

2014

DRAFT 2013 - 2014 ANNUAL REPORT



BELA-BELA LOCAL MUNICIPALITY

29 January 2015

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**CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY****COMPONENT A: MAYOR’S FOREWORD*****BELA-BELA’S VISION, MISSION AND VALUES***

Municipal Vision and Mission is the guiding principles should be the tourism characteristics of the Area “Bela Bela as a Tourism Getaway”, Service Delivery Commitment for the community of Bela-Bela, Sustained Environmental friendliness and Economic Growth and Employment Creation

a. VISION

***“We are the prime agricultural hub
and eco-tourism destination of
choice”***

b. Key Policy Developments

Outputs	Key spending programmes (National)	Role of Local Government	Priorities of BBLM	Challenges/Issues within BBLM
1. Differentiate approach to municipal financing, planning and support 2. Community work programme 3. Support for human settlements	<ul style="list-style-type: none">☐ Municipal capacity-building grants:☐ Systems improvement☐ Financial management (target: 100% unqualified audits)☐ Municipal infrastructure Grant	<ul style="list-style-type: none">☐ Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality☐ Implement the community work programme☐ Ensure ward committees are representative and fully involved in community consultation processes	Good Governance; Municipal Financial Viability; Municipal Transformation and Institutional Development	<ul style="list-style-type: none">• Most of municipal officials do not practice customer – care and batho – pele principles• Establish internal and external communication systems i.e. intranet and newsletters• Proper planned Imbizo’s• No strong relation with BBusiness Forum, CTA, NGOs, CBO, CDWs, and

4. Refine ward committee model to deepen democracy 5. Improve municipal financial administrative capability 6. Single coordination window	☐ Electrification programme ☐ Public transport & systems grant ☐ Bulk infrastructure & water grants ☐ Neighbourhood development partnership grant ☐ Increase urban densities ☐ Informal settlements upgrades	around the IDP, budget and other strategic service delivery issues ☐ Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption		other structures <ul style="list-style-type: none"> • Implementation of GAMAP/GRAP • Development of Debt Recovery Plan • Development of Cost Recovery Plan • Implementation of Work Skills Plan • Implementation of the employment equity • Annual review of the Organizational arrangement and development • Audit queries are not addressed adequately
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c. Key Service Delivery Improvements

The municipality could not achieve its target wrt service delivery due to invocation of sec 216 by the minister of national treasury. Almost all own source capital project were deferred to outer years. Out of 7 MIG funded capital projects, 5 were completed.

d. Public Participation

The Municipality held one Mayoral Imbizo. Three IDP/Budget Rep Fora were held. 9 IDP/Budget roadshows were held in all nine wards.

e. Future Actions

- Eradication of backlog on basic services.
- Improvement in the institutional capacity particularly of the municipality to deliver on services and good governance.
- Expansion and rehabilitation of bulk infrastructure
- Stimulation of the local economy in an effort to contribute towards job creation

f. Agreements / Partnerships

No flagship agreements/partnerships were entered in to during 2013/14 financial year.

g. Conclusion

I wish to take this opportunity to thank fellow members of Council for the support and vision they have demonstrated during their term. We could not have come this far had it not been for their leadership and commitment to the service of residents. Discipline, unity and focus even through trying times, are vital for the success of an institution.

I also wish to express our appreciation to the efforts made by management. It was the guidance and advice from administration that kept us on the right track with regard to the decisions we made from time to time.

I also wish to thank the community, the various community structures such as the Ward Committees, for their understanding and patience. On our part, we did the best we could under the circumstances but they remain the judge on the extent to which we held their mandate. We thank the community in all eight wards, for the trust they put in us until the end of term.

Signed by : _____

CLLR L NHLAPO

COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MISSION STATEMENT

Bela-Bela Local Municipality commits itself to the following mission in pursuit of the above – mentioned vision and developmental agenda. The mission of Bela-Bela can be generally outlined in below:-

Mission Statement:

- # through commitment to effective and efficient service delivery;
- # By exploiting opportunities in development and tourism;
- # By striving for economic growth and job creation;
- # Promoting a safe, healthy and sustainable environment;

COMPONENT B: EXECUTIVE SUMMARY

1. MUNICIPAL MANAGER'S OVERVIEW

Bela-Bela is a category B Municipality, applying a collective Executive Committee System. For the year under review 2013/14, the Municipality has not been assigned additional functions by either of the other spheres of government. Unfunded mandates, however, remain a challenge, where the municipality finds itself having to perform functions outside those officially assigned to it.

In relation to the Millennium Development Goals, the Municipality is confident to reach its targets in respect of all three basic services, namely; water services, electricity and sanitation. If all goes according to plan, the municipality should have no service backlog by the end of the financial year, 2015/16. There is currently no backlog on water services already.

The biggest challenges in as far as infrastructure is concerned, are on bulk supply, roads and stormwater, as well as maintained and upgrading of the existing network. It is for this reason that the municipality experiences a constant year on year increase of capital budget in these areas.

POWERS AND FUNCTIONS

FUNCTION	IS THIS A SHARED SERVICE (Y/N)	RESPONSIBLE DEPARTMENT AT THE MUNICIPALITY
Air Pollution	N	Social and Community Services
Building Regulation	N	Economic Development and Planning
Electricity Reticulation	N	Technical Services
Fire Fighting	Y	Social and Community Services
Local Tourism	Y	Economic Development and Planning
Municipal Airports	N	Social and Community Services
Municipal Planning	Y	Economic Development and Planning
Stormwater Management Systems in Built Up Areas	N	Technical Services
Trading Regulation	N	Economic Development and Planning
Potable Water	N	Technical Services
Billboards and Display of Advertisement in Public Places	N	Economic Development and Planning/ Social and Community Services
Cemeteries and Crematoria	N	Social and Community Services
Cleansing	N	Social and Community Services
Control of Public Nuisance	N	Social and Community Services
Facilities for the accommodation, Care and Burial of Animals	N	Social and Community Services
Fencing and Fences	N	Technical Services
Local Sports Facilities	N	Social and Community Services

Municipal Parks and Recreation	N	Social and Community Services
Municipal Roads	N	Technical Services
Noise Pollution	N	Social and Community Services
Public Places	N	Social and Community Services
Refuse Removal, Refuse Dumps and Solid Waste Disposal	N	Social and Community Services
Street Trading	N	Economic Development and Planning
Street Lighting	N	Social and Community Services
Traffic and Parking	N	Social and Community Services

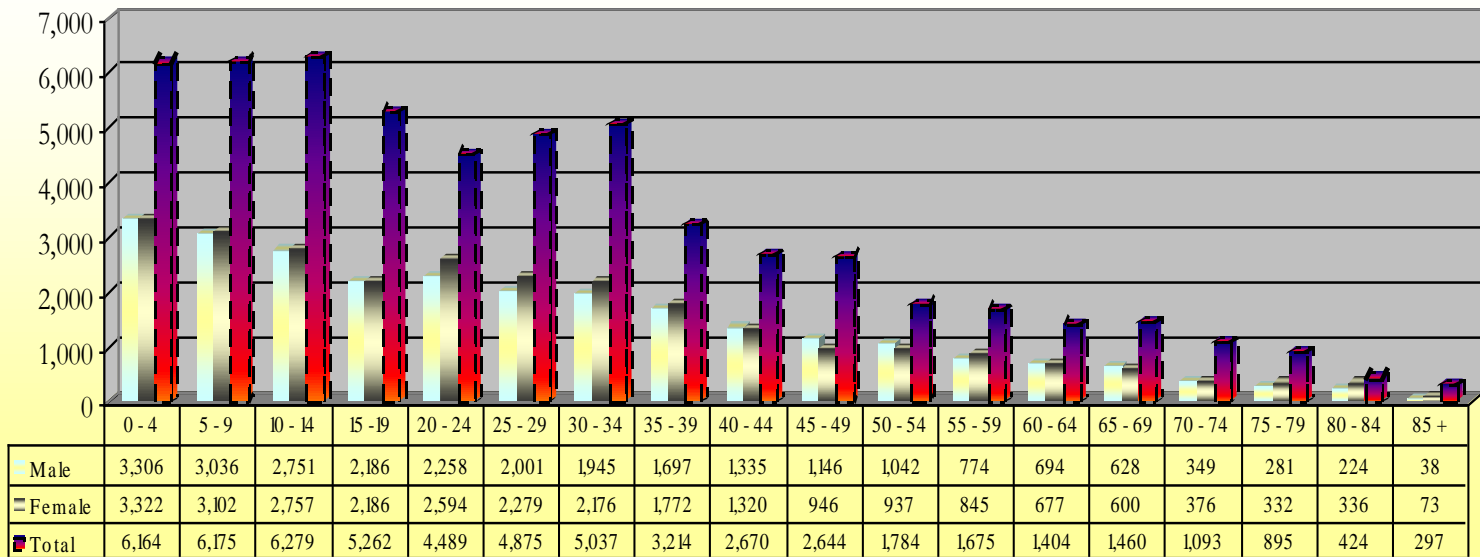
1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

In relation to the Millennium Development Goals, the Municipality is confident to reach its targets in respect of all three basic services, namely; water services, electricity and sanitation. If all goes according to plan, the municipality should have no service backlog by the end of the financial year, 2015/16. There is currently no backlog on water services already.

The biggest challenges in as far as infrastructure is concerned, are on bulk supply, roads and storm-water, as well as maintained and upgrading of the existing network. It is for this reason that the municipality experiences a constant year on year increase of capital budget in these areas.

Population Breakdown By Age



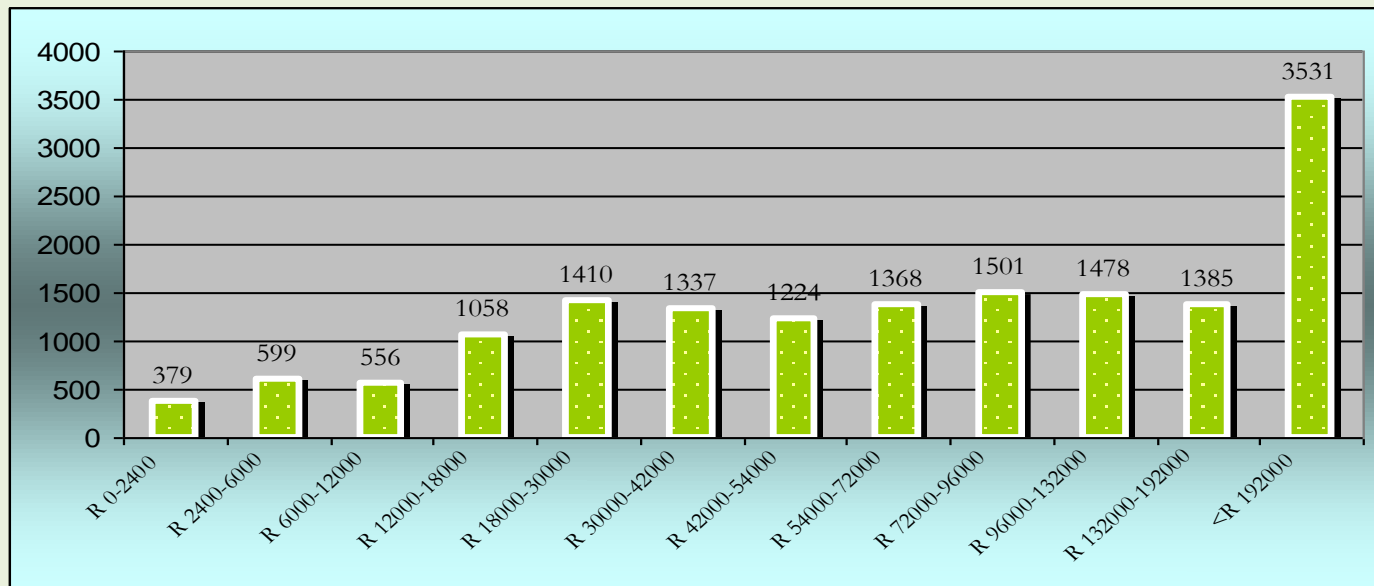
Source: Census 2011

This trend in age composition obliges the government departments and the municipality to ensure that a large percentage of the budget is allocated to social development facilities in order to meet the needs of a youthful population and ensuring that people falling within this age acquire relevant skills and grow up to become responsible adults. The creation of more job opportunities should also be one of the key aspects of the developmental agenda by the municipality in partnership with the sector departments such as the Department of Education.

With reference to figure above, the gender composition within Bela Bela indicates a slight imbalance between the males and females. The Census 2011 revealed that approximately 51% (28 304) of the population within Bela Bela comprises of females while 49% (27 546) comprises of males. Nevertheless this confirms with the national trends that a higher proportion of women are found in the rural areas than men. This in many instances, especially amongst the African communities is attributed by the fact that men are generally attracted to places such as the bigger cities (i.e. Johannesburg etc.) that presents the employment opportunities sometimes regardless of the nature of work involved.

In addition to the above, it can also be suggested that there is a need for a developmental agenda that should pro – actively target women empowerment within Bela Bela Municipal Area.

Annual Household Income



Source: Censors, 2011

The municipality has an indigent policy in place and the households that qualify to be registered as the indigents must have an income that does not exceed R 2 576.64pm per month. The policy is currently benefiting 4500 households. The above graph (3 732HH) is substantially higher than the demographic quantification (1 534HH) and this indicates that the poverty levels on the ground are more than what has been projected.

SOCIO ECONOMIC STATUS

Housing backlog as proportion of current demand	Unemployment rate	Proportion of households with no income	Proportion of population in low-skilled employment	HIV/AIDS	Illiterate people older than 14 years
1287	31%	11%	25%	Approximately 14 333 individuals were infected in Bela Bela in 2006	5659

The Bela-Bela Local Municipal area is situated on the southern side of the Waterberg District Municipality in the Limpopo Province. It borders the Gauteng Province on the south and south-east, the Northwest Province on the west, Mookgophong Local Municipality on the north-east and Modimolle Local Municipality on the northern side.

The total area of the Bela-Bela Local Municipality is approximately 337 605.55 ha in extent. It is the smallest Local Municipality in the Waterberg District and represents $\pm 6.8\%$ of the total Waterberg District area.

The Bela-Bela Municipal Area includes two formal towns, namely Bela-Bela Town and Pienaarsrivier as well as other smaller settlements such as Settlers, Radium/Masakhane, Rapotokwane, Vingerkraal and Tsakane.

The Limpopo Spatial Development Framework and existing SDF identified the following nodal areas in the Bela-Bela Municipality Area namely:

- 1 Provincial Growth Point (PGP) i.e. Bela-Bela Town; and
- 1 Municipal Growth Point (MGP) i.e. Pienaarsrivier.

REVIEW OF NEIGHBOURHOODS WITHIN BELA BELA LOCAL MUNICIPALITY	
Settlement Type	Households
Towns and townships	
Bela Bela Town and Township(Growth Point)	12 000
Sub-total	12 000
Small Towns	
Pienaarsriver	500
Radium, Vingerkraal & Tsakane	500
Rust de Winter, Mabula, Settlers & Farming Areas	2000
Sub-Total	3 000
Rural settlements	
Rapotokwane	600
Sub-Total	600
Informal settlements	
Jacob Zuma	600
Bela bela ext 9	600
Spa park(proposed warmbath extension 25)	252
Vingerkraal	250
Eersbewoon/tsakane	80
Masakhane	50
Rapotokwane	30

Sub-total	1862
Total	17 462

Source; Community Survey, 2007 & Bela Bela Municipality, 2013

Natural Resources	
Major Natural Resource	Relevance to Community
Agricultural Arable land and the Bush veld	Commercial Farming and tourism
Rivers	Irrigation schemes
Nature Conservation Areas	Tourism

1.2. SERVICE DELIVERY OVERVIEW

In relation to Millennium Developmental Goals, the municipality is confident to reach its targets in respect of all three basic services namely, water, electricity and sanitation. The municipality is planning to completely eradicate backlog on the above mentioned services by the end of 2015– 2016 financial year. Currently there is no backlog on water services.

The biggest challenges as far as infrastructure is concern, are bulk supply, roads and storm water, as well as maintenance and upgrade of existing network. It is for this reason that the municipality experience year on year constant increase of capital budget in these areas.

The upgrading of the sewer purification plant has now been completed and phase 1 of the storm water drainage system as well. Accumulated shortfalls on maintenance budget over many years have resulted in huge amounts being required to restore the normal maintenance and operations. Our recently-completed Master plan for Electricity Reticulation, for instance, reveals that the municipality requires +- R80m to restore and upgrade the current electricity network alone.

The municipality provides free basic services to the disadvantaged members of the community. In terms of the 2013/14 Indigent Policy, 4 500 households qualified to be registered as indigents during the 2013/14 financial year

1.3. FINANCIAL HEALTH OVERVIEW

The main functions of budget and treasury office are as follows:

- 1 Revenue Management – billing of municipal services and collection of revenue
- 2 Budget control and reporting – financial reporting and budget preparations and monitoring
- 3 Expenditure Management – creditor payments, cash and investment management
- 4 Supply chain management – procurement of goods and services

2013/2014 Operating Results

Table 9 below depicts the audited operating revenue results for the 2013/2014 financial year. The actual operating revenue for the year under review amounted to R299 483 766.

Table 9: Audited Operating Revenue Results for the 2013/14 Financial Year					
Description	Adjusted Budget (R)	Actual Results (R)	% of Total Revenue	Variance (R)	% Variance
Property rates	41 433 926	53 068 691	18%	11 634 765	28%
Service charges	110 872 053	115 763 329	39%	4 891 276	4%
Transfers recognized	84 425 000	80 417 666	27%	-4 007 334	-5%
Investment revenue	10 141 000	4 673 523	2%	-5 467 477	-54%
Sale of land	1 500 000	-	0%	-1 500 000	-100%
Traffic fines	3 600 000	29 904 329	10%	26 304 329	731%
Rental of facilities and equipment	1 344 712	998 416	0%	-346 296	-26%
Town planning Scheme	-	374 864	0%	374 864	0%
Licences and permits	8 750 000	9 122 563	3%	372 563	4%
Administration fees received	1 418 085	905 489	0%	-512 596	-36%
Commissions received	15 500	45 543	0%	30 043	194%
Demand charges	3 558 850	1 363 874	0%	-2 194 976	-62%
Discount received	30 000	30 000	0%	-	0%
Other own revenue	2 375 735	2 815 479	1%	439 744	19%
Total Revenue	269 464 861	299 483 766	100%	30 018 905	11%

Material variances above 10% and R1 million can be explained as follows:

- *Property rates – Property values around BelaBela has increased resulting in increase in the property rates revenue by 28% above the budget.*
- *Investment revenue – Investment income received was below the budget as a result of lower than anticipated surplus cash.*
- *Sale of land – The municipality experienced delays in the deeds office which also delayed the sale of land*
- *Traffic fines – The Accounting Standards board introduced the new interpretation standard(IGRAP 1) which resulted to the increase in traffic fines revenue*
- *Demand charges – The limit on the Municipal electricity capacity (MVA) resulted in the reduction of demand charge income.*

Table 10 below depicts the audited operating expenditure results for the 2013/14 financial year. The actual operating expenditure for the year under review amounted to R262 million and compared with the budgeted operating expenditure amount of R270 million, resulted in a positive variance of R8 million (3%). This is as a result of good budget control.

Table 10: Audited Operating Expenditure Results for the 2013/14 Financial Year

Description	Adjusted	Actual Results(R)	% of Actual Expenditure(R)	Variance	% Variance
	Budget(R)				
Employee costs	78 489 559	75 955 809	29%	2 533 750	3%
Remuneration of Councillors	7 230 590	5 801 381	2%	1 429 209	20%
Depreciation & asset impairment	29 300 000	29 267 239	11%	32 761	0%
Finance charges	3 585 000	3 309 616	1%	275 384	8%
Debt Impairment	17 720 000	25 504 703	10%	-7 784 703	-44%
Repairs and maintenance	13 164 575	12 277 714	5%	886 861	7%
Bulk purchases	67 345 138	59 902 603	23%	7 442 535	11%
General expenses	53 522 818	50 091 496	19%	3 431 322	6%
Total Expenditure	270 357 680	262 110 561	100%	8 247 119	3%

Material variances above 10% and R1 million can be explained as follows:

- *Remuneration of councilors – The variance was as a result of vacancy in the councilors positions.*
- *Debt impairment – This is as a result of inadequate budgeting of non-cash items.*
- *Bulk purchases – ESKOM has performed its billing late during the month of June 2014 which resulted in electricity purchases savings.*

After taking non-cash items, depreciation and Debt impairment provision; the actual operating surplus changes into a revised monetary operating surplus amounting to R92 million. This shows that the Municipality is still a going concern.

Table : Audited Operating Revenue and Expenditure Results for the 2013/14 Financial Year				
Description	Adjusted Budget	Actual Results	Variance	YTD variance
	R	R	R	%
Total Revenue	269 464 861	299 483 766	30 018 905	11%
Total Expenditure	270 357 680	262 110 561	8 247 119	3%
Surplus/(Deficit)	(892 819)	37 373 205	21 771 786	14%
Plus: Depreciation (Non-Cash item)		29 267 239		
Plus: Debt Impairment (Non-Cash item)		25 504 703		
Revised Operating Surplus / (Defisit)		92 145 147		

KEY CHALLENGES

The Municipality faces some challenges that it must overcome. They are;

- Strictly enforce the Credit Control and Debt Collection Policy to prevent outstanding debt to increase;
- Build the capacity of the indigent household unit through the filling of critical vacant positions so that all indigent households can be identified to ensure that a zero tolerance approach can be followed with the customers who can afford to pay;
- Building the Cash replacement reserve that will be utilized for funding own source financed projects.

(iv) Ensure that the Municipality remains a going concern, that it remains financial viable and that it does not become over-borrowed;

The Budget and Treasury under the leadership of the Acting Chief Financial Officer has been able to support the Municipal Manager in assisting him in the administration of municipal bank accounts and in the preparation and implementation of the municipality's budget. The Department have also been in a position to advise other senior managers in carrying out their delegated powers in terms of the Municipal Finance Management Act. Over and above that, the department has been able to discharge fiduciary duties such as accounting, analysis, financial reporting, cash management, financial management.

Taking a preliminary view of the Bela-Bela's assumptions and challenges into account reveals

Table 12: Key financial ratios

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Borrowing Management</u>								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.5%	2.0%	0.6%	9.8%	1.0%	1.0%	0.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.9%	2.7%	0.9%	10.5%	1.3%	1.2%	1.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	103.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>								
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>								
Current Ratio	Current assets/current liabilities	(0.4)	0.6	0.5	3.8	1.4	1.7	2.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	(0.4)	0.6	(1.2)	(5.5)	(0.0)	0.2	0.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.1	0.1	1.3	1.3	1.3	1.3
<u>Revenue Management</u>								
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	90.0%	124.0%	65.3%	111.6%	92.5%	95.8%	95.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		124.0%	65.3%	96.1%	86.4%	95.8%	95.9%	96.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	-21.8%	11.1%	11.4%	22.2%	12.9%	13.5%	14.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	10.0%	5.0%	5.0%	5.0%
<u>Creditors Management</u>								
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	70.0%	70.0%	89.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		42.5%	42.1%	62.8%	-67.5%	33.7%	21.5%	12.8%
<u>Other Indicators</u>								

Table 12: Key financial ratios

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Electricity Distribution Losses (2)	Total Volume Losses (kW)	17 815 367.00	17 815 367.00	17 815 367.00	10 146 942.00	9 132 247.80	8 219 023.02	7 397 120.72
	Total Cost of Losses (Rand '000)	4 833	4 833	4 833	4 833	4 350	3 915	3 523
	% Volume (units purchased and generated less units sold)/units purchased and generated	20.21%	20.21%	20.21%	12.64%	23%	10%	10%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	792	792	792	409	368	332	298
	Total Cost of Losses (Rand '000)	1 641	1 641	1 641	1 641	1	1	1
	% Volume (units purchased and generated less units sold)/units purchased and generated	20%	21%	23.21%	26.02%	17%	15%	15%
Employee costs	Employee costs/(Total Revenue - capital revenue)	50.7%	29.6%	31.0%	30.3%	29.8%	28.2%	28.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	52.2%	31.4%	32.8%	30.0%	33.5%	31.8%	31.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	2.4%	2.6%	8.0%	6.4%	6.4%	6.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	45.5%	21.9%	31.6%	-8.8%	8.2%	10.6%	10.9%
IDP regulation financial viability indicators	-							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.4	25.2	17.8	12.2	21.8	22.5	24.2
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	-39.5%	16.2%	15.1%	31.8%	19.2%	19.8%	21.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.3	2.9	4.3	(0.9)	4.3	6.2	8.3

DEPARTMENTS	OPERATING BUDGET EXP	ADJUSTMENT BUDGET	Audited Outcomes	BASELINE 100%	% OF ACTUAL EXP SPENT	VARIANCE
Office of the CFO	59 761 956	107 208 565	120 762 489	100%	112.64%	-12.64%
Municipal Manager	4 036 429	5 017 992	3 475 235	100%	69.26%	30.74%
Corporate Service	29 452 830	34 117 004	29 827 151	100%	87.43%	12.57%
Planning & Economic Development	6 340 838	6 265 422	5 180 189	100%	82.68%	17.32%
Technical Services	99 586 159	99 538 769	95 443 959	100%	95.89%	4.11%
Mayor's Office	1 785 788	1 663 788	1 708 096	100%	102.66%	-2.66%
Office of the Speaker	6 407 357	10 925 113	7 895 576	100%	72.27%	27.73%
Social & Community Services	30 534 391	31 351 507	31 260 771	100%	99.71%	0.29%
Total	237 905 748	296 088 160	295 553 465	100%	99.82%	0.18%

TOTAL CAPITAL EXPENDITURE

PROJECT	TOTAL MIG REGISTRATION	13/14 EXPENDITURE	REMARK
Bela Bela: Drivers License Testing Ground	R 14 826 410.66	R 3 026 160.00	Project Completed
Bela Bela: Road Paving Phase 3	R 12 000 000.00	R 2 442 194.15	Contractor is behind program. Project to be completed in 14/15
Bela Bela: Upgrade existing and addition to sport facilities on stand 274	R 6 235 797.72	R 1 396 333.56	1 st Phase Completed
Bela Bela: Multi-Purpose Centre X6	R 14 000000.00	R 2368 704.14	Multi - Year Project – Rolled over to 14/15 and 15/16
Bela Bela: Bulk water service X9	R 9 502 000.00	R 2909 201.26	Multi -Year Project – Rolled over to 14/15
Bela Bela: Sport stadium Moloto Street	R 14 000 000.00	R 2 709 999.99	Multi-Year Project – Rolled over to 14/15
PMU Cost	R 1 018 250.00	R 974 406.90	

1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

The Municipality decided to adopt the Balanced Scorecard as its performance management model. The Balanced Scorecard has proved to be the most popular performance and strategic management tool used by both public and private organisations. The benefits of implementing the Balanced Scorecard are that it brings strategic focus and direction to the organisation, improves governance and accountability, promotes alignment and transparency, and improves management effectiveness. A strategic and an institutional Balanced Scorecard take into account service delivery indicators and perspectives of the IDP and SDBIP. The strategic and institutional Balanced Scorecard will be cascaded to all levels of the municipality (top, functional and operational management). The objectives of cascading the Balanced Scorecard are to achieve synergy across the municipality, maximise internal business process efficiencies (e.g. supply chain, information technology, human resources, etc.), and maximise efficient allocation of resources (financial and human) across the municipality. The design approach of the Balanced Scorecard was customised to meet the needs of the Municipality. With an emphasis on the word “balanced”, the municipal Scorecard is intended to follow the traditional design approach promulgated by Kaplan and Norton, Financial, Customer, Internal Processes and Learning and Growth. The measurement of developmental outcomes will be useful in informing the municipality whether policies and strategies are having the desired development impact, as per the following perspectives:

- 1) Customer (electorate, citizens, communities) Perspective – Managers must know if the Municipality is meeting the electorate’s needs. This relates to services and products (outcomes and outputs) the Municipality should achieve. They must determine the answer to the question: Is the Municipality delivering the services the electorate wants?
- 2) Financial Perspective – Managers must focus on how to meet service delivery needs in an economic, efficient and effective manner. They must answer the question: Is the service delivered at a good price?

-
- 3) Internal Processes Perspective – Managers need to focus on those critical operations that enable them to satisfy the electorate, citizens and community. Managers must answer the question: Can the Municipality improve upon a service by changing the way a service is delivered?
 - 4) Learning and Growth (Employee Development) Perspective – An organisation’s ability to improve and meet community demands ties directly to the employees’ ability to meet those demands. Managers must answer the question: Is the municipality maintaining technology and employee training for continuous improvement?

The strategic balanced scorecard will provide an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic (IDP) priorities. The Municipal Manager and Section 56 Managers will use it after review, as a basis for reporting to the Executive Committee, Council, and the public.

The municipality undertook the Strategic Planning for the 2013/14 financial year and that process was also linked to the finalization of 2013/14 IDP Review and Budget process. The municipality also started with the review of the Performance Management System (PMS) Policy Framework. At the end of December 2009 the PMS Policy Framework was approved and adopted by council. The framework attempts to cascade the implementation of the PMS to the lower levels during 2013/14 financial year as the efforts were made to benchmark with Fetakgomo Local Municipality, since the implementation of individual performance has always been limited to section 56 managers.

1.5. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	

16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

The Annual Report of a municipality and every municipal entity must be tabled in the municipal council on or before 31 January each year (MFMA S127). In order to enhance oversight functions of Councils, please note that this must be interpreted as an outer deadline; hence municipalities must submit the Annual Reports as soon as possible after year end, namely, August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. The activities, implications, process/role-player and timeframes are described below for ease of reference and implementation. It is expected that effective management of performance will also result from this change.

Council monitors financial and non-financial performance through quarterly and mid-year reports produced by the administration and tabled in Council. Note that the mid-year report is a consolidation of the first two quarter reports. By following this framework, IDP and Budget planning and development, SDBIP development, performance management and in-year reporting can be implemented as required by legislation. Failure failures to achieve the above timescales will be considered a breach of the MFMA and MSA.

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2013/14

The constitution S188 (1) (b) states that the functions of the Auditor – General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities .MSA Section 45 states that the results of performance of performance measurement ... must be audited annually by the Auditor- General.

In 2012/13 the municipality obtained qualified audit opinion. The Auditor General indicated material misstatement in the following areas:-

- Bank and cash
- Roads infrastructure
- Contingent Liabilities.

Measures were implemented by the municipality to address the above and the following control are now in place:-

1. Annual Financial statements committee composed of Accounting Officer, CFO, All Divisional managers in Budget and Treasury, all chief Accountant and accountants and internal audit unit. The committee is responsible for the review of the AFS and enforcing the implementation of issue raised by the AG.
2. Municipality has created a new unit that only work with AFS and related issues
3. Reconciliations are done monthly
- 4, Mid-year Financial statements are prepared internally

The annual financial statements are performed by the internal staff

The above measures made the municipality to obtain unqualified audit opinion for 2013/14 financial year. Refer to the attached AG audit report.

1.7 RISK MANAGEMENT

No organization operates in a risk-free environment. Risk management is an integral component of good management and decision-making at all levels. It is about making decisions that contribute to the achievement of the Municipality's objectives.

The purpose of an ERM process is to ensure that all significant risks that the Municipality is exposed to (whether at an executive, cluster, branch, component or project level) are proactively identified and managed to acceptable levels on a continuous basis. The key drivers to embed such a process within the Municipality are:

- The avoidance of unplanned impacts as a consequence of risks that take us by surprise;
- The need to protect the Municipality's reputation and image;
- To comply with the requirements of applicable laws and regulations;
- To ensure that we live the Municipality's values and comply with our code of conduct, and
- To foster a culture of responsible risk taking.

Risks are defined as '*uncertain future events that could influence the achievement of objectives*'. These could include strategic, operational, financial and compliance objectives. Some risks must be taken in pursuing opportunity, but the organization should be protected against avoidable losses.

In turn, ERM is defined as a '*process that is effected by people at every level of an organization, is applied in strategy setting and across the organization. It is designed to identify events potentially affecting the entity and manages risks within its risk appetite. It further provides management and the Executive Authority with reasonable assurance regarding the achievement of the entity's objectives.*'

The definition of ERM reflects certain fundamental concepts. It is:

- A process, ongoing and flowing through an entity;
- Effected by people at every level of the organization;
- Applied in strategy setting;
- Applied across business, at every level and unit,

-
- Includes taking an entity level portfolio view of risk;
 - Designed to identify potential events that, if they occur, will affect the entity and to manage risk within its risk appetite;
 - Able to provide reasonable assurance to an entity's management and oversight structures; and
 - Geared to achievement of objectives in one or more separate but overlapping categories.

Benefits of risk management

Some of the benefits of risk management can be summarized as follows:

- Ensures that management is focused on strategic objectives
- Identifies and manages cross-organizational risks
- Provides integrated responses to risks
- Ensures rationalization of capital and financial resources

Municipality has risk management committee which composed of head of department and chaired by an external person.

The risk management committee sets on a quarterly basis to discuss risks that are threatening the municipal objectives. Below are five high risks identified by the municipality:

- Ageing Infrastructure
- Possible floods
- Vacant critical and strategic possible
- High amount of distribution losses
- Illegal occupation of land

Internal audit function

The internal audit department is a governance structure. The unit report administratively to the Municipal Manager, functionally to the audit committee and has a staff complement of three including Chief Risk Officer.

The internal audit unit is responsible to evaluate the adequacy and effectiveness of the internal control system and report quarterly to the Audit Committee.

In our opinion, controls are adequate and moderate effective to accomplish the municipal goals and objectives in that 70% of control weaknesses raised during the year under reviews have been resolved and 30% are in the process of being resolved.

1.8 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Bela-Bela Local Municipality has priorities fraud risk management as per the MFMA. Fraud prevention policy and plan are in place. The hotline through which service deliver complaints are received and whistle blowers anonymous are reporting is centralized at the District municipality and well as the Officer of the premier. To instil confidence in the anonymous reporting of incidents of fraud and corrupt activities, the hotline is managed independently. Bela Bela Local Municipality has sounds internal control in place to work as a deterrent and to also prevent occurrence of fraud. All reported cases are monitored, investigated and further more discussed during top and broad management meeting as well as during the audit committee meeting

Internal audit and risk management committee assist to detect fraudulent and corrupt activities.

CHAPTER: 2

INTRODUCTION TO GOVERNANCE

To ensure accountability and governance arrangements are in place, Section 121(2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA: information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Note: The Constitution 151 (3) states that the council of the municipality has the right to govern its initiative, the local government affairs of the local community.

To ensure accountability and government arrangement are in place, section 121 (2), (c) of MFMA supports the requirements of section 18 (1) (d) MSA: information on matters of government should be communicated to the community. This should according to section 65(1) (a) of the MFMA and 56 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such Annual Report is to promote accountability to the communities for decision taken by the council and matters relating to administrative structure throughout a financial year.

2.1. POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

Bela Bela Local Municipality is a Category B municipality established in terms of Section 12 of the Municipal Structures Act (Act 117 of 1998) and applying a collective Executive Committee System. The

Municipality has established section 80 Committees and are functional. The Committees meet on monthly basis. The recommendations of the committees are then forwarded to the Executive Committee, which also meet monthly.

The Municipality has established an Audit Committee which comprises of three members. The Committee is functional and established in terms of section 166 of MFMA (2003). The Municipality has decided to utilize the existing Audit Committee for the purpose of the Performance Audit Committee as per Municipal Performance Regulations. Municipal Public Account Committee (MPAC) is established, and performs the role of the Oversight Committee to process the annual reports. The MPAC report will be published separately in accordance with MFMA guidelines.

POLITICAL STRUCTURE

MAYOR



CLLR L Nhlapo – PR Councillor

SPEAKER



Cllr E Maluleka (Ward 2)

CHIEFWHIP



Cllr R Radebe – PR Councilor



**Cllr J Ngobeni (EC)– Ward 6
Ward 9**



Cllr H Ledwaba – Ward 5



Cllr J Sesane – ward 7



Cllr W Mokgethoa



**Cllr P Aphane – ward 8
PR**



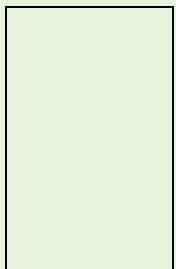
Cllr T Mokonyane



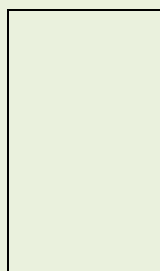
Cllr F Hlongwane – ward 4



Cllr P Mahlangu



Cllr K Alberts PR



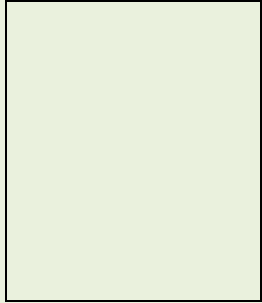
Cllr MN Ras



Cllr Van der Merwe – ward1



Cllr L Mpete



Bela Bela Municipal Council has a total number of **17 Councillors**, with the African National Congress being the majority party. Out of 17 Councillors, 9 are ward councilors and 8 are councilors appointed on a proportional basis.

POLITICAL DECISION-TAKING

Bela Bela Local Municipality has established section 80 committees. The committees are structured as follows:

- Planning and Economic Development/Infrastructure Sub Committee
- Social and Community Services Sub committee
- Governance & Transformation /Budget & Treasury
- MPAC

The committees sit every month. All recommendations are then forwarded to the Executive Committee for consideration. The Executive Committee has the authority to approve delegated functions and the

remaining are resolved at Council meetings. During 2013 - 2014 financial year, **2 ordinary Council** meetings and **10 Special Council** meetings took place. Below is a table indicating the number of resolution taken, implemented and/or not implemented during 2013 - 2014 financial year:

Number of Council Resolutions	Number of Implemented Council Resolutions	Number of not Implemented Council Resolutions
93	93	0

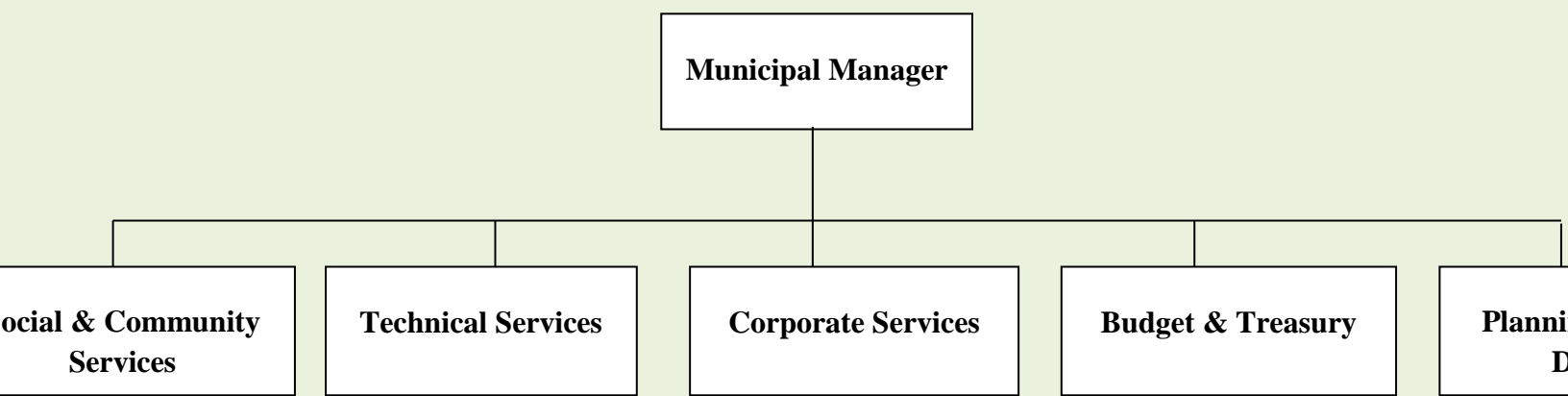
2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA 60(b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

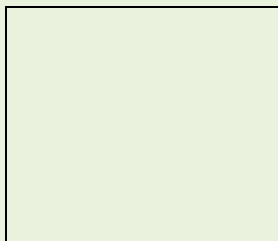
ADMINISTRATIVE STRUCTURE

The municipality has a staff compliment of 344 full time staff as provided in the revised Organogram. The municipal organogram makes provision for a Municipal Manager, 5 Senior Managers (Head of Departments) and 19 Middle Managers (Divisional Heads)



TOP MANAGEMENT

TOP ADMINISTRATIVE STRUCTURE



Municipal Manager (Vacant)



Mr MM Maluleka



MRS Mafa D

Vacant

Mr O Sebola

Mr N Nyambeni

CFO	Manager: Planning and Economic Development (Vacant)	Manager: Corporate Services (Vacant)	Manager: Technical Services	Manager: Social And Community Services
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The Administration Head of Bela-Bela Local Municipality for 2013 – 2014 financial year was Mr MM Maluleka (CFO) an acting Municipal Manager.

MANAGEMENT CAPACITY FOR EXECUTING THE MUNICIPAL POWERS AND FUNCTIONS

Managerial Level	Management Accountability	Subordinate Management (Divisional Heads/ Manager)
Municipal Manager	Head of Administration	I Communications II Internal Auditing
Head of Departments	1. Budget and Treasury	I Budgeting and Financial Reporting

(3) (Section 56 Managers)		II Expenditure III Revenue
	2. Technical Services	I Water and Sanitation II Roads and Storm-water III Electrical Services
	3. Social and Community Services	I Parks, Cemeteries and Community Facilities II Protection and Emergency Services III Waste Management and Cleansing Services
	4. Economic Development and Planning	I Integrated Development Planning II Local Economic Development III Town Planning and Housing
	5. Corporate Services	I Human Resources II Information Management III Council Administration and Legal Services

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution S41.

Bela Bela Municipality participates in forums for intergovernmental relations, The Premier Mayor's forum and the Municipal Manager's forum. The IDP/PMS Unit always participates in the Provincial and district municipality's Fora. These forums include sector departments operating at cold face of society and communities. The presidential hotline is established and deals with queries effectively.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Besides Provincial forums attended by both officials and politicians, there are many formal intergovernmental structures dealing directly with the national government. Interaction between national government and municipality is done through the Provincial forums, those forums are, the Provincial IDP forum, Premier's Lekgotla, Premeir's Monitoring and Evaluation forum and the Monitoring and Evaluation Forum by COGHSTA.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial Planning forum, Premier's Lekgotla, Premeir's Monitoring and Evaluation forum and the Monitoring and Evaluation Forum by CoGSHTA. These forums assist with implementation of the PMS at municipal level and the establishments of credible IDP and SDBIP and ensuring that municipalities are on the road to Clean Audit, 2014.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

They are no municipal entities in Bela Bela Local Municipality.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Waterberg District Municipality is the only district Limpopo Province that does not have powers and functions on service delivery. Its role is coordination and facilitation. Bela Bela Local Municipality is benefitting from attending the District Monitoring and Evaluation forum, the District Planning Forum the Mayor's forum and the Municipal Managers forum.

COMPONENT: C

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MSA S15 (b): requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The Mayor

The Mayor is the public face of the municipality and is used in big public meetings, municipal stakeholder forums and media.

Ward councillors

Ward councillors are the representatives of specific geographic areas and are ideally placed to be the link between the people and the municipality. They should bring people's needs and problems to the municipality and consult and inform the community around municipal services and programmes. Ward councillors' public participation programmes are coordinated by the Council's Speaker.

Ward committees

Ward committees are from different sectors in communities. Ten members are elected in each ward to assist and advise the ward councillor and increase community participation. They are very useful for spreading information, assessing needs, building partnerships, consulting the community and picking up local problems with service delivery.

Community development workers (CDWs)

Community development workers are deployed by government to work in communities to make sure that people can access government services. They have to give advice, help people with problems, assess needs and work with local organisations to build partnerships with government. They usually know the community well, have good contacts with organisations and can help to do consultation, do research,

spread information and monitor implementation. CDWs work closely with ward councillors and ward committees.

Stakeholder bodies

At national, provincial and local level many key stakeholders and potential development partners are already organised into representative bodies. Examples are business organisations, unions, welfare organisations, community organisations, faith-based organisations, sport and cultural bodies.

Bela Bela Municipality builds ongoing partnerships with these bodies and use them to enrich IDP/Budget Review, assess programmes and improve delivery.

Local stakeholder forums

Many different local forums already exist – for example IDP forums. Other forums that are made up of stakeholders should be set up for specific projects and programmes. Forums are very useful for quick and ongoing consultation as well as for building partnerships between the community and government. They often represent a number of stakeholders and are also useful for resolving disputes and avoiding local conflicts over resource allocation.

Media

Bela Bela Municipality have access to their own media, for example notice boards, rates and water bills, etc. This is used for spreading information about prices, new plans, budget priorities, etc.

The commercial media as well as radio are some more communication tools used to inform and consult people.

COMMUNICATION, PARTICIPATION AND FORUMS

BELA BELA MUNICIPALITY'S APPROACH TO PUBLIC PARTICIPATION

WARD COMMITTEES

Meetings will be held with ward committees to inform local community about the IDP Review process, provide report back on the progression of the implementation of the review process as well as on projects that are currently being implemented in the municipal area, review the existing IDP project list and identify new projects.

IDP REP FORUM MEETINGS

The forum should be restructured so as to include the recently established ward committees, service providers and other community – based organizations. There are three proposed IDP Forum meetings to be held during the review process.

IDP ROAD SHOWS

STRATEGIC PLANNING

Strategic planning will be undertaken in the form of the workshop with Senior, Middle Management, Municipal Mayor, EC Members and the rest of the Councilors. This Strategic Framework should indicate the strategic direction of the municipality, and form the basis for updating the Vision, Mission, Values, Objectives and Strategies. Furthermore, the most important aspect here is the formulation of key performance indicators.

WARD COMMITTEES

Roles of ward committees

- Increase the participation of local residents in municipal decision-making, as they are a direct and unique link with the council;
- Are representative of the local ward, and are not politically aligned;
- Should be involved in matters such as the IDP process, municipal performance management, the annual budget, council projects and other key activities and programmes as all these things impact on local people; Can identify and initiate local projects to improve the lives of people in the ward;

- Can support the councillor in dispute resolutions, providing information about municipal Operations;
- Can monitor the performance of the municipality and raise issues of concern to the local Ward;
- Can help with community awareness campaigns e.g. waste, water and sewage, payment of fees and charges, as members know their local communities and their needs.

Ward committee training

An initial round of training was conducted for ward committee members after the March, which consisted of a one day induction workshop followed by two further days of training with clusters of committees during 2013/14 financial year. There is a need for training for all newly elected/ established ward members of ward 7 and other members who are replacing those who have resigned or deceased. The need for further training was identified by all respondents as an immediate priority. In particular, ward committees need training on the IDP and budget, and on the powers and functions of the different spheres of government.

Typically, ward committees raise issues with their ward councillor, who then takes the issues to the Speaker, who then notifies the relevant portfolio committee to have the issue addressed. It was noted that ward committees do not take issues directly to Council. An important point raised is that there is not enough follow up from councillors with the Speaker regarding issues that are raised by the ward committees. Communities then do not receive feedback from the municipality about the concerns they register with the ward committee.

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
2014/14 IDP/Budget Roadshows in all 9 Wards	09 – 15 April 2014	17	13	920	140	Yes (those relevant to municipal functions, however, other issues were referred to sector departments)	Feedback session was arranged in 2014-13 financial year (During January month)
1 IDP Rep Forum	14 August 2013	9	8	86	38	Yes	IDP Rep forum
	30 October 2013	6	7	77	16	Yes	IDP Rep forum held on t

	28 February 2014	4	10	56	0	Yes	Community was proposing the projects/programmes for 2014/2015 financial year
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COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The public meetings are very effective as they guide the development of programmes for the Municipality. However, budgetary constraints sometimes hinder the programmes. The community also gets informed about the powers and functions of the municipality, the role of all three spheres of government in providing service delivery.

2.6 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
* Section 26 Municipal Systems Act 2000	

COMPONENT:D

2.7 CORPORATE GOVERNANCE**OVERVIEW OF CORPORATE GOVERNANCE****The council**

- retains full control over the municipality, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the municipality;
- is of a unitary structure comprising:
 - full-time and part time councillors

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	Irregular Expenditure	Unauthorised Expenditure
R617 948	R49 218 923	R30,875,995

Remuneration

The remuneration of the Accounting Officer and section 56 managers are determined by the Council in accordance with upper limits for senior managers.

2.6.1 Executive meetings

Non-executive councillors have access to all members of management of the municipality.

2.6.2 Audit and risk committee

Mr. M.A. Mashego was the chairperson of the audit committee for the year.

In terms of Section 166 of the Municipal Finance Management Act, municipality must appoint members of the Audit Committee. National Treasury policy requires that municipalities should appoint further members of the municipality's audit committees who are not councillors of the municipal entity onto the audit committee.

2.6.3 Internal audit

The municipality has an independent internal audit function. This is in compliance with the Municipal Finance Management Act, 2003.

The chief internal auditor is Mr. M.C. Kabe.

2.8 BY-LAWS

By-laws Introduced during 2013/14					
Newly Developed	Date Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-laws Gazetted (Yes/No)	Date of Publication
Water Services		Yes	February 2008	Yes	21 November 2011
Indigent		Yes	February 2008	Yes	21 November 2011
Electricity		Yes	February 2008	Yes	21 November 2011
Credit control		Yes	February 2008	Yes	21 November 2011

2.9 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	<Yes / No>	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	April 2013
All current budget-related policies	Yes	May 2013

The previous annual report (2011/12)	Yes	May 2013
The annual report (2011/12) published/to be published	Yes	May 2013
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2012/13) and resulting scorecards	Yes	July 2013
All service delivery agreements (2012/13)	Yes	July 2013
All long-term borrowing contracts (2012/13)	NO	July 2013
All supply chain management contracts above a prescribed value (give value) for 2012/13	Yes	July 2013
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2012/13	Yes	July 2013
Contracts agreed in 2012/13 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	July 2013
Public-private partnership agreements referred to in section 120 made in 2012/13	No	July 2013
All quarterly reports tabled in the council in terms of section 52 (d) during 2012/13	Yes	July 2013

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Municipality is currently not fully compliant with the requirement for Municipal websites as set out in MFMA section 75. However, efforts have been made to ensure that a monthly update on the web-site is done. The other challenge arising is that although the web-site is coordinated at a provincial level, sometimes it is very difficult to ensure that the required information is placed on the web-site since there is a standard format. The Municipality has not made any progress in placing PC's in accessible locations to the public so that Council web based information can be accessed.

2.10 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

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.

ESTABLISHMENT AND IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy

2. (1) The Bela-Bela Local Municipality resolves in terms of section 111 of the Act to have and implement a supply chain management policy

that –

(a) gives effect to –

(i) section 217 of the Constitution; and

(ii) Part 1 of Chapter 11 and other applicable provisions of the Act;

(b) is fair, equitable, transparent, competitive and cost effective;

(c) complies with –

(i) the regulatory framework prescribed in Chapter 2 of the **Local**

Government: Municipal Supply Chain Management

Regulations; and

(ii) any minimum norms and standards that may be prescribed **by the National Treasury** in terms of section 168 of the **Local Government Municipal Financial Management Act 2003** Act;

(d) is consistent with other applicable legislation;

(e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and

(f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector

(2) The municipality may not act otherwise than in accordance with this Supply Chain Management Policy when –

(a) procuring goods or services;

(b) disposing of goods no longer needed;

(c) selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or

(d) in the case of a municipality, selecting external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) Subparagraphs (1) and (2) of this policy do not apply in the circumstances described in section 110 (2) of the Act except where specifically provided otherwise in this policy.

3. Adoption and amendment of the supply chain management policy

3. (1) The accounting officer must –

(a) at least annually review the implementation of this policy; and

(b) when the accounting officer considers it necessary, submit proposals for the amendment of this policy to the Council.

(2) If the accounting officer submits a draft policy to the Council that differs from the model policy, the accounting officer must ensure that such draft policy complies with the Regulations. The accounting officer must report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

-
- (3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
- (4) The accounting officer of a municipality must in terms of section 62(1) (f) (IV) of the Act, take all reasonable steps to ensure that the municipality has and implements this supply chain management policy.

4. Delegation of supply chain management powers and duties

4. (1) The council hereby delegates such additional powers and duties to the accounting officer so as to enable the accounting officer –
- (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 of the Act; and
 - (ii) the supply chain management policy;
 - (b) to maximize administrative and operational efficiency in the implementation of the supply chain management policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favoritism and unfair and irregular practices in the implementation of the supply chain management policy; and
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 of the **Local Government: Finance Management Act 2003** applies to the sub-delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1) of this policy.
- (3) The council or accounting officer may not delegate or sub-delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality [or municipal entity];
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this policy.

5. Sub-delegations

5. (1) The accounting officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this policy, but any such sub-delegation must be consistent with subparagraph (2) and paragraph 4 of this policy.

(2) The power to make a final award –

(a) above R10 million (VAT included) may not be sub-delegated by the accounting officer;

(b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to –

(i) the Chief Financial Officer;

(ii) a senior manager; or

(iii) a bid adjudication committee of which the Chief Financial Officer or a senior manager is a member;
or

(c) not exceeding R2 million (VAT included) may be sub-delegated but only to –

(i) the Chief Financial Officer;

(ii) a senior manager;

(iii) a manager directly accountable to the Chief Financial Officer or a manager **directly accountable to the senior manager**; or

(iv) a bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) of this policy must within five days of the end of each month submit to the official referred to in subparagraph (4) of this paragraph a written report containing particulars of each final award made by such official or committee during that month, including–

(a) the amount of the award;

(b) the name of the person or party to whom the award was made; and

(c) the reason why the award was made to that person or party.

-
- (4) A written report referred to in subparagraph (3) of this policy must be submitted –
- (a) to the accounting officer, in the case of an award by –
 - (i) the Chief Financial Officer;
 - (ii) a senior manager; or
 - (iii) a bid adjudication committee of which the Chief Financial Officer or a senior manager is a member; or
 - (b) to the Chief Financial Officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) a manager referred to in subparagraph (2) (c)(iii) of this paragraph; or
 - (ii) a bid adjudication committee of which the Chief Financial Officer or a senior manager is not a member.
- (5) Subparagraphs (3) and (4) of this paragraph do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. Oversight role of council

6. (1) The council must maintain oversight over the implementation of this supply chain management policy.
- (2) For the purposes of such oversight the accounting officer must –

In the case of a municipality

- (a) (i) within 30 days of the end of each financial year, submit a report on the implementation of the supply chain management policy of the municipality and of any municipal entity under its sole or shared control, to the council of the municipality; and

(ii) whenever there are serious and material problems in the implementation of the supply chain management policy, immediately submit a report to the council

(3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor and thereafter to council.

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.
Systems Act.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

During the 2012/13 and 2013/14 financial years, the municipality did not conduct a Satisfaction Survey. However, The levels of satisfaction about municipal service delivery is very low for key deliverables like Road maintenance, sanitation and water supply, where as it average for services like electricity and refuse removal

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

COMPONENT:A

INTRODUCTION

The municipality provides free basic services to the disadvantaged members of the community. In terms of the Indigent policy the households who qualified to be registered as indigents during the 2013/14 financial year are those that with an income of R0 –to– R 2 576.64 per month.

3.1 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality provides free basic services to the disadvantaged members of the community. In terms of the Indigent policy the households who qualified to be registered as indigents during the 2012/13 financial year are those that with an income of R0 –to– R 2 576.64 per month. The number of households who are subsidised by the free basic services can be indicated as follows:-

INDIGENT SUMMARY 2013/2014													
Amount of Subsidies to Indigents per service													
MONTH 2013/2014	WATER		REFUSE		RATES		ELECTRICITY		SEWERAGE		PREPAID ELECTRICITY		TOTAL
	no	R	no	R	No	R	no	R	no	R	No	R	R
Jul-13													
Aug-13													
Sep-13	2534	159 256	3110	140 803	2369	17 638	14	3 825	3070	131 796	2298	432 128	885 446
Oct-13	2493	189 172	3144	137 426	2493	15 786	13	3 867	3111	128 610	2319	442 979	917 839
Nov-13	2451	187 817	3002	136 003	2318	14 586	14	3 894	2965	127 283	2375	449 553	919 135
Dec-13	2816	183 337	3442	152 042	2727	16 402	19	3 865	3402	142 413	3721	443 283	941 342
Jan-14	4874	209 407	3497	151 960	2853	16 402	20	3 956	3453	142 336	3726	445 497	969 558
Feb-14	2690		3487		740		15		3452		3726		

		208 271		151 918		43 154		459		142 297		435 489	981 589
Mar-14	2647	202 976	3486	151 958	742	44 546	14	423	3451	142 334	3726	428 217	970 455
Apr-14	2647	202 976	3486	151 958	742	44 546	14	423	3451	142 334	3726	428 217	970 455
May-14	2647	202 976	3486	151 958	742	44 546	14	423	3451	142 334	3726	428 217	970 455
Jun-14	2647	202 976	3486	151 958	742	44 546	14	423	3451	142 334	3726	428 217	970 455
Total	2845	1 949 165	3363	477 984 ¹	1647	302 151	15	21 557	3326	384 073 ¹	3307	4 361 797	496 728 ⁹

ORGANISATIONAL PERFORMANCE SCORECARD

MONITORING PERFORMANCE

Monitoring of performance takes place as follows:

- A manual mail is send via the web based system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 3rd week of every month for the previous month's performance.
- Monthly performance reports are submitted to the Municipal Manager and sub-committees.
- The all quarterly performance reports were submitted to Audit Committee, sec 80 structures and subsequently Council.
- 1st and 2nd Quarterly Performance Assessment was conducted. However, 3rd and 4th performance assessment is still outstanding.
- This component includes: Annual Performance Scorecard Report for the current year.

**SECTION 2: TABLE B. SUMMARY OF ANNUAL PERFORMANCE ASSESSMENT PER DEPARTMENT BASED ON SERVICE DELIVERY SCORES WITHOUT CCRS.**

NB: KPIs are inclusive of capital projects

DEPARTMENT	TOTAL NO OF KPIs	KPIs ACHIEVED	KPIs NOT ACHIEVED	%
Budget & Treasury	41	38	3	92.68%
Social and Community Services	16	13	3	81.25%
Technical Services	29	23	6	79.31%
Corporate Services	21	15	6	71.43%
Planning & Economic Development	25	16	9	64%
Executive Council and Office of the Municipal Manager – Communications & Public Participation	13	10	3	76.92%
Overall Organizational Performance	145	115	30	79.31%



DETAILED 2013/14 PERFORMANCE RESULTS

SOCIAL AND COMMUNITY SERVICES

KPA	Strategic Objective	Programme	Institutional Indicator	2012/2013	Annual Target	Actual Performance on Annual Target	Variance	Remedial Action
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	Waste Management	Number of Households receiving waste removal services	15733 households serviced	15 000 households	9876 households	-5124. Waste service not provided in on informal settlement	Encourage more consumers to open accounts and fast-track the process of formalization of informal settlement
			Number of complaints addressed	25 complaints	20 complaints to be addressed	48 complaints addressed	+28. The number of complaints registered with us is not necessarily within our control but we however strive to address them within 48 hours	n/a
		Waste Management	Number of cleaning campaigns arranged	8 campaigns have been arranged	8 campaigns to be arranged	5 campaigns arranged	-3. Improve on communication and coordination as there were other campaigns	Ensure proper monitoring and reporting of all

SOCIAL AND COMMUNITY SERVICES

KPA	Strategic Objective	Programme	Institutional Indicator	2012/2013	Annual Target	Actual Performance on Annual Target	Variance	Remedial Action
							done but not reported	campaigns
			Rand value received for traffic fines issued	R2 300 000 per annum	R2 500 000 to be received	R4 082 990	+R1 582 990. More easy payment facilities and eNatis blocking licensing renewals for those who have not settled their traffic fines	n/a
			Number of speed images captured	26 000 Images captured	28 000 images to be captured	49 579	+21 579. Staff and equipment readily available	n/a
Basic Service Delivery and Infrastructure Development		Licensing	Total r-value generated by the registration of vehicles, issuing of learners and drivers licenses	R8 600 000 was generated	R8 600 000 to be generated	R9 122995.41	+R522 995.41. More applications received	n/a

SOCIAL AND COMMUNITY SERVICES

KPA	Strategic Objective	Programme	Institutional Indicator	2012/2013	Annual Target	Actual Performance on Annual Target	Variance	Remedial Action
			Number of drivers license tested	1200 drivers was tested	1200 drivers to be tested	1 378	+178. More applications received especially during school holidays by students	n/a
Basic Service Delivery and Infrastructure Development			Number of people tested for learners drivers license	1500 leaner driver	1500 learners to be tested	1 902	+402. More applications received especially during school holidays by students	n/a
			Number of inspections to asses % SABS code requirements compliance	2 compliance inspections done	2 inspections to be done	1 inspection done	-1. Due to the closure of the damaged VTS by floods	n/a
			Number of inspections for K53 requirements compliance	2 inspections done	2 inspections to be done	4 inspections done	+2. Done by both Provincial and National inspectorate	n/a

SOCIAL AND COMMUNITY SERVICES

KPA	Strategic Objective	Programme	Institutional Indicator	2012/2013	Annual Target	Actual Performance on Annual Target	Variance	Remedial Action
Basic Service Delivery and Infrastructure Development		Fire Management	Number of fire cases attended	8 fire incidences attended	8 fire cases to be attended	143	+237. Fire incidents are not within our control	n/a
	Development of infrastructure and provision of services	Sports Facilities	Number of sport fields maintained	10 : SUNFA,Moloto street ,Khabele(2),Leseding,Tsa kane , Belabela High,Ext 6 , Masakhane and Piennars revier	10 sports fields to be maintained	10 sports fields maintained	n/a	n/a
		Parks and Cemeteries	Number of graves booked	240 graves	200 graves to be booked	437 graves booked	+237. More applications received.	n/a
			Number of bookings made on Community halls	143	143	165	+22. More applications received	n/a
			Number of parks maintained	Five Parks : Moloto str , RCC , Spa Park Cnr Minnar, Pienaars revier ,	5 parks to be maintained	5 parks maintained	n/a	n/a

SOCIAL AND COMMUNITY SERVICES

KPA	Strategic Objective	Programme	Institutional Indicator	2012/2013	Annual Target	Actual Performance on Annual Target	Variance	Remedial Action
				Moffat and Pretoria street Park				
Local Economic Development	Creation of Temporary jobs through EPWP	Administration	Number of temporary jobs created	99 temporary jobs created	99 temporary jobs to be created	99 temporary jobs created	n/a	n/a



CORPORATE SERVICES

KPA	Strategic Objective	Programme	Institutional Indicator	2012/2013	Annual Target	Actual Performance on Annual Target	Variance	Remedial Action
Good Governance and Public Participation	Plan for the future	Organizational Performance Management	# of Senior managers with signed performance agreements	2	6	3	-3. Re-advertised the positions to be aligned to the new regulations	Speed up the process of appointing MM and other 56 & 57 Managers
			# formal Individual performance assessments conducted and reported upon	2	2	2	n/a	n/a
	Attract, develop and retain human capital:	Human Resource Management	# of job descriptions for new posts developed	4	4	46	+42. The job descriptions were reviewed.	n/a
Municipal Transformation			% of staff trained	100%	100%	30%	-70%. Training committee re-established	Training programmes linked to WSP

			# of critical posts filled	3 out of 6	3	0	-3. Re-advertised the positions to be aligned to the new regulations	Speed up the process of appointing MM and other 56 & 57 Managers
			% of OHS recommendations implemented by the department	0%	0%	0%	n/a	n/a
			level of functionality of LLF/# meetings	4	4	4	n/a	n/a
Good Governance and Public Participation	Ensure good governance and effective & efficient public participation	Information Communication and Technology	% of IT queries resolved within 7 day (# of IT complaints resolved within 1 day/ total # of IT complaints resolved as %) 7 days	96% of reported calls were resolved internally. 98% of calls reported were resolved as per SLA.	100%	90%	-10%. Policies & IT Disaster Recovery Plan were not reviewed.	Plan of Action developed and currently implemented
			% monthly updates of website	99%	100%	100%	n/a	n/a

	Ensure good governance and effective & efficient public participation	Fraud and Anti Corruption Campaigns	# of corruption cases investigated in the department and resolved within 3 months/	1	0	0	n/a	n/a
		Administration	# policies reviewed	2	3	3	n/a	n/a
			# By-Laws developed/review.	4	4	4	n/a	
% EXCO and Council decisions communicated to other department within 7 days after approval for implementation.			100%	100%	100%	n/a	n/a	
% legal comments rendered within 5 working days from receipt of council items request / # requests for legal comments received as %			100%	100%	100%	n/a	n/a	
% of legal comments rendered on Service level agreements within 5 days after adjudication of tenders and signed.			100%	100%	100%	n/a	n/a	

Municipal Transformation and Institutional Development			# disciplinary cases resolved within 3 months / total # disciplinary cases per quarter as %	80%	100%	80%	-20%. In a process of finalizing outstanding matters	Fast-track the process of finalizing the outstanding matters
			% employees grievances finalised within 3 months of grievance and finalised	0%	100%	100%	n/a	n/a
	Development of infrastructure and provision of services	Administration	# of vehicles fixed / # of breakdowns reported as %	100%	100%	100%	n/a	n/a
			% council Agendas issued 3 days before the meeting / # of Council meetings as %	100%	100%	100%	n/a	n/a
			# councilors trained	6	17	3	-14. Training committee re-established	Training programmes linked to WSP
Good Governance and Public Participation	Ensure good governance and effective & efficient public participation	Auditing	% of AG audit qualifications raised during the audit related to department resolved	100%	100%	100%	n/a	n/a

PLANNING & ECONOMIC DEVELOPMENT

KPA	Strategic Objective	Programme	Institutional Indicator	2012/2013	Annual Target	Actual Performance on Annual Target	Variance	Remedial Action
Basic Service Delivery and Infrastructure Development	Plan for the future	Spatial and Town Planning	# of illegal land use addressed / # of illegal land use identified as %	30%	50%	35%	-15%. Shortage of staff (1 DM & 1 town planner)	Appointment of zoning inspector or town planner or GIS officers can assist municipality to monitor illegal land use
			% applications for township establishment processed within 6 months	80%	80%	75%	-5%. Objections received against the application.	Fast track the hearing process on the Townships establishment applications
			% applications for rezoning processed within 6 months	85%	85%	85%	n/a	n/a
			% of consent use applications processed within 6 months of application	95%	95%	90%	n/a	n/a
			% of applications for subdivisions in proclaimed townships within 6 months of application	95%	95%	95%	n/a	n/a

			% of applications for consolidations processed within 6 months of application	100%	100%	90%	-10%. Awaiting comments from the external stakeholders e.g. dept of agriculture	Constant liaison with the stakeholders and establishment of the District Municipal Planning Tribunal will assist the process
Good Governance and Public Participation	Plan for the future	Building control	# of building plans processed within 4 weeks of receipt /# of building plans received as %	100%	100%	80%	-20%. Shortage of staff (1 building inspector)	Appointment of the another building inspector can assist as we are operating with one building inspector currently
			# of building inspection conducted within two days after a request/# building inspections applications submitted as %	100%	100%	60%	-40%. Shortage of staff (1 building inspector)	Appointment of the another building inspector can assist as we are operating with one building inspector currently
			# of foundation inspection conducted within two days after a request/# foundation inspections applications submitted as %	100%	100%	60%	-40% shortage of staff (1 building inspector)	Appointment of the another building inspector can assist as we are operating with one building inspector currently
	Ensure good governance and effective & efficient public participation	Organizational Performance Management	# Quarterly departmental performance reports completed within one week of end of quarter	4	4	4	n/a	n/a

			Total # monthly departmental reports submitted	12	12	12	n/a	n/a
		Auditing	% of AG audit qualifications raised during the audit related to department resolved	100%	100%	100%	n/a	n/a
		Administration	Tabling of Annual report to Council.	15 March 2013	31 January 2014 – draft 31 March 2014 - final	28 January 2014 – draft 27 March 2014 - final	n/a	n/a
Good Governance and Public Participation	Ensure good governance and effective & efficient public participation	Administration	Submission of annual report COGHSTA, Provincial Treasury and AG	Not done. 2011/12 Oversight Report still to be adopted by Council	31 March 2014	31 March 2014	n/a	n/a

	Plan for the future	Review of Integrated Development Planning(IDP)	Approved 2014/15 IDP Review	2013/14 IDP Reviewed approved on the 31 May 2013	2014/15 IDP Reviewed approved on the 31 May 2014	2014/15 IDP Reviewed approved on the 29 May 2014	n/a	n/a
		Review of the SDBIP	Approved 2013/14 SDBIP	2012/13 SDBIP approved by the Mayor on the 27 July 2012	2013/14 SDBIP to be approved by the Mayor in July 2013	2013/14 SDBIP approved by the Mayor on the 26 June 2013	n/a	n/a
		Public Participation	# Public participation meetings held per ward	18	18	18	n/a	n/a
Municipal Finance Viability and Management	Improve financial viability	Financial Reporting	# of MFMA S52 reports submitted to Council (Quarterly SDBIP Report)	4	4	4	n/a	n/a
			# of MFMA S72 reports submitted to Council	1	1	1	n/a	n/a

Local Economic Development	Promote and encourage sustainable economic development	Local Economic Development	# of initiatives to promote and market the municipality	2	2	1	-1. Council resolved not to fund Caribbean Mas Feeva	Amended in the 2014/15 SDBIP
			# of SMME Trained	80	100	100	n/a	n/a
			# of new jobs created by the private sector	27	100	50	-50. Non-availability of data from the private sector.	To request local business chamber quarterly reports on new jobs created and source local economic performance data from reliable data-sources.
	Creation of Temporary jobs through CWP	Administration	# of co-operatives established.	3	3	2	-1. No database of co-orporatives.	Facilitate the development of a comprehensive database of local registered & Cooperatives and facilitate the launching of SENACO local.
			# of jobs created by the public sector	100	100	100	n/a	n/a

	Ensure good governance and effective & efficient public participation	Marketing and Branding	% of illegal advertising boards.	40%	100%	100	n/a	n/a
Basic Service Delivery and Infrastructure Development	Development of infrastructure and provision of services	Water and Sanitation	# Monthly water samples taken for analysis	48 water samples are taken monthly for analysis	48 samples	48	n/a	n/a
			# of water - borne cases investigated/ total # of water - borne cases reported as %	100% of cases reported	100% of cases reported	100%	n/a	n/a
			# submission of water quality results to DWA blue drop system	12 monthly reports	12 monthly reports	12 monthly	n/a	n/a
Basic Service Delivery and Infrastructure Development	Development of infrastructure and provision	Water and Sanitation	# of Water interruptions attended within 48 hrs/ # of water interruptions reported a %	100% attendance within 48hrs	100% attendance within 48hrs	100% attended within 48hrs	n/a	n/a

	of services		# of new water connections installed within 14 days of application/# of applications received as %	100% installation within 14days	100% installation within 14days	100%	n/a	n/a
			# water pipe leaks/pipe breaks fixed within 48 hours of reporting/# water pipe leaks/pipe breaks reported as %	Fixed 100% of leaks within 48hrs of reporting	Fixed 100% of leaks within 48hrs of reporting	Fixed 100% of leaks within 48hrs of reporting	n/a	n/a
			% maintenance budget for water spent within the township and CBD (reticulation) (R-value budget allocated for water maintenance / R-value water maintenance budget spent) (include minor infrastructure maintenance)	Spent 100% of the allocated budget	Spent 100% of the allocated budget	Spent 125% of the allocated budget	+25%. Overspent due to floods that took place in the area	n/a
Basic Service Delivery and	Development of	Water and Sanitation	# of Waste water samples taken for analysis per quarter	12 samples	12 samples	12 samples	n/a	n/a

	infrastructure and provision of services		# of new sewer connections installed within 14 working days/# # of applications received as %	100% installation within 14days	100% installation within 14days	100% installed within 14days	n/a	n/a
			# of sewer lines replaced per annum/ # of request for sewer lines leakages as %	Fix 100% of leaks within 48hrs of reporting	Fix 100% of leaks within 48hrs of reporting	Fixed 100% of leaks within 48hrs of reporting	n/a	n/a
			# of sewer blockages attended to within 48 hours/ # of sewer blockages reported as %	Rid 100% of blockages within 48 hrs	Rid 100% of blockages within 48 hrs	Fixed 100% of leaks within 48hrs of reporting	n/a	n/a
		Electricity	# of electricity meter replaced/ electricity meter against faulty meters	100% replacement as per the list from B&T	100% replacement as per the list from B&T	100%	n/a	n/a
			# of new electricity connections installed within 14 days of application/# of applications received as %	100% installation within 14days	100% installation within 14days	100%	n/a	n/a

			R-value spent on maintenance of street lighting per annum / R-value budget for maintenance of street lighting as %	100%	100%	100%	n/a	n/a
	Development of infrastructure and provision of services	Roads & storm-water	Km of regavelled roads done	1.5km	10 km	2,93km	-7.07km. non-availability of plant and machinery	Plants and equipment's to be purchased for purposes of re-gravelling of roads.
			Km of roads graded	20km	20 km	37km	+17km.Hired an extra grader	One extra grader to be purchased for effectively servicing other municipal satellites.
			Km of streets cleaned	21.8km	20 km	21,4km	+1.1km. Assisted by the CWP	Increase of staff/ capacity within the division.
			Km of storm water channels cleaned	13.9km	14km	27,1km	+13.1km. Assisted by the CWP	Increase of staff/ capacity within the division.
Basic Service Delivery and Infrastructure Development	Development of infrastructure and provision of services	Roads & storm-water	m ² of pavement repaired	1000 m ²	1000 m ²	4645 m ²	+3645 m ² Service provider appointed	n/a

			% of potholes repaired per quarter	Repaired 100% of potholes identified	Repair 100% of potholes identified	100%	n/a	n/a
			# of potholes reported by the community fixed within 7-days/ total # of potholes reported by the community as %	Repaired 100% of potholes reported within 7-days	Repair 100% of potholes reported within 7-days	100%	n/a	n/a
			# Speed humps constructed / speed humps requested as %	Constructed 100% of approved requested speed humps	Construct 100% of approved requested speed humps	100%	n/a	n/a
			R-value spent on maintenance of municipal buildings per annum / R-value budget for maintenance of municipal buildings as %	R150 000	100%	100%	n/a	n/a

Basic Service Delivery and Infrastructure Development	Ensure good governance and effective & efficient public participation	Auditing	% of AG audit qualifications raised during the audit related to department resolved	100%	100%	100%	n/a	n/a
	Development of infrastructure and provision of services	Drivers license Testing Ground	Completed Drivers License Testing ground	85% complete	100%	100%	n/a	n/a
			Cash-flow projection	R 6 902 600	R 3 919 160	R 3 919 160		
		Road Paving Phase 3c	km of paved roads	0 km	1.5 km to be paved roads	1.2 km paved	-0.3km. Poor performance by the contractor	Requested a roll-over into 2014/15 financial year. (The contractor was also put on terms)
			Cash-flow projection	R0	R 2 822 440	R2 442 194		
		Bulk Infrastructure X9	1 x 4Ml reservoir	Designs complete	100%	55%	-45%. Poor performance by the contractor	Project was rescheduled for completion in 2014/15 Financial Year
			1 x high pressure tower	Tender awarded				

			Cash-flow projection	R0	R 8 606 000	R3 508 944.98		
Basic Service Delivery and Infrastructure Development	Development of infrastructure and provision of services	Bulk Infrastructure X9	Community hall with outdoor multipurpose sport courts	0%	30%	25.4%	-4.6%. Delay of construction due to relocation of the occupants of the old building & bulk of the expenditure spent on designs	Requested a roll-over into 2014/15 financial year.
			Cash-flow projection	R0	R 2 799 150	R2 368 704.14		
		Multi purpose centre X6	2 x tennis courts, 1 x baseball court	Tender documents ready	100%	100%	n/a	n/a
			Cash-flow projection	R0	R 1 200 000	R 1 200 000		

BUDGET & TREASURY

KPA	Strategic Objective	Programme	Institutional Indicator	2012/2013	Annual Target	Actual Performance on Annual Target	Variance	Remedial Action
Municipal Finance Viability and Management	Promote the welfare of the community	Social Welfare	# of indigent receiving FBS/ Total # of indigents registered as %	5003	100%	100%	n/a	n/a
	Promote the welfare of the community	Financial Reporting	Financial statements for FY submitted to the Auditor-General by 31 August (as per MFMA)	Nov 2012	31 August 2013	31 August 2013	n/a	n/a
			Financial statements submitted to NERSA	Feb 2013	31 Oct 2013	15 April 2013	n/a	
			# of monthly finance management grant reports submitted by 10 working days after month end	12 monthly reports	12 monthly reports	12 Monthly reports		n/a
			# of monthly municipal infrastructure grants reports submitted by 10 working days after month end	12 monthly reports	12 monthly reports	12 Monthly reports	n/a	n/a

Municipal Finance Viability and Management			# of monthly municipal systems improvement grants reports submitted by 10 working days after month end	12 monthly reports	12 monthly reports	12 Monthly reports	n/a	n/a
			Total # of monthly cash reconciliation reports done.	12 monthly reports	12 monthly reports	12 Monthly reports	n/a	n/a
			# of yearly SCM reports submitted to council	1	1	1	n/a	n/a
			# of quarterly SCM reports submitted to the Mayor	4	4	4	n/a	n/a
			# of monthly SCM reports submitted to national treasury	0	4	4	n/a	n/a
	Improve financial viability	Financial Reporting	# of MFMA S66 reports submitted	12 monthly reports	12 monthly reports	12 Monthly reports	n/a	n/a
			# S71 reports submitted within 10 working days after month end	12 monthly reports	12 monthly reports	12 Monthly reports	n/a	n/a
		Budget	# Draft Budget tabled to Council	31 March 2013	March 2014	27 March 2014	n/a	n/a

		Preparation	# of Adjustment Budget tabled to Council	28 Feb 2013	Feb 2014	26 February 2014	n/a	n/a
			# Budget tabled to Council	31 May 2013	May 2014	27 May 2014	n/a	n/a
		Revenue Management	R-value annual revenue actually received for services	R165 267 202	R154 137 966	R194 361 000	+R40 223 034. Over collection was due to implementation of supplementary role (Increase in property rates)	n/a

			% actual income from property rates (R-value actual income billed for property rates / Total projected income for property rates)	R36 608 956.08	100%	118%	+18%. Over collection was due to implementation of supplementary role (Increase in property rates)	n/a
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			R-value Operating grants received	R50 601 000	R53 097 250	R62 441 000	+R9 343 750. Over achieved is due to withheld equitable share for the previous year (2012/13) which was released during the current financial year(2013/14)	n/a
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	Improve financial viability	Revenue Management	R-value Total operating revenue received	R240 360 717	R235 340 316	R277 617 000	+R42 276 684. Over collection was due to implementation of supplementary role (Increase in property rates) and the implementation of IGRAP 1.	n/a
			% of debt over 60 days	R7 315 924.90	100%	85%	-15%. Low collection rate	Debt collectors is appointed to assist in collecting debt over 60%

			% of Debt collected as a percentage of money owed to the municipality	80%	90%	90%	n/a	n/a
			Average % payment rate for municipal area	80%	90%	90%	n/a	n/a
		Expenditure Management	% Statutory payments made within prescribed timeframes	100%	100%	100%	n/a	n/a
			% of Creditors paid within 30 days	89%	100%	100%	n/a	n/a

			% of operational budget spent on repairs and maintenance	1.25%	3.36%	4%	+0.64% Over achieved is due to additional spending on repair and maintained due to floods	n/a
			% of capital budget spent in terms of projected expenditure	75%	100%	109%	+9% Overachieved is due to the expenditure on the multi-year projects	n/a
			% of salary transfers within determined time frames	100%	100%	100%	n/a	n/a

			% operating budget variance per department YTD in terms of projected quarterly expenditure.	98%	100%	97%	-3%	Monthly monitoring of the budgeted expenditure
		Supply Chain Management	% quotations approved within required timeframe (# of quotations approved within timeframe/total # of quotations approved)	80%	100%	100%	n/a	n/a

			% tenders awarded within 30 days of closure	80%	100%	50%	-50% Implementati on of internal controls	SCM have been restructur ed and additional staff employed to strengthe n the controls on SCM unit.
			# of annual invitation to service providers for registration on database by 30 July.	1	1	1	n/a	n/a
	Improve financial viability	Supply Chain Management	% of Bid Specification meetings attended (# of Bid Specification meeting attended/ total # of Bid Specification meeting invited)	100%	100%	100%	n/a	n/a
			% bids opened on closing day and on time (# of bids opened on closing day and on time/ bids opened)	100%	100%	100%	n/a	n/a

		Asset Management	% of assets insured as approved by the CFO (# of asset insured/ total # of asset registered as %)	100%	100%	100%	n/a	n/a
			# of times asset register is updated	4	4	4	n/a	n/a
			% of claims received submitted to insurance broker within 7 days from receipt of all relevant documents (# of claims received submitted to insurance broker within 7 days from receipt of all relevant documents/total # of claims received submitted to insurance broker as %)	100%	100%	100%	n/a	n/a
			# of yearly meetings held with insurance broker	2	3	4	+1 Meetings arranged Quarterly	n/a

Good Governance and Public Participation		Asset Management	# claims submitted to broker / total # claims received as %	100%	100%	100%	n/a	n/a
	Ensure effective and efficient public participation	Auditing	% of AG audit qualifications raised during the audit related to department resolved	35%	100%	100%	n/a	n/a
			% AG qualifications/queries resolved(audit recovery plan)	46%	100%	100%	n/a	n/a
			# of identified risks/mitigation implemented/ total # of identified risks/mitigation as %	75%	80%	84%	+4%	n/a

COUNCIL AND OFFICE OF THE MUNICIPAL MANAGER – COMMUNICATIONS & PUBLIC PARTICIPATION

KPA	Strategic Objective	Programme	Institutional Indicator	2012/2013	Annual Target	Actual Performance on Annual Target	Variance	Remedial Action
Good Governance and Public Participation	Plan for the future	Public Participation	# Public participation meetings held per ward	8 x Budget Consultation 9 Indigents registrations Interactions 7 x Support to Sector Dept.	20	20	n/a	n/a
	Ensure good governance and effective & efficient public participation	Public Participation	# of local Imbizo's organised	0	4	0	-4. Converted the imbizo's to mid-year report back per ward	Reviewed Mayoral outreached/Imbizo programme
			# of advertisement for public participation issued two weeks before/# of public participation events as %	0	8	8	n/a	n/a

			# of community members attended local izimbizo	0	2000	0	-2000. Not provided for in the budget.	Reviewed Mayoral outreach/Imbizo programme
	Ensure good governance and effective & efficient public participation	Public Participation	# ward committees established	8	9	9	n/a	n/a
			# of ward committee meeting per ward held.	12	12	12	n/a	n/a
			# ward committee members trained	72	90	90	n/a	n/a
		Special Programmes	# of awareness workshops on substance abuse hosted	1x Social mobilization	4	4	n/a	n/a
			# media statements and commentary submitted to media houses before, during and after the event	16	04	4	n/a	n/a
			# of participation in LGCF,DGCF meetings	02	04	2	-2. LGCF is non-functional	n/a

			% of Communication strategy reviewed	Reviewed	01	01	n/a	n/a
		Marketing and Branding	# of diaries distributed	100	500	500	n/a	n/a
			# of calendars distributed	300	500	500	n/a	n/a

SECTION 3: 2013/14 INTERNAL AUDIT REPORT

Timing of the internal audit coverage, for 2013/14															
Activity & Project	Review type	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Responsible Auditor	Progress
Performance Management audit	Process/Risk based review				160	160		160	160			160	160	Magagane and Kabe	Done
Performance Audit Report		160	160											Magagane and Kabe	Done
Monitoring of							40	40	40	40	40	62240	40	All Staff in Audit	Done

implementation of an Action Plan															
Fleet Management Audit				160	160									Magagane	Done
Assist ,Facilitate AG and management interaction during the Annual Audit/external audit				160	160	160								All staff in Audit	Done
Compliance Audit							120	160						Intern	Done
IT General Controls							120							Magagane	Done
Risk Management				160	160	160	160	160	160	160	160	160	160	Chief Risk Officer	Done
Assets Management Audit (movable and immovable excluding Fleet)										160	160			Magagane	Done
SCM and Contract management Audit											160	160		Intern	Done

Revenue audit (all revenue sources excluding traffic and licensing)											160			Kabe and Magagane	Done
Traffic and licensing													160	Magagane	Done
Vat controls and Expenditure												160		Magagane	Done
Leave and overtime audit													160	Intern	Done
Ad hoc audits	Ad-hoc management request review	320 Hours	N/A												

DRAFT 2012/13 ANNUAL REPORT

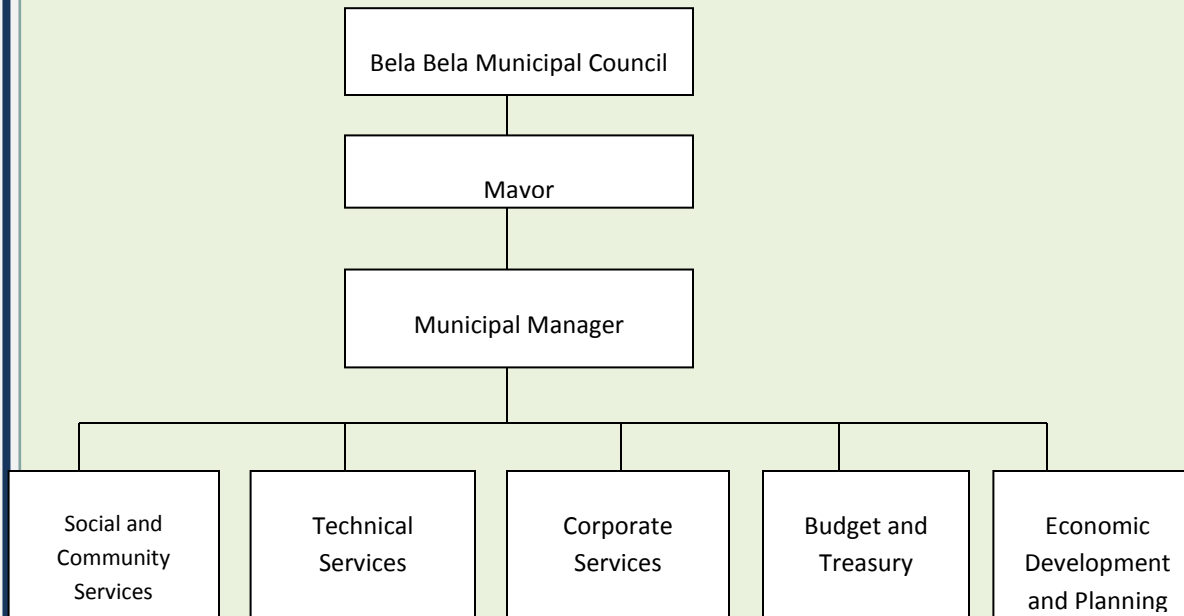
SECTION 4: REGISTER FOR KPIS REMOVED/ AMENDED ON THE 2013/14 SDBIP

DEPARTMENT	DESCRIPTION OF A KPI	AMENDMENT	COMMENT
CORPORATE SERVICES	% MONTHLY UPDATES OF WEBSITE	TARGET TO BE REVISED (ALIGNMENT WITH THE KPI) – 100%	TARGET NOT SMART
Social and Community services	Number of graves booked	Target to be revised (alignment with the KPI) – <ul style="list-style-type: none"> • 102 1st Quarter • 128 2nd Quarter 	Target not SMART
Social and Community services	Number of booking made on community halls	Target to be revised (alignment with the KPI) – <ul style="list-style-type: none"> • 47 1st Quarter • 38 2nd Quarter 	Target not SMART
Technical Services	# of water-borne cases investigated/total # of water-borne cases reported as %	Target to be revised (alignment with the KPI) – <ul style="list-style-type: none"> • 100% cases reported • 100% cases reported 	Target not SMART

Executive Council and Office of the Municipal Manager – Communications & Public Participation	#of newsletter compiled and distributed.	Target to be removed (Not provided for in the budget)	Not budgeted
Executive Council and Office of the Municipal Manager – Communications	# of ward committees to be established	Target to be reviewed (alignment with the KPI) - <ul style="list-style-type: none"> • 0 3rd Quarter • 0 4th Quarter 	Target was not realistic as 9 ward committees were established in the 1 st Quarter
Budget & Treasury	# of indigent receiving FBS/Total # of indigents registered as %	Target to be reviewed (alignment with the KPI) - <ul style="list-style-type: none"> • 100% 3rd Quarter • 100% 4th Quarter 	Target not SMART
Budget & Treasury	% actual income from property rates (R-value actual income billed for property rates / Total projected income for property rates	Target to be reviewed (alignment with the KPI) - <ul style="list-style-type: none"> • 100% 3rd Quarter • 100% 4th Quarter 	Target not SMART
Budget & Treasury	% of debt over 60 days	Target to be reviewed (alignment with the KPI) - <ul style="list-style-type: none"> • 100% 3rd Quarter • 100% 4th Quarter 	Target not SMART

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE**(PERFORMANCE REPORT PART II)****INTRODUCTION**

The municipality had a staff compliment of 344 full time staff as provided in the revised Organogram. The municipal organogram makes provision for a Municipal Manager, 5 Senior Managers (Head of Departments) and 19 Middle Managers (Divisional Heads)



INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

TOTAL NUMBER OF EMPLOYEES					
Description	2012/13	2013/14			
	Employees	Approved Posts	Employees	Variance	Variance
	No.	No.	No.	No.	%
Water	33	40	30	10	25
Waste Water (Sanitation)	32	48	30	18	37.5
Electricity	38	42	37	5	11.9
Waste Management	39	47	36	11	23.4
Housing	6	8	6	2	25

Waste Water (Storm water Drainage)	7	10	7	3	30
Roads	22	42	22	20	47.6
Transport	3	3	1	2	66.6
Planning	2	3	2	1	33.3
Local Economic Development	2	4	2	2	50
Planning (Strategic & Regulatory)	2	2	2	0	0
Community & Social Services	2	2	2	0	0
Protection & Emergency	25	30	24	6	20
Parks, Sport and Recreation	40	45	37	8	17.7
Corporate Policy Offices and Other	102	116	105	11	9.4
Totals	344	442	343	99	22.3

VACANCY RATE 2013/14		
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)
	No.	No.
Municipal Manager	1	0
CFO	1	0.97
Other S57 Managers (excluding Finance Posts)	4	0
Other S57 Managers (Finance posts)	0	0
Municipal Police	0	0
Fire fighters	2	1.14
Senior management: Levels 1-3 (excluding Finance Posts)	14	0
Senior management: Levels 1-3 (Finance posts)	9	0

Highly skilled supervision: levels 4-6 (excluding Finance posts)	41	7.10
Highly skilled supervision: levels 4-6 (Finance posts)	16	2.18
Total	88	12.39

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2013/14	344	18	5.07

COMMENT ON VACANCIES AND TURNOVER:

By the end of June 2014, only 26 positions out of 71 were filled. Most of the internal staff do not qualify for this senior position because of the under qualifications or lack of experience at the managerial positions. The Municipal Managers position has been vacant since December 2012. And the position of Manager Planning and Economic Development has been vacant from August 2012 and was not filled by the end of June 2014

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Disciplinary Code and Procedures	100	100	The municipality utilizes Collective Agreement
2	Grievance Procedures	100	100	The municipality utilizes Collective Agreement
3	HIV/Aids	100	100	12/05/2011
4	Job Evaluation			The municipality utilizes Collective Agreement
5	Travelling Allowance	100	100	12/05/2011
6	Performance Management and Development	100	100	Service Provider to submit final the Draft
7	Recruitment, Selection policy	100	100	12/05/2011

8	Standby and Cell-phone Allowances	100	100	12/05/2011
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COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The outstanding policy/plan in 2013/14 financial year remains the Review of PMS Framework. The review of the framework is an attempt to cascade PMS to the lower levels. The Framework will be completed during 2014/15 financial year.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty						
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost	
	Days	No.	%	Days	R'000	
Required basic medical attention only						
Temporary total disablement	212	2	50	106	63070.00	
Permanent disablement						
Fatal						

Total	212	2	50	106	63070.00	
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	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
Senior management (Levels 0-2)	67	5.9	13	17	3.9	97650-00
Highly skilled supervision (Levels 3-5)	245	5.5	20	23	10.6	227613-00
Highly skilled production (levels 6-8)	533	0.37	38	59	9.3	335885-40
Skilled (levels 9-12)	442	1.58	49	71	6.2	182457-60
Lower skilled(Levels 13-17)	1103	0.8	122	183	6.0	343037-4
MM and S57	55	0	1	2	27.5	190208.33
Total	2445	14.15	243	355	63.5	R1 376 851.73
* - Number of employees in post at the beginning of the year						

*Average calculated by taking sick leave in column 2 divided by total employees in column 5	
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COMMENT ON INJURY AND SICK LEAVE:

Only 222 injury leave days taken by 4 employees injured on duty. Awareness campaigns and employee wellness programmes have been initiated by the municipality to contentious the employees. The municipality does not have its own doctor, therefore employees utilise their own doctors and submit reports. The reports are then kept in to the employees file for records. Capacity building was also identified as a means of reducing injuries on duty.

NUMBER AND PERIOD OF SUSPENSIONS

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Communication Officer	Cross Dishonesty /Gross Misconduct and fraud	19 February 2014	Case still pending hearing scheduled as and when	Case still pending
Manager Technical services	Cross Dishonesty /Gross Misconduct	17 January 2014	Case still pending hearing scheduled as and when	Case still pending
Disciplinary Action Taken on Cases of Financial Misconduct				
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised	

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

In a case where suspension took more than 4 months, private investigators such as police, SIU where taking place.

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

No performance rewards were paid but were budgeted for by the Municipality.

CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Every financial year, the municipality prepares a Work Skills Development Plan which is guided by the skills audit conducted during the year. A Training Committee has been established and sits on quarterly basis to address the issues of capacity building within the municipality. Work Skills Development Plan is then approved together with the Budget and IDP. However, some of the programmes within Work Skills Development Plan cannot be achieved because of budget constraints.

4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX													
Management level	Gender	Number of skilled employees required and actual as at 30 June 2013											
		Learnership			Skills programmes & other short course			Other forms of training					
		Actual 30 June 2011	Actual 30 June 2012	Target	Actual 30 June 2011	Actual 30 June 2012	Target	Actual 30 June 2011	Actual 30 June 2012	Target			
Mayor and	Female				4	27	52						

Councillors	Males				0	29	43						
MM and S57	Female				6	6	6						
	Males				17	14	17						
Technicians and trade workers	Female				4	3	11						
	Males				5	3	12						
Professionals	Female				7	7	17						
	Males				10	10	31						
Community and personal service workers	Female				9	12	29						
	Males				9	9	26						
Clerical and administrative workers	Females				15	11	22						
	Males				4	2	11						
Machine Operators and Drivers	Females				0	16	14						
	Males				16	9	62						

Labourers	Females				21	3	43						
	Males				29	4	23						
Total	Females				66	116	194						
	Males				90	129	325						

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

Officials						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL	8	0	8	8	5	8
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

SKILLS DEVELOPMENT EXPENDITURE

EXECUTIVE SUMMARY - ANNUAL TRAINING REPORT			2013/14
1. Total actual payroll for the year			R 77 845 192.00
1(a) Difference between anticipated and actual payroll			R 141 067 65.35
2. Total actual training spend for the year			R 227 260.78
2(a) Difference between anticipated and actual training spend			R 322 739.22
3. Total actual levy payment for the year			R 637 384.27
3(a) Difference between anticipated and actual levy payment			
4. Total Number of Employees in the Municipality			457

	Race	PWD

Employment category	African		Coloured		Indian		White		Total		Total	M	F	Total
	M	F	M	F	M	F	M	F	M	F				
SOC 100 Legislators	44	53	2	2	0	0	7	2	53	57	110	0	0	0
SOC 100 Directors and Corporate Managers	14	3	0	0	0	0	0	1	14	4	18	1	0	1
SOC 200 Professionals	9	7	1	0	0	0	0	0	10	7	17	0	0	0
SOC 300 Technicians and Trade Workers	11	5	1	0	0	0	1	0	13	5	18	0	0	0
SOC 400 Community and Personal Service Workers	10	7	0	0	0	0	1	0	11	7	18	0	0	0
SOC 500 Clerical and Administrative Workers	17	23	1	0	0	1	0	4	18	28	46	0	0	0
SOC 700 Machine Operators and Drivers	45	5	1	0	0	0	0	0	46	5	51	0	0	0
SOC 800 Labourers	128	48	3	0	0	0	0	0	131	48	179	0	0	0
Apprentices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	278	151	9	2	0	1	9	7	296	161	457	1	0	1

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

Even though the training plans are adequate, what still lacks is the post training assessment. The budget does not compliment the identified programmes for selected employees; therefore, at the end of a financial year, not all targets set out in WSDP are met.

MANAGING THE WORKFORCE EXPENDITURE**INTRODUCTION TO WORKFORCE EXPENDITURE**

The municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The infrastructure backlog eradication plan and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue – except for the non cash items) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

Summary of operating expenditure by standard classification item

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Audited Outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Employee costs	61 100	62 266	66 644	73 828	79 205	79 205	75 956	91 494	95 174	101 237
Remuneration of councillors	1 796	3 671	3 988	5 027	5 497	5 497	5 801	5 956	6 310	6 688
Depreciation & asset impairment	51 684	42 975	66 755	7 500	47 720	47 720	54 772	22 040	32 680	36 272
Finance charges	3 228	3 007	1 247	3 100	3 105	3 105	3 310	3 100	3 100	3 100
Materials and bulk purchases	51 025	60 107	65 684	75 708	75 517	75 517	72 180	92 842	99 306	106 192
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	42 143	54 791	56 576	72 743	72 745	72 745	50 112	81 548	83 509	83 978
Total Expenditure	210 976	226 818	260 893	237 906	283 789	283 789	262 131	296 979	320 079	337 467

The budgeted allocation for employee related costs for the 2014/15 financial year totals R97.3 million, which equals 32 per cent of the total operating expenditure.

The Salary and Wage Agreements for the period of 2012/13 until 2014/15 is still in place. The salary increase for the year under review was 6.84% . In this budget, Council of Bela Bela makes a provision of 7 per cent increase to give itself a room to manoeuvre in case of an increase higher than 5.0 per cent. The budget incorporates the change in the structure which was

agreed to at the Local Labour Forum (LLF). With regards to the increase in upper limit for salaries allowances and benefits of Councillors, the municipality made a provision of 5.0 per cent

4.6 EMPLOYEE EXPENDITURE

**COMMENT ON WORKFORCE EXPENDITURE:**

The Operating Expenditure has been increasing in the last 4 years. Also looking at the 2013/14 financial, the expenditure has increased by more than 12%. This may be attributed to growth in the organisational structure. However, the municipality is able to curb the expenditure not to exceed 40%.

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

No positions were upgraded.

DISCLOSURES OF FINANCIAL INTERESTS

Municipal Manager and 2 sec 57 Managers disclosed their financial interest. The types of disclosures are mainly Land and property, and share and other financial interest. For more details, please refer to **Appendix J**.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

This chapter provides information on the functional performance of the municipality on the implementation of the top layer and departmental SDBIP for 2013/14. The municipal functional areas are as indicated below:

Function	Is this a Shared Service (Y/N)	Responsible Department at the Municipality
1. Air Pollution	2. N	3. Social and Community Services
4. Building Regulation	5. N	6. Economic Development and Planning
7. Electricity Reticulation	8. N	9. Technical Services
10. Fire Fighting	11. Y	12. Social and Community Services
13. Local Tourism	14. Y	15. Economic Development and Planning
16. Municipal Airports	17. N	18. Social and Community Services
19. Municipal Planning	20. Y	21. Economic Development and Planning
22. Stormwater Management Systems in Built Up Areas	23. N	24. Technical Services
25. Trading Regulation	26. N	27. Economic Development and Planning
28. Potable Water	29. N	30. Technical Services
31. Billboards and Display of Advertisement in Public Places	32. N	33. Economic Development and Planning/ Social and Community Services
34. Cemeteries and Crematoria	35. N	36. Social and Community Services
37. Cleansing	38. N	39. Social and Community Services
40. Control of Public Nuisance	41. N	42. Social and Community Services
43. Facilities for the accommodation, Care and	44. N	45. Social and Community Services

Burial of Animals		
46. Fencing and Fences	47. N	48. Technical Services
49. Local Sports Facilities	50. N	51. Social and Community Services
52. Municipal Parks and Recreation	53. N	54. Social and Community Services
55. Municipal Roads	56. N	57. Technical Services
58. Noise Pollution	59. N	60. Social and Community Services
61. Public Places	62. N	63. Social and Community Services
64. Refuse Removal, Refuse Dumps and Solid Waste Disposal	65. N	66. Social and Community Services
67. Street Trading	68. N	69. Economic Development and Planning
70. Street Lighting	71. N	72. Social and Community Services
73. Traffic and Parking	74. N	75. Social and Community Services

GRANTS PERFORMANCE

Grants 2013/2014			
Grant	Grant Received	Expenditure	Unspent Grant
FMG	1 550 000.00	1 550 000.00	-
MSIG	890 000.00	889 985.00	15.00
EPWP	1 000 000.00	999 999.00	1.00
MIG	15 836 000.00	15 537 648.00	298 352.00
Total	19 276 000.00	18 977 632.00	298 368.00

AGEING_JUNE 2014										
AGEING PER TYPE OF SERVICE										
Row Labels	Sum of 201406 (Current)	Sum of 201405 (30 Days)	Sum of 201404 (60 Days)	Sum of 201403 (90 Days)	Sum of 201402 (120 Days)	Sum of 201401 (150 Days)	Sum of 201312 (180 Days)	Sum of 201311- 201307 (210 Days to 1 Year)	Sum of 201306+ (Over 1 Year)	Sum of Total
AGREEMENTS	0	362535.65	317098.36	356982.1	238094.76	200072.68	161660.64	465624.63	222248.1	2324316.92
BASIC ELECTRICITY	328.4	384810.36	113078.8	90031.99	76897.61	65798.5	54603.69	257882.79	618007.97	1661440.11
CASH POWER	0	231310.13	0	0	24000	25050.61	4400	376735.26	485259.42	1146755.42
DEPOSITS	3441904.4	1366	3004	-11241.91	1487.55	1470	-1351.43	-4866.65	-9340.04	3422431.92
ELECTRICITY	25452.18	2454612.28	349471.44	292974.74	-58487.55	170357.49	175424.54	396739.45	1800760.74	5607305.31
FEES	6139.66	610406.26	77801.84	326591.69	21316.2	555008.07	8605.73	372056.15	936372.82	2914298.42
HOUSING	0	0	0	0	0	0	0	0	-17413.56	-17413.56
INTEREST	0	3205422.27	625215.92	611185.56	586913.62	570489.88	4972312.89	2214113.45	12775213.3	25560866.87
KVA	0	325732.15	25126.56	11223.24	5595.45	390.05	6268.89	1180.93	51472.69	426989.96
LOANS	0	0	0	0	0	0	0	0	552.69	552.69
MISCELLANEOUS NO VAT	0	0	0	0	0	0	0	0	3651686.29	3651686.29
MISCELLANEOUS VAT	0	0	0	0	0	0	0	0	582684.08	582684.08
RATES	9743.4	4414736.31	2429198.13	2027559.5	1816280.48	1593859.51	326814.18	7646949.23	34561491.2	54826631.98
RECEIPTS	193288.84	-594018.79	-262616.71	-861031.1	-241764.15	-209768.99	-4934.35	-651890.38	-3368932.7	-6001668.33
REFUSE	257.75	427623.61	205727.43	162922.69	146646.27	131941.72	119766.21	520129.34	3070964.54	4785979.56
RE-IMBURSEMENT	2504.07	0	0	0	0	0	0	0	-448.54	2055.53
RENTAL CHARGES	-3244.92	68927.73	54087.35	43899.81	27848.71	24874.4	14998.33	8012.83	4732.06	244136.3
SEWERAGE	78.2	449398.94	216350.42	172400.41	152561.7	133224.55	120220.8	548338.27	2908791.98	4701365.27
SUNDRY SALE OF LAND	64336.4	525451.23	0	0	0	0	0	0	0	589787.63
SUSPENSE VOTE	0	0	0	0	0	0	0	0	-7655.63	-7655.63
VAT	7199.41	941530.72	315457.06	241214.26	191687.11	299547.17	184448.61	776237.4	3336906.73	6294228.47
WATER	25094.05	1967940.78	1031072.61	607002.16	644021.75	778153.75	574474.18	2641795.68	11761466.7	20031021.63
Grand Total	3773081.84	15777785.6	5500073.21	4071715.14	3633099.51	4340469.39	6717712.91	15569038.38	73364820.8	132747796.8

AGEING PER CATEGORY										
Row Labels	Sum of 201406 (Current)	Sum of 201405 (30 Days)	Sum of 201404 (60 Days)	Sum of 201403 (90 Days)	Sum of 201402 (120 Days)	Sum of 201401 (150 Days)	Sum of 201312 (180 Days)	Sum of 201311- 201307 (210 Days to 1 Year)	Sum of 201306+ (Over 1 Year)	Sum of Total
BUSINESS	2476890.59	4437545.95	1259653.67	256069.53	380423.24	798505.82	1694070.28	3422113.23	15392746	30118018.33
Church	18569.46	131782.62	28290.85	18885.86	12735.02	15784.18	22432.49	55379.07	191039.75	494899.3
DEPT OF HEALTH	8167.67	208393.3	146269.11	0	0	0	203621.96	5525.19	0	571977.23
DEPT OF ROADS	0	8336.16	7670.04	0	0	0	0	0	0	16006.2
EDUCATION	25482.46	174900.65	57424.9	73919.79	60124.51	200082.96	69133.43	227555.91	1169027.07	2057651.68
FARMS	11173.85	3064028.49	1032455.71	979099.29	882334.03	776831.52	874711.35	3407644.06	15806401.3	26834679.6
Government	809.24	107351.18	16338.34	15955.26	15509.98	96594.19	12914.21	68219.8	344726.47	678418.67
HOUSING	0	7949.29	3789.3	2736.3	2495.53	2527.53	5487.13	24316.2	130813.93	180115.21
Municipality	5144.68	47354.67	27946.35	-36072.8	22850.85	-22679.9	24142.67	-137837.94	-2071710.51	-2140861.93
Non Profit Comp	651.05	11873.43	2874.24	3444.52	2648.94	3168.34	7624.58	14145.82	110021.36	156452.28
None	218.03	50317.88	36879.29	27745.55	5610.11	25520.88	45052.09	14481.11	1688810.93	1894635.87
P/WORKS NATIONA	78754.81	8411.59	3278.86	13888.08	511.92	91.38	91.38	456.9	-994.49	104490.43
P/WORKS PROVINC	570.65	86727.05	73737.44	63018.46	-72149.07	35290.58	31676.87	103069.03	298432.47	620373.48
RESIDENTIAL	1101704.8	6866368.78	2605116.44	2481643.59	2138597.1	2259760.77	3427715.44	7708603.54	37637900.9	66227411.35
RURAL DEVELOPM	0	154989.56	83195.27	79461.39	78610.09	78610.09	221883.32	369209.07	2244806.6	3310765.39
SASSA	0	11613.29	0	0	0	0	0	0	0	11613.29
(blank)	44944.55	399841.74	115153.4	91920.32	102797.26	70381.05	77155.71	286157.39	422799.04	1611150.46
Grand Total	3773081.84	15777785.6	5500073.21	4071715.14	3633099.51	4340469.39	6717712.91	15569038.38	73364820.8	132747796.8

Creditor Code	Creditor Name	Ageing :	0days	30days	60days	90days	120days
1724	AKHILE MANAGEMENT & CONSULT (P	Current					
3549	APLOSCAPE CC	Current					
3167	AQUALYTIC CC	Current					
2054	ARB ELECTRICAL WHOLESALERS	Current					
3005	ARMCOIL AFRIKA	Current					
1491	AVENTURA LOSKOPDAM	Current					
726	BABINATLOU MOTOR REWINDING	Current					
2022	BADIRWA CONSTRUCTION	Current					
3816	BALIMI BARUI TRADING	Current					
411	BEKA (PTY) LTD	Current					
205	BELA-BELA MUNICIPALITY	Current					16 449.00
957	BEST FUNERAL SOCIETY	Current					
2114	BIG TIME STRATEGIC CONSULTANTS	Current					
3741	BOHLE BA SETSHABA CONSTRUCTI	Current					
517	BONITAS MEDICAL FUND	Current					
790	BUX BUILDING SUPPLIES	Current					
2904	CHEM-TEC CHEMICALS SERVICES	Current					
460	CHIEF REGISTRAR OF DEEDS	Current					
1924	COASTAL HIRE	Current					
442	COM TEC	Current					
340	CSM	Current					
441	DEPT OF PUBLIC TRANSPORT	Current					
2189	DINETSHO TRANSPORT & PROJ.	Current					
2151	DROS BELA-BELA	Current					
2212	ENVIRONMENTAL & SUSTAINABILITY	Current					
636	ESKOM (7427840712)	Current					
642	ESKOM (7450586124)	Current					
1891	ESKOM (8819089232)	Current					
2218	ESKOM (8021341665)	Current					
154	ESKOM (5740387734)	Current					
1146	ESKOM (7191950521)	Current					
2219	ESKOM (7196878518)	Current					
1148	ESKOM (8617150796)	Current					
2215	ESKOM (9029518479)	Current					
645	ESKOM (9906467548)	Current					

904	ESKOM ZWARTKLOOF (8743615581)	Current					
2982	ESKOM(9214090861)	Current					
3757	FAIRWAYS TRADING	Current					
616	FORMS MEDIA INDEPENDENT	Current					
202	GEMKOR DISTRIBUTORS	Current					
3743	GKB DESIGN ASSOCIATES (PTY) LT	Current					
48	GLASSMAN	Current					
3685	GOING PLACES CONSTRUCTION	Current					
668	GOVERNMENT PRINTING WORKS	Current					
256	GROBBIES SCRAPYARD	Current					
3821	HOTEL 224	Current					
735	HYDRO CARE	Current					
3520	IMFO	Current					
3712	ITTG TRADING AND PROJECTS	Current					
710	JOINT MASTER	Current					
3380	KABE CONSULTING ENGINEERS	Current					
519	KEY HEALTH CONTINOUS MEMBERS	Current					
3062	KTE SELETELA	Current					
650	LANDIS & GYR (PTY) LTD	Current					
2971	LEROTHODI CATERING SERVICES	Current					
3602	LHMARTHINUSEN	Current					
5748	LILLY DANNS DISTRIBUTORS	Current					
793	LIMPOPO BEAT	Current					
3708	LULU DETERGENT MANUFACTURER	Current					
5826	MABOTJA KG	Current					
577	MAGALIES WATER	Current					
3277	MAKGWANE AGENCY (PTY)LTD	Current					
3617	MAMPUDI CONSULTANTS	Current					
5825	MAPONYA TM	Current					
5722	MASEKO	Current					4 950.00
3052	MASHEGO MA	Current					
892	MAXIS BELA-BELA	Current					
690	MEDIA 24	Current					
3313	MEDIA 24	Current					
990	MHOFU TELECOMMUNICATION SERVIC	Current					
2557	MJB SECURITY PROJECTS CC	Current					
3728	MMALAREPO IVESTMENT	Current					
5638	MNM FINANCIAL SOLUTIONS	Current					
1078	MOEPENG TRADING 153	Current					
3135	MOTHATA MEK	Current					

5827	MOTHATLHEDI LJ	Current					
3689	MOVUNDLELA CONSULTING (PTY) LT	Current					
5731	MPHAHLELE MALOSE	Current					
3722	MSW ENGINEERING & PROJECT MANA	Current					
2474	MUFAHO TRADING	Current					
2585	MUNSOFT MUNICIPAL FINANCIAL &	Current					
470	N T K	Current					
5750	NAIVASHA WAY TRADING AND PRO	Current					
1583	NFMW - PENSIONERS	Current					
3053	NGOBENI SAB	Current					
1800	NTK LIMPOPO AGRIC BPK	Current					
2621	NYAKASANGA TRADING	Current					
703	OCE SOUTH AFRICA	Current					
317	PALESA TECH (PTY) LTD	Current					
2676	PAPA MAWILIES TRADING	Current					
5747	PAR 4VACATIONS T/A HARVEY WORL	Current					
2671	PAVECON	Current					
2660	PAYDAY SOFTWARE SYSTEM (PTY)LT	Current					
133	POS	Current					
562	POSTMASTER	Current					
268	PRODIBA (PTY) LTD	Current					
3819	QMS TRAINING	Current					
3537	RATOLWAME TRADING	Current					
3822	RS CONSTRUCTION & MAMLI PROJEC	Current					
910	RTMC	Current					
3599	RUMAS	Current					
2748	SAQA	Current					
2730	SCHINDLER LIFTS (S.A) (PTY) LT	Current					
1059	SELAKE TRANSPORT SERVICES	Current					
3820	SELAMOLELA K A	Current					
2956	SELEMA PLANT HIORE JV MASCON	Current					
5824	SENOA ME	Current					
3524	SHERIFF BELABELA	Current					
778	SITA (PTY) LTD	Current					
5749	SITHULA TRADONG CC	Current					
134	SUPPLY STORE	Current					
2795	T2 TECH CONSULTING ENGINEERS	Current					
3536	THATAYATHAPELO TRADING	Current					
3069	THE CITIZEN	Current					
2970	TMT SERVICES & SUPPLIES (PTY)	Current					
502	TRIANGLE DIENSSTASIE	Current					

5821	VALASKATZIS GEORGE	Current					
1856	VALLY DE SOUZA ELECTRICAL	Current					
2876	WALKING TALL TRADING & PROJECT	Current					
422	WARMBAD GRASSNYERDIENSTE	Current					
278	WARMBAD VERWE	Current					
471	WATERLAB RESEARCH (PTY) LTD	Current					
658	WORKSHOP ELECTRONICS	Current					
3245	ZANAMI LODGE	Current					
3815	ZARASTEP CC	Current					
3614	e-VALUATIONS ENCHANCED PROPERT	Current					
Company Total		Current					21 399.00

			Movement	Accumulatively
Total		#####	#####	#####
TB		#####	#####	#####
Diff		#####	#####	-

Opening Balance	#####
Diff after capturing of Opening balance	-

CREDIT CONTROL REPORT FOR JUNE 2014

	Jan-14	Feb-14	Mrt-14	Apr-14	May-14	Jun-14
RD CHEQUES	4	6	4	6	5	3
PERSONS MADE ARRANGEMENTS	8	34	58	66	14	13
WARNING CARDS	1780	3245	737	705	431	0
CUT-OFF ON CONVENTIONAL ELEC	57	6	37	11	13	0
CUT-OFF ON PREPAID ELEC	347	2427	107	2674	3473	5031
RECONNECTIONS ON CONVENTIONAL ELEC	18	12	12	8	16	1
RECONNECTIONS ON PREPAID ELEC	193	304	417	773	451	582
RENDERING FORMS	17	6	16	30	35	5
SUSPENSION FORMS	9	7	10	51	22	12
TAMPER METERS	3	12	18	18	12	31

PAYMENT RATE	74%	86%	79%	93%	124%	90%
	129	134	137	135	132	125
	391	352	899	728	293	511
OUTSTANDING DEBT	160.32	286.48	302.72	592.40	290.10	264.60
	114	121	125	124	120	113
OUTSTANDING MINUS	278	074	275	688	249	532
CURRENT	556.33	991.93	409.43	739.18	829.50	320.04

CREDIT CONTROL					
	billing	payment	collection rate	amount not collected	% not collected
july	R 13 688 889.72	R 10 464 693.14	76.45%	R 3 224 196.58	23.55%
aug	R 14 164 372.41	R 10 888 965.81	76.88%	R 3 275 406.60	23.12%
sept	R 13 192 914.19	R 11 899 462.95	90.20%	R 1 293 451.24	9.80%
oct	R 13 848 300.97	R 10 728 901.53	77.47%	R 3 119 399.44	22.53%
nov	R 13 822 056.93	R 11 098 711.50	80.30%	R 2 723 345.43	19.70%
dec	R 12 288 875.44	R 10 302 547.21	83.84%	R 1 986 328.23	16.16%
jan	R 14 035 940.64	R 10 368 956.36	73.87%	R 3 666 984.28	26.13%
feb	R 13 357 704.77	R 11 485 458.81	85.98%	R 1 872 245.96	14.02%
mar	R 13 841 645.56	R 10 951 110.62	79.12%	R 2 890 534.94	20.88%
apr	R 13 841 645.56	R 12 817 622.07	92.60%	R 1 024 023.49	7.40%
may	R 12 458 953.21	R 15 402 228.41	123.62%	R -2 943 275.20	-23.62%
june	R 12 690 361.18	R 11 457 317.59	90.28%	R 1 233 043.59	9.72%
	R 161 231 660.58	R 137 865 976.00		R 23 365 684.58	

Comprehensive AFS are attached herewith as **Volume 11**

INTRODUCTION

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

6.1 AUDITOR GENERAL REPORTS 2013/14

The Auditor-General issued an unqualified opinion on the audited financial statements for the 2013/2014 financial year. This means that the Auditor-General is satisfied with the municipality's financial status of the transactions within the financial system.

Other immaterial matters are dealt with in an Audit Outcome Improvement Plan (attached to this report as Annexure R) whereby the Municipal Manager and executive management clearly indicates the problem/s identified; the planned activities with timeframes to address the problem/s identified; who will be responsible to do it; and, the status of current progress.

Report of the auditor-general to the Limpopo Provincial Legislature and the council of the Bela Bela Local Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Bela Bela Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

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

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on conducting this audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during 2014 in the financial statements of the municipality at, and for the year ended, 30 June 2013.

Additional matters

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

Unaudited supplementary schedules

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

Unaudited disclosure notes

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

Report on other legal and regulatory requirements

-
12. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the group for the year ended 31 March 2014.
- Development priority 1: Electricity on pages x to x
 - Development priority 2: Water, Sanitation and refuse on pages x to x
 - Development priority 3: Road and storm water on pages x to x
 - Development priority 4: Sports, arts, Culture and recreational facilities on page x to x
 - Development priority 5: Traffic management, licencing and fire management on pages x to x
 - Development priority 6: Local Development on pages x to x
 - Development priority 7: Land, housing and infrastructure on pages x to x
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programme. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. The material findings in respect of the selected programmes are as follows:

Development priority 6: Local development

Reliability of reported performance information

18. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of documented system descriptions for the accurate recording of actual achievements and frequent review of the validity of reported achievements against source document.

Compliance with laws and regulations

19. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements, performance and annual reports

- 20. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. (AR)
- 21. Material misstatements of non-current assets, current assets, liabilities, revenue and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

- 22. Reasonable steps were not taken to prevent irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act.

Procurement and contract management

- 23. Quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
- 24. Awards were made to providers who are in the service of other state institutions or whose directors are in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulations 44.

Internal control

- 25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

- 26. There was no detailed review of the financial statements and the annual performance report, resulting in several misstatements identified and corrected.
- 27. Key positions are left vacant for a long time

Financial and performance management

- 28. The municipality does not properly review the asset register on monthly basis to ensure that all projects completed are updated timeously
- 29. As indicated in section 2, part A of this report, the financial statements contained misstatements that were corrected. This was mainly due to staff members not fully understanding the requirements of the financial reporting framework.
- 30. Non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored.

Governance

- 31. The internal audit is not adequately resourced to identify internal control deficiencies and recommends corrective action effectively.

Other reports

Investigations

32. The municipality appointed forensic investigation during the current year and the investigation is not yet fully finalised.

Auditor-General

Polokwane

28 November 2014



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

6.2. AUDIT ACTION PLAN FOR RESULTS OF THE 2013/2014 FINANCIAL YEAR

Based on the unqualified report received from the Auditor General there are key audit action required for special intervention and rather a need for continuation, improvement and refinement of the established systems and record keeping as implemented in the 2013/2014 financial year. Bela Bela municipality is committed to work very hard in rectifying the matters of emphasis. Furthermore the Audit Action team coupled with BTO consisting of key role-players will continue its work to coordinate, resolve problems and share resources so as to continue with the improved audit results. Attached as **Appendix H**, please find the 2013/14 Audit Action Plan.

CHAPTER 7 – APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

PEDIS	Planning & Economic Development and Infrastructure Services	SCS	Social and Community Services
GTBT	Governance & Transformation and Budget & Treasury	MPAC	Municipal Public Accounts

Council Members			Full/Part Time	Committee Allocated to		Ward/ PR Councillor	Party Represented	% Council Meetings Attended	% Apologies tendered In
No	Surname	Name		Section 80	Section 79			19 Meetings were arranged	19 Meetings were arranged
1)	Hlungwane	Freddy	Fulltime		GTBT	Ward	ANC	79%	21%
2)	Monanyane	Maria	Fulltime		PEDIS	Ward	ANC	84%	16%
3)	Maluleka	Evelyn	Fulltime		PEDIS	Ward	ANC	100%	0%
4)	Radebe	Matilda	Parttime		MPAC	PR	ANC	74%	26%

Council Members			Full/Part Time	Committee Allocated to		Ward/ PR Councillor	Party Represented	% Council Meetings Attended	% Apologies tendered In
No	Surname	Name		Section 80	Section 79			19 Meetings were arranged	19 Meetings were arranged
5)	Nhlapo	Lucas	Fulltime		GTBT	PR	ANC	68%	32%
6)	Ledwaba	Henrietta	Parttime		SCS	Ward	ANC	58%	42%
7)	Ngobeni	Jeremia	Parttime		PEDIS	Ward	ANC	84%	16%
8)	Sesane	John	Parttime		GTBT	Ward	ANC	79%	21%
9)	Mokgethoa	William	Parttime		PEDIS	Ward	ANC	84%	16%
10)	Mahlangu	Precious	Parttime		MPAC	PR	ANC	53%	47%
11)	Mokonyane	Elizabeth	Parttime		MPAC	PR	ANC	47%	53%
12)	Fourie	John	Parttime		GTBT	PR	DA	84%	16%
13)	Boschoff	Carin	Parttime		PEDIS	PR	DA	0.05%	99.95%
14)	Alberts	Keenen	Parttime		MPAC	PR	DA	63%	37%

Council Members			Full/Part Time	Committee Allocated to		Ward/ PR Councillor	Party Represented	% Council Meetings Attended	% Apologies tendered In
No	Surname	Name		Section 80	Section 79			19 Meetings were arranged	19 Meetings were arranged
15)	Van Der Merwe	Kobus	Parttime		SCS	Ward	DA	53%	47%
16)	Aphane	Peter	Parttime		SCS	Ward	Independent	42%	58%
17)	Seleka	Gloria	Parttime		SCS	PR	ANC	68%	32%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Executive Committee) and Purposes of Committees Purpose of Committee	
Planning & Economic Development and Infrastructure Services	<ul style="list-style-type: none"> To monitor and oversee the activities of the Planning & Economic Development and the Infrastructure Services in respect of Infrastructure Development, Service Delivery activities, Tourism & Economic Development, Municipal Planning and Medium-Term Planning (IDP). To advise Council on improvements that could be effected on all the above Key Focal Areas.
Governance & Transformation and Budget & Treasury	<ul style="list-style-type: none"> To monitor and oversee the activities of the Corporate Services and Budget & Treasury Departments To advise Council on improvements that could be effected on all the above Key Focal Areas.
Social and Community Services	<ul style="list-style-type: none"> To monitor and oversee the activities of the Department of Social and Community Services in respect of Environmental Management, Waste Management, Traffic Management, Emergency Services, Safety & Security activities. To advise Council on improvements that could be effected on all the above Key Focal Areas.
Municipal Public Accounts	<ul style="list-style-type: none"> To ensure that municipal finances are properly managed and to advise Council through the Executive Committee on improvements on ways and means whereby utilising and monitoring of municipal expenditure and income management can be improved. To perform oversight on the Governance Structures and Systems of Council with the primary aim of strengthening Accountability.

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APPENDIX D – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Bela-Bela Local Municipality has the following long term contracts

Long term contracts			
No	Organization	Service type	Contract expiry date
1	Absa (Pty) Ltd	Banking Services	30-Nov-19

APPENDIX E – DISCLOSURES OF FINANCIAL INTERESTS

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APPENDIX F: CAPITAL PROGRAMME/PROJECTS BY WARD 2013/14.

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

Bela-Bela Local Municipality has the following loans

Long term loan	
Institution	INCA
Balance (30/06/14)	R 11 099 093
Monthly rapayment	R 1 092 958
Interest rate	10.49%
Settlement date	30-Sep-15

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

All section 71 reports were made and submitted in time

APPENDIX H –2013/14 AUDIT ACTION PLAN

See end of AFS

VOLUME II: ANNUAL FINANCIAL STATEMENTS

See Overleaf