standard as a proportion of total HHs. `housing` refers to *formal and ** informal settlements				

Municipal Infrastructure Grant (MIG) *Expenditure 2013/14 on service backlogs						
Details	Budget	Adjustments Budget	Actual	Variance		Major Conditions applied by donor (continue below if necessary)
				budget	Adjustments budget	
Infrastructure –Road transport				%	%	
Roads, pavements & bridges				%	%	
Storm water				%	%	
Infrastructure –Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street lighting				%	%	
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:

The municipality is receiving MIG for the purposes of developing its road infrastructure. The grant is fully utilised by the end of each financial year.

T5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's cash flow management is mainly dependent on current revenue collected. The municipality does not have working capital, nor surplus reserves carried over from one financial year to the other. The surplus reported above cannot complete a capital project.

The municipality appointed services of the debt collector in order to maximise revenue in the township. The situation depicts that the municipality does not expand in terms of future plans due to uncertainty of payment of services by consumers.

T5.9.0

5.9. CASH FLOW

Cash Flow Outcomes				
Description	2012/13	Current Year 2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash Flow From Operating Activities				
Receipts				
Ratepayers and other	224,441,230	230,440	244,710	115,151
Government – operating	65,261,000	74,154	74,154	73,626
Government – Capital	33,778,000	29,333	38,151	31,537
Interest			311	55,900
Dividends	3,000	250		
Payments				
Suppliers and employees	(292,339,824)	(271,738)	(302,731)	(241,084)
Finance charges	(760,000)	(803)	(812)	(127,595)
Transfers and grants				
Net Cash From (Used) operating activities	30,383,406	61,635	53,783	35,002
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE				
Decrease (increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				

Payments				
Capital Assets	(32,239,100)	(60,620)	(52,348)	(48,745)
Net Cash From (Used) investing activities	(32,239,100)	(60,620)	(52,348)	(48,745)
Cash flows from financing activities				
Receipts				
Short term loans				
Borrowing long term/ refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				
Net Cash From (Used) financing activities	-			
Net Increase/(Decrease) in cash	(1,855,694)	1,015	1,435	(19,874)
Cash/cash equivalents at the year begin	4,542,371	3,000	1,137	2,066
Cash/cash equivalents at the year end	2,686,676	4,015	2,572	(17,807)
Source: MBRR SA7				T5.9.1

COMMENT ON CASH FLOW OUTCOMES:

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

T5.10.1

Municipal and Entity investments			
Investment type	2011/12	2012/13	2013/14
	Actual	Actual	Actual
Municipality			
Securities – National Government			
Listed Corporate Bonds			

Deposits –bank	1,499,267	928,989	2,548
Deposits public investment commissioners			
Deposits- corporation for public deposits			
Bankers acceptance certificates			
Negotiable certificates of deposit –banks			
Guaranteed endowment policies (sinking)			
Repurchase agreements – banks			
Municipal bonds			
Other			
Municipality sub-total	1,499,267	928,989	2,548
<u>Municipal Entities</u>	N/A	N/A	
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			
Municipal bonds			
Other			
Entities sub-total			
Consolidated total:	1,499,267	929	2,548
			T5.10.4

COMMENT ON BORROWING AND INVESTMENTS:.

T5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The municipality has an approved supply chain management policy derived from the model supplied by National Treasury. The policy with its treasury notes guides together with other related pieces of legislation are used when procuring goods and services.

The supply chain management officials are undertaking courses of minimum competency as prescribed by National Treasury guides. There is no interference by Councillors or whatsoever reported so far.

The Auditor General Reports highlights issues of segregation of duties among officials working with supply chain, it is reported that all deviations for single quotes or strip and quotes were reported under irregular.

Management has taken an initiative to ensure that all officials dealing with bid committees must attend refresher courses done by a Supply Chain practitioner from the National Treasury for better understanding and make use of the policies and guides in respect of supply chain management.

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for the **Generally Recognized Accounting Practice** and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It also ensures that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable the National Treasury to assess the pace of progress and consider the implications.

The municipality is fully GRAP compliant.

T5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A

INTRODUCTION

The Constitution in Section 188 (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.

T6.0.1

6.1 AUDITOR GENERAL REPORTS 2013/14

Auditor-General Report on Financial Performance 2013/14	
Audit Report status*:	
Non-Compliance Issues	Remedial Action Taken
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)	

T6.1.1

COMPONENT B: AUDITOR-GENERAL OPINION 2013/14

6.2 AUDITOR GENERAL REPORT 2013/14

Auditor-General Report on Financial Performance 2013/14	
Audit Report status*:	
Non-Compliance Issues	Remedial Action Taken
<p>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 2013/14</p>	
T6.2.1	

Auditor-General Report on service delivery Performance 2013/14	
Audit Report status*:	
Non-Compliance Issues	Remedial Action Taken
<p>*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 2013/14</p>	
T6.2.2	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2013/14
T6.2.3

COMMENTS ON AUDITOR-GENERAL’S OPINION 2013/14
AWAITING FOR RESULTS
T6.2.4

<p>COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given at Appendix S (delete ‘/...’ if not applicable).</p> <p>.</p>
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GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” 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 “ <i>what we do</i> ”.
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	<ul style="list-style-type: none"> Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-

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

APPENDICES

APPENDIX A—COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time/Part Time	Committee Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage apologies for non-attendance
	FT/PT			%	%
Cllr MD Maake	FT	Speaker	ANC	100%	
Cllr NA Sono	FT	Mayor	ANC	99%	
Cllr SL Mohlala	FT	Chief Whip	ANC	93%	
Cllr KP Mhlarhi	PT	Executive Committee Member, Chairperson of Corporate Services & Shared Services	ANC	100%	

		Portfolio, Chairperson of Local Labour Forum and Chairperson of Governance Administration Committee and Serve in the SALGA HR working Group			
Cllr VP Mapanzela	FT	Executive Committee Member and Chairperson of Finance Portfolio	ANC	Special Leave	
Cllr DM Rapatsa	PT	Executive Committee Member and Chairperson of Social Services Portfolio	ANC	98%	2%
Cllr MS Magomane	FT	Executive Committee Member and Chairperson of Infrastructure Development, Roads, Public Transport & Water Services Portfolio	ANC	94%	6%
Cllr KS Malatji	PT	Executive Committee Member and Chairperson of Economic Development, Housing, Spatial Planning & Agriculture Portfolio	ANC	100%	0%
Cllr SR De Beer	PT	Executive Committee Member and Member of Finance Portfolio	DA – Ward 11	96%	4%
Cllr MM Malatji	PT	Member of Infrastructure Development, Roads, Public Transport & Water Services Portfolio	ANC – Ward 1	96%	4%
Cllr TG Malatji	PT	Member of Social Services Portfolio	ANC – Ward 2	95%	4%
Cllr NEN Ndlovu	PT	Member of Corporate Services and Shared Services Portfolio	ANC – Ward 3	94%	5%
Cllr MR Popela	PT	Member of Infrastructure Development, Roads, Public Transport & Water Services Portfolio	ANC – Ward 4	100%	0%
Cllr PG Mabilo	PT	Member of Corporate Services and Shared Services Portfolio	ANC – Ward 5	89%	9%
Cllr ST Mkansi	PT	Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio	ANC – Ward 6	96%	3%

CLlr5 KA Peta	PT	Member of Municipal Public Accounts Committee	ANC – Ward 7	98%	2%
CLlr KE Mahomane	PT	Member of Social Services Portfolio	ANC – Ward 8	98%	2%
CLlr MG Malesa	PT	Member of Social Services Portfolio	ANC – Ward 9	94%	6%
CLlr BR Mashale	PT	Member of Finance Portfolio	ANC – Ward 10	97%	2%
CLlr KA Otto	PT	Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio	DA – Ward 12	94%	4%
CLlr IF Mpenyane	PT	Member of Finance Portfolio	ANC – Ward 14	93%	5%
CLlr R Makasela	PT	Member of Social Services Portfolio	ANC – Ward 15	96%	4%
CLlr T Nkuna	PT	Member of Finance Portfolio	ANC – Ward 16	99%	1%
CLlr MS Chauke	PT	Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio	DA – Ward 17	96%	3%
CLlr MS Mokgalaka	PT	Member of Corporate Services and Shared Services Portfolio	ANC – Ward 18	93%	6%
CLlr JG Mashele	PT	Member of Municipal Public Accounts Committee	ANC	98%	0%
CLlr MM Malesa	PT	Member of Corporate Services and Shared Services Portfolio	ANC	97%	3%
CLlr PS Mthombeni	PT	Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio	ANC	97%	3%
CLlr MO Makwala	PT	Chairperson of Municipal Public Accounts Committee	ANC	94%	3%
CLlr MR Monareng	PT	Member of Social Services Portfolio	ANC	97%	3%
CLlr SR Nkuna	PT	Member of Municipal Public Accounts Committee	ANC	97%	3%
CLlr TM Malobane	PT	Member of Social Services Portfolio	Cope	93%	6%
CLlr MP Kgoete	PT	Member of Social Services Portfolio	Cope	97%	1%
CLlr MV Mathebula	PT	Member of Infrastructure Development, Roads, Public Transport & Water Services Portfolio	DA	94%	3%
CLlr H Harri	PT	Member of Economic	IRASA	97%	1%

		Development, Housing, Spatial Planning & Agriculture Portfolio			
Cllr GJ Flemming	PT	Member of Municipal Accounts Committee	DA	97%	3%
Note:* Councillors' appointed on a proportional basis do not have wards allocated to them					

CONCERNING TA

TA.1

APPENDIX B—COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purposes of committees	
Municipal Committee	Purpose of Committee
Finance Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Infrastructure Development, Roads, Public Transport and Water Services Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Economic Development, Human Settlement & Spatial Planning Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Corporate Services and Shared Services Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Community & Social Services Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Local Labour Forum	To negotiate and consult on matters of mutual concern to the employer in order to stabilise labour unrest.
Municipal Public Accounts Committee	To exercise oversight over the executive functionaries of Council and to ensure good governance in the municipality.
Audit Committee	Advise the municipal council, the political office bearers, the accounting officer and the management of the

	<p>municipality or municipal entity</p> <p>on matters relating to: Internal financial control and internal audits; Risk management;</p> <p>Accounting policies;</p> <p>The adequacy, reliability and accuracy of financial reporting and information;</p> <p>Performance management;</p> <p>Effective governance;</p>
ICT Steering Committee	To advise the accounting officer and Management on issues relating to ICT
District ICT Forum	Sharing of Good Governance Practices

APPENDIX C–THIRD TIER ADMINISTRATIVE STRUCTURE

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	District
Building Regulations	Yes	
Child Care facilities	no	
Electricity and gas reticulation	Yes	
Fire fighting services	No	District
Local tourism	Yes	
Municipal airports	Yes	
Municipal planning	Yes	
Municipal Health Services	No	
Municipal Public Transport	No	
Municipal Public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related	No	
Storm water management systems in built up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	No	District
<i>Continued next page</i>		

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	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisance	Yes	
Control of undertakings that sell liquor to the public	no	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	No	
Licensing of dogs	Yes	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	Yes	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
*if municipality: indicate (yes or No); * if entity: provide name of entity		TD

APPENDIX D – WARD REPORTING

Functionality of Ward Committees						
Ward (Number)	Name	Name of ward councillor and elected ward committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly public ward meetings held during year
Ward 1		Cllr MM Malatji	Yes	11	11	6
Ward 2		Cllr T Malatji	Yes	11	11	1
Ward 3		Cllr NE Ndlovu	Yes	8	8	1
Ward 4		Cllr MR Popela	Yes	12	12	2
Ward 5		Cllr PG Mabilo	Yes	12	12	3
Ward 6		Cllr T Mkansi	Yes	12	12	2
Ward7		Cllr KA Peta	Yes	11	11	4
Ward 8		Cllr K Mahomane	Yes	15	15	2
Ward 9		Cllr G Malesa	Yes	11	11	1
Ward 10		Cllr BR Mashale	Yes	13	13	5
Ward 11		Cllr S De Beer	Yes	11	11	0
Ward 12		Cllr KA Otto	Yes	11	11	0
Ward 13		Cllr KP Mhlari	Yes	11	11	1

Ward 14	Cllr IF Mpenyane	Yes	11	11	4
Ward 15	Cllr R Makasela	Yes	11	11	2
Ward 16	Cllr T Nkuna	Yes	10	10	4
Ward 17	Cllr SM Chauke	Yes	9	9	2
Ward 18	Cllr S Mokgalaka	Yes	9	9	2
					WaTE

APPENDIX E-WARD INFORMATION

Capital Projects: Seven Largest in 2013/14 (Full List at Appendix N)					R`000
Ward No	Project Name & Detail	Start Date	End Date	Total Value	
11	Upgrading of Selati Sub-Station in Phalaborwa	01/07/2013	30/06/2014	8,500	
01	Honnyville to Topville street paving	01/07/2013	30/06/2014	10,227,127	
9&10	Ba-Phalaborwa solar High mast	01/07/2013	30/06/2014	5 980	
08	Patamedi street paving	01/07/2013	30/06/2014	1 500	
					TF.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					X
Households without minimum service delivery					
Total Households*					
Houses completed in year	X				
Shortfall in housing units					4012
*including	informal				settlements
TF.2					
Top four service delivery priorities for ward (highest priority first)					
No.	Priority Name and Detail	Progress During 2013/14			
1.	Water pressure & shortage	Addresses in Kanana			
2.	Street paving	Implemented in Patamedi			
3.	culverts	Implemented			
4.	Apollo lights	Implemented			
					TF.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

Names: xxx (8); xxx (7)...

APPENDIX F –RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2013/14

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2013/14	Recommendations adopted (enter Yes); not adopted (provide explanation)
		TG

APPENDIX G–LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into 2013/14)					
Name of service provider (entity of municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
					TH.1

Public Private Partnerships Entered into 2013/14					
					R`000
Name & Description of project	Name of Partner (s)	Initiation date	Expiry date	Project manager	Value 2012/13
					TH.2

APPENDIX H- DISCLOSURES OF FINANCIAL DISCLOSURES

Disclosures of Financial Interests		
Period 1 July 2013 to 30 June 2014		
Position	Name	Description of financial interest* (Nil/or details)
Speaker	Cllr MD Maake	Nil
Mayor	Cllr NA Sono	Nil
Chief Whip	Cllr SL Mohlala	Ntibaneng Close Corporation (construction)
Member of Exco	Cllr KP Mhlarhi	Nil
Member of Exco	Cllr VP Mapanzela	Not disclosed
Member of Exco	Cllr DM Rapatsa	Nil
Member of Exco	Cllr MS Magomane	Nil
Member of Exco	Cllr KS Malatji	Nil
Member of Exco	Cllr SR De Beer	Nil
Councillor	Cllr MM Malatji	Nil

Councillor	CLlr TG Malatji	Nil
Councillor	CLlr NEN Ndlovu	Nil
Councillor	CLlr MR Popela	Nil
Councillor	CLlr PG Mabilo	Nil
Councillor	CLlr ST Mkansi	Nil
Councillor	CLlr5 KA Peta	Ramalema Catering Company 100% share
Councillor	CLlr KE Mahomane	Nil
Councillor	CLlr MG Malesa	Nil
Councillor	CLlr BR Mashale	Nil
Councillor	CLlr KA Otto	Nil
Councillor	CLlr IF Mpenyane	Nil
Councillor	CLlr R Makasela	Nil
Councillor	CLlr T Nkuna	Nil
Councillor	CLlr MS Chauke	Nil
Councillor	CLlr MS Mokgalaka	Nil
Councillor	CLlr JG Mashele	Nil
Councillor	CLlr MM Malesa	Nil
Councillor	CLlr PS Mthombeni	Nil
Councillor	CLlr MO Makwala	Nil
Councillor	CLlr MR Monareng	Nil
Councillor	CLlr SR Nkuna	Nil
Councillor	CLlr TM Malobane	Nil
Councillor	CLlr MP Kgoete	Nil
Councillor	CLlr MV Mathebula	Nil
Councillor	CLlr H Harri	Business interests declared R52m
MUNICIPAL ADMINISTRATORS		
Municipal Manager	Dr SS SEBASHE	SeiVhungu Trading Corporation

Chief Financial Officer	AF Mushwana	Best Enough (PTY)
Director Planning	KM Choenyana	Nil
Director Community	JW Bayana	Welkom Yizani Investment and Sasol Enzald Cash shares
Acting Director Technical	K Mpharalala	Royal Lab & Civils TKMM Construction & maintenance African Royal Construction Engineers
Director Corporate services	MI Moakamela	Area Manager for IEC
*Financial interests to be disclosed even if they incurred for only part of the year. see MBRR SA34A TJ		

APPENDIX I : REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX I (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue collection performance by vote						
Vote Description	2012/13	Current Year 2013/14			2013/14 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
EXECUTIVE AND COUNCIL	-	-	-	-	-	-
BUDGET AND TREASURY DEPT	166,849	222,102	222,121	185,133	(36,969)	(36,988)
CORPORATE SERVICES	567	308	308	228	(20)	(20)
COMMUNITY AND SOCIAL SERVICES	14,158	17,402	24,711	23,746	6,344	(965)
PLANNING AND DEVELOPMENT	1,346	15	395	170	155	255
TECHNICAL SERVICES DEPT	105,959	124,296	133,114	118,138	(6,158)	(14,976)
Total Revenue by vote	288,879	364,123	364,648	329,937		

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 TK.1

APPENDIX I (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	2012/13	2013/14			2013/14 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Property Rates	60,257	65,100	65,100	57,239	(7,861)	(7,861)
Property Rates – penalties & collection charges	70,292					
Service charges – electricity revenue		92,002	92,002	83,082	(8,920)	(8,920)
Service Charges – refuse revenue	9,123	9,513	10,768	10,422	909	(346)
Rentals of facilities and equipment	295	308	308	288	(20)	(20)
Interest earned – Investment	332	250	310			
Interest earned – outstanding debtors	42,369	84,568	84,568	55,900	(28,668)	(28,668)
Fines	871	1,900	2,500	2,826	926	326
Licence and permits	2,375	5,690	11,185	3,121	(2,569)	(8,064)
Agency services	1,530,663	-	-	9,665	9,665	9,665
Transfers recognised – operational	65,471	74,154	74,154	73,626	(528)	(528)
Other revenue	3068	1,303	1,601	2,291	988	690
Total Revenue (excluding capital transfers and contributions)	255,983,343	334,790	342,497	298,460		

Variance are calculated by dividing the difference between actual and original/adjustment budget by the actual. This table is aligned to MBRR table A4 TK.2

APPENDIX J: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG

Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Finance Management grant	R1,550	R1,550	R1,500	0	0	
Municipal Systems Improvement	R890	R890	R890	0	0	
EPWP	R1,000	R1,000	R1,000	0	0	
International Electrification Grant	0	0	0	0	0	
Neighbourhood Development Grant	0	0	0	0	0	
Total	3,440	3,440	3,440	0	0	

*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. TL

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

APPENDIX K (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital expenditure – New Assets programme*						
Description	2013/14			Planned capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by asset class						
Infrastructure - Total	43,620	42,450				
Infrastructure: Road transport – Total	20,120	21,814				
<i>Roads, pavements & Bridges</i>	20,120	21,814				
<i>Storm water</i>						
Infrastructure: Electricity - Total	20,080	20,080				
<i>Generation</i>						
<i>Transmission & Reticulation</i>	20,080	20,080				
<i>Street Lighting</i>						
Infrastructure: Other - Total	1,500	556				
<i>Waste Management</i>						
<i>Transportation</i>						
<i>Gas</i>						
<i>Other</i>	1,500	556				

Community - Total	7,000	0			
<i>Other</i>	7,000	0			

Capital Expenditure – new assets programme*						
Description	2013/14			Planned Capital Expenditure		
	Original budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by asset class						
Other assets						
Plant & Equipment						
Computers – hardware/equipment	1,600	1,200				
Furniture & other office equipment	2,000	1,000				
Other buildings	1,500	1,500				
Other Land						
Surplus Assets – (investment or inventory)						
Other	4,900	3,080				
	60,620	48,530				

APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2013/14

Capital Programme by Project 2013/14					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act-Adj) %	Variance (Act-OB) %
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”					
Storm Water					

"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 & Security					
"Project A"					
"Project B"					
ICT and other					
"Project A"					
"Project B"					
					TN

APPENDIX M – ANNUAL PERFORMANCE REPORT 2013/14 FY

SEE ATTACHED 2013/14 ANNUAL PERFORMANCE REPORT

VOLUME II: ANNUAL FINANCIAL STATEMENTS (AUDITED)

SEE ATTACHED 2013/14 ANNUAL FINANCIAL STATEMENTS (AUDITED)