

**2016**

**ANNUAL  
REPORT**

**Dipaleseng  
Local  
Municipality**

# Contents

## CONTENTS

CONTENTS .....	2
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY .....	<b>Error! Bookmark not defined.</b>
COMPONENT A: MAYOR’S FOREWORD .....	<b>Error! Bookmark not defined.</b>
COMPONENT B: EXECUTIVE SUMMARY .....	10
1.1.    MUNICIPAL MANAGER’S OVERVIEW .....	10
1.2.    MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW .....	12
1.3.    SERVICE DELIVERY OVERVIEW .....	17
1.4.    FINANCIAL HEALTH OVERVIEW .....	19
1.5.    ORGANISATIONAL DEVELOPMENT OVERVIEW .....	21
1.6.    AUDITOR GENERAL REPORT .....	23
1.7.    STATUTORY ANNUAL REPORT PROCESS .....	23
CHAPTER 2 – GOVERNANCE .....	25
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE .....	25
2.1    POLITICAL GOVERNANCE .....	25
2.2    ADMINISTRATIVE GOVERNANCE .....	27
COMPONENT B: INTERGOVERNMENTAL RELATIONS .....	28
2.3    INTERGOVERNMENTAL RELATIONS .....	28
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION .....	29
2.4    PUBLIC MEETINGS .....	29
2.5    IDP PARTICIPATION AND ALIGNMENT .....	32
COMPONENT D: CORPORATE GOVERNANCE .....	33
2.6    RISK MANAGEMENT .....	33
2.7    ANTI-CORRUPTION AND FRAUD .....	33
2.8    SUPPLY CHAIN MANAGEMENT .....	33
2.9    BY-LAWS .....	33
2.10   WEBSITES .....	33
2.11   PUBLIC SATISFACTION ON MUNICIPAL SERVICES .....	35
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I) .....	36
COMPONENT A: BASIC SERVICES .....	36
3.1.    WATER PROVISION .....	37
3.2    WASTE WATER (SANITATION) PROVISION .....	44
3.3    ELECTRICITY .....	50
3.4    WASTE MANAGEMENT .....	55

# Contents

3.5	HOUSING .....	61
3.6	FREE BASIC SERVICES AND INDIGENT SUPPORT .....	65
COMPONENT B: ROAD TRANSPORT .....		68
3.7	ROADS .....	68
3.8	TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION) .....	74
3.9	WASTE WATER (STORMWATER DRAINAGE) .....	74
COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT .....		77
3.10	PLANNING .....	77
3.11	LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES) .....	81
COMPONENT D: COMMUNITY & SOCIAL SERVICES .....		87
3.12	LIBRARIES; COMMUNITY FACILITIES; OTHER .....	88
3.13	CEMETERIES AND CREMATORIALS .....	91
3.14	CHILD CARE; AGED CARE; SOCIAL PROGRAMMES .....	93
COMPONENT E: ENVIRONMENTAL PROTECTION .....		94
3.15	POLLUTION CONTROL .....	94
3.16	BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION) .....	95
COMPONENT F: HEALTH .....		98
3.17	CLINICS .....	98
3.18	AMBULANCE SERVICES .....	98
3.19	HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC .....	98
COMPONENT G: SECURITY AND SAFETY .....		99
3.20	TRAFFIC .....	99
3.21	FIRE .....	100
3.22	DISASTER MANAGEMENT .....	103
COMPONENT H: SPORT AND RECREATION .....		107
3.23	SPORT AND RECREATION .....	107
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES .....		112
3.24	EXECUTIVE AND COUNCIL .....	112
3.25	FINANCIAL SERVICES .....	115
3.26	HUMAN RESOURCE SERVICES .....	117
3.27	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES .....	120
3.28	PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES .....	124
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD .....		126
F THISRT .....		126

# Contents

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE .....	127
(PERFORMANCE REPORT PART II) .....	127
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL .....	127
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES .....	127
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE .....	130
4.2 POLICIES .....	131
4.3 INJURIES, SICKNESS AND SUSPENSIONS .....	132
4.4 PERFORMANCE REWARDS .....	134
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE .....	135
4.5 SKILLS DEVELOPMENT AND TRAINING .....	136
4.6 EMPLOYEE EXPENDITURE .....	139
CHAPTER 5 – FINANCIAL PERFORMANCE .....	141
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE .....	141
5.1 STATEMENTS OF FINANCIAL PERFORMANCE .....	143
5.2 GRANTS .....	145
5.3 ASSET MANAGEMENT .....	147
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS .....	149
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET .....	158
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS .....	159
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW .....	160
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS .....	162
5.10 BORROWING AND INVESTMENT .....	163
5.11 PUBLIC PRIVATE PARTNERSHIPS .....	164
COMPONENT D: OTHER FINANCIAL MATTERS .....	165
5.12 SUPPLY CHAIN MANAGEMENT .....	165
5.13 GRAP COMPLIANCE .....	165
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS .....	166
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/15 .....	166
6.1 AUDITOR GENERAL REPORTS 2014/2015 .....	166
GLOSSARY .....	176
APPENDICES .....	179
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE .....	179
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES .....	180
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE .....	181

# Contents

APPENDIX D – FUNCTIONS OF MUNICIPALITY/ENTITY .....	182
APPENDIX F – WARD INFORMATION .....	<b>Error! Bookmark not defined.</b>
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS .....	185
APPENDIX I – MUNICIPAL ENTITY .....	185
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS .....	185
APPENDIX K(i) & (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE .....	187
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES .....	188
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME .....	189
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME .....	189
APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2015/16 .....	190
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2015/16.....	191
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS .....	192
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION .....	192
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY .....	193
APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71 .....	193
APPENDIX T – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT .....	193
APPENDIX U: ANNUAL PERFORMANCE REPORT .....	194
VOLUME II: ANNUAL FINANCIAL STATEMENTS .....	241

# Contents

## Table of Figures

Table 1: Population.....	<b>Error! Bookmark not defined.</b>
Table 2: Socio-economic status .....	15
Table 3: Neighborhoods .....	16
Table 4: Natural resources .....	16
Table 5: Financial Overview.....	19
Table 6: Operating ratios 2015/16 .....	19
Table 7: Total capital expenditure.....	20
Table 8: Administrative posts top leadership[Confirmation for inclusion] .....	27
Table 9: public meetings.....	31
Table 10: IDP participation and alignment criteria.....	32
Table 11: New by-laws.....	33
Table 12: Municipality website .....	34
Table 13: Total Water Use by Sector .....	37
Table 14: Water Service Delivery Levels .....	38
Table 15: Water Min Service Delivery Levels .....	38
Table 16: Access to Water .....	39
Table 17: Water Service Delivery Objectives .....	40
Table 18: Employees Water Services.....	41
Table 19: Financial Performance Water service .....	42
Table 20: Capital Expenditure Water Services .....	43
Table 21: Sanitation Service Delivery Levels .....	44
Table 22: Sanitation Min Service Delivery Levels .....	45
Table 23: Access to Sanitation .....	46
Table 24: Sanitation Service Delivery Objectives .....	47
Table 25: Employees Sanitation Levels.....	48
Table 26: Financial Performance Sanitation .....	48
Table 27: Capital Expenditure Sanitation Services .....	49
Table 28: Electricity Service Delivery Levels .....	51
Table 29: Electricity Min Service Delivery Levels.....	51
Table 30: Electricity Service Delivery Objectives .....	52
Table 31: Electricity Employee Levels.....	53
Table 32: Electricity Financial Performance .....	53
Table 33: Electricity Capital Expenditure.....	54
Table 34: Waste Removal Service Delivery Levels.....	55
Table 35: Solid Waste Removal Min Services Levels .....	56
Table 36: Waste Management Service Policy Objectives.....	57
Table 37: Solid Waste Management Employees .....	58
Table 38: Waste Disposal Financial Performance.....	59
Table 39: Waste Management Services Capital Expenditure .....	60
Table 40: % of H/H with Access to Basic Housing.....	61
Table 41: Housing Services Employees.....	61
Table 42: Housing Services Financial Performance .....	62
Table 43: Housing Services Capital Expenditure .....	63
Table 44: Free Basic Services .....	65

# Contents

Table 45: Financial Cost for Free Basic Services .....	66
Table 46: Gravel Road Infrastructure .....	68
Table 47: Tarred Roads Infrastructure .....	69
Table 48: Cost of Maintenance.....	69
Table 49: Roads Service Policy Objectives.....	71
Table 50: Road Services Employees .....	72
Table 51: Roads Service Financial Performance .....	72
Table 52: Road Services Capital Expenditure .....	73
Table 53: Storm Water Infrastructure .....	74
Table 54: Storm Water Construction/Maintenance Costs .....	74
Table 55: Storm Water Service Policy Objectives.....	76
Table 56: Applications for Land Use Development .....	77
Table 57: Planning Policy Objectives .....	78
Table 58: Planning Services Employees.....	79
Table 59: Planning Services Financial Performance .....	79
Table 60: Planning Services Capital Expenditure.....	80
Table 61: Economic Activity by Sector.....	81
Table 62: Economic Employment by Sector .....	81
Table 63: Jobs Created by LED Indicatives .....	83
Table 64: Jobs Created by EPWP Indicatives .....	83
Table 65: LED Policy Objectives .....	84
Table 66: LED Employees.....	85
Table 67: LED Financial Performance .....	85
Table 68: LED Capital Expenditure.....	86
Table 69: Libraries Policy Objectives .....	89
Table 70: Libraries Employees .....	90
Table 71: Libraries Employees .....	90
Table 72: Libraries Capital Expenditure .....	91
Table 73: Cemeteries Financial Performance .....	92
Table 74: Cemeteries Capital Expenditure .....	92
Table 75: Biodiversity, Landscape And Other Policy Objectives.....	95
Table 76: Parks and Recreation Employees [not updated] .....	96
Table 77: Parks and Recreation Financial Performance .....	96
Table 78: Parks and Recreation Capital Expenditure.....	96
Table 79: Traffic Statistics.....	99
Table 80: Fire Service Statistics .....	100
Table 81: Fire Services Policy Objectives .....	101
Table 82: Fire Services Employees.....	102
Table 83: Fire Services Financial Performance .....	102
Table 84: Fire Services Capital Expenditure .....	103
Table 85: Disaster Management Policy Objectives .....	104
Table 86: Disaster Management Employees .....	105
Table 87: Disaster Management Financial Performance .....	105
Table 88: Disaster Management Capital Expenditure .....	106
Table 89: S&R Policy Objectives .....	108

# Contents

Table 90: S&R Employees .....	109
Table 91: S&R Financial Performance .....	110
Table 92: S&R Capital Expenditure .....	111
Table 93: Mayoral, Council And Special Meetings .....	113
Table 94: Exec and Council Policy Objectives .....	113
Table 95: Exec and Council Employees.....	114
Table 96: Exec and Council Financial Performance .....	114
Table 97: Financial Services Employees .....	115
Table 98: Financial Services Financial Performance .....	115
Table 99: HR Policy Objectives .....	118
Table 100: HR Employees .....	119
Table 101: HR Financial Performance.....	119
Table 102: HR Capital Expenditure .....	120
Table 103: ICT Policy Objectives .....	121
Table 104: ICT Employees.....	122
Table 105: ICT Financial Performance .....	122
Table 106: ICT Capital Expenditure.....	123
Table 107: Legal/Risk Service Objectives .....	<b>Error! Bookmark not defined.</b>
Table 108: Legal Employees .....	125
Table 109: Legal Financial Performance.....	125
Table 110: Vacancy Rate.....	127
Table 111: Vacancies in 2015/16.....	128
Table 112: Turn-over Rate .....	129
Table 113: HR Policies and Plans .....	131
Table 114: Cost of Injuries in Duty .....	132
Table 115: Cost Sick Leave .....	132
Table 116: Periods of Suspension.....	133
Table 117: Disciplinary Action .....	134
Table 118: Performance Rewards .....	134
Table 119: Skills Matrix.....	136
Table 120: Financial Competencies Development .....	137
Table 121: Skills Development Expenditure .....	138
Table 122: Increases Salaries.....	139
Table 123: Post Appointed not Approved .....	139
Table 124: Grant Performance .....	145
Table 125: Grants from Other Sources .....	146
Table 126: Treatment of three largest Assets Acquired .....	147
Table 127: Repair and Maintenance Expenditure .....	148
Table 128: Capital Expenditure on the 5 Largest Projects .....	159
Table 129: Service Backlog .....	160
Table 130: Grant Expenditure on Service Backlog.....	161
Table 131: Cash Flow Outcomes .....	162
Table 132: Actual Borrowings.....	163

### CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

#### COMPONENT A: MAYOR’S FOREWORD

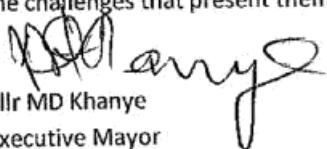
It gives me a great pleasure to present the annual report for Dipaleseng Local Municipality for the 2015/16 financial year. As a municipality, we have been involved in a number of projects and activities over this financial year. At the core of all our endeavours lies the passion of our municipality to uplift the standard of life for all the people in our communities. It is for that reason that our municipality has ensured that its activities are informed and guided by the 6 key priority areas of the Local Government’s 5 year strategic agenda. These key priority areas (KPAs) are the following:

- Municipal Transformation and Organisation Development
- Basic Service Delivery and Infrastructure Development
- Local Economic Development
- Municipal Financial Viability and Management
- Intergovernmental Relations, Good Governance and Public Participation
- Spatial Rationale and Municipal Planning Alignment

The annual report bears testimony to the tireless efforts of our municipality to deliver basic services to our communities as guided by these KPAs; IDP, SDBIP and the budget, this despite the fact that we have been thinly stretched in terms of human and financial resources. Taking cognisance of these restraints the municipality performed well in terms of how the institution managed and deployed the resources at its disposal for the benefit of the communities that it serves.

Our local municipality has also been at the forefront of delivering basic services to our community. We have in the year under review been able to embark on several programmes and infrastructure projects which were aimed at enhancing the quality of the lives of our people. As the report reveals, our efforts were largely projected towards infrastructure: water provision, sanitation, electricity, roads and other infrastructure for our people. Within the limited means of our municipality we have also actively engaged with our communities in areas of disaster management and related activities.

While being aware of the challenges that may be encountered in the ensuing financial years, we are heartened by the fact that positive outcomes have been achieved in some of the most critical areas by our municipality. We remain committed to ensuring a better life for the communities of Dipaleseng and shall not be deterred by the challenges that present themselves as we move forward with our service delivery initiatives.

  
Clr MD Khanye  
Executive Mayor

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

The administration of Dipaleseng presents herewith the annual report for the financial year 2016/17. This is done partially in the discharge of our constitutional mandate to provide democratic and accountable government to the communities of Dipaleseng as required by section 152(1) of the Constitution. On the other part, the report is presented to enable the municipality to account on a whole range of matters including all the activities of the municipality during the financial year, our performance against pre-determined targets as well as to ensure accountability to the community that we serve as required by chapter 12 of the Local Government: Municipal Finance Management Act 56 of 2003 ("the MFMA"). It is against this background that the presentation of the annual report is to be understood and the significance thereof to be appreciated.

In the financial year 2016/17 revived other governance structures within the municipality such as the establishment of the audit committee amongst others, in order to ensure, a clean, accountable, and responsive administration. Furthermore, an internal audit unit was also functional in the financial year under review to assist the Municipality accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

As a municipality, we also heeded the clarion call made by the Premier of Mpumalanga Province the Honourable Mr. DD Mabuza to all the municipalities within the province, to prioritize and accelerate all water and sanitation projects in the province. This in turn, would ensure that we eradicate the backlogs in our water and sanitation service delivery initiatives and to ensure to the provision of clean drinking water and proper sanitation to all the communities that we serve.

Supported by the municipal council as lead by the Executive Mayor Hon. Cllr MD Khanye the municipality has been able to turn the tide of ailing service delivery around and our service delivery has impacted on the lives of many of our people. We would also hasten to add that we still have much work to do in the financial years that lie ahead. Large sections of our community are caught in the nationwide grip of unemployment and poverty. This in turn, has hampered the ability of the municipality to generate much needed revenue in order to enhance our service delivery initiatives.

It is for these reasons that we are determined to revive our efforts to create an environment that would stimulate our local economy through vigorous Local Economic Development programs ("LED") as well as greater engagement and involvement of other stakeholders such as our local business communities as well as other departments within the provincial and national spheres of government. As a result, The Local Economic Development Forum (LEDF) was resuscitated; for which its main aim is to jointly agree on a direction and guidance with all stakeholders and experts in the field of economic development within the Municipality.

The municipality obtained an unqualified audit opinion with emphasis of matters from the Auditor General ("the AG") for the financial year under review 2016/17. We readily concede though, that the report of the AG was an accurate reflection of the state of the municipality and gave us crucial pointers on the areas where more effort was required in order to improve our municipality for the benefit of our communities. Indeed, the report of AG did set the tone as we surged ahead with our efforts to meet the call for operation clean audit by 2016.

# Chapter 1

We are truly indebted to the entire political leadership under the guidance of the Executive Mayor for the unrelenting guidance and support that they have given to the municipality. We also appreciate the unwavering support from the provincial government led by the Honorable Premier, as well as our sister departments at both the provincial and national level. We also appreciate the support from our community and all stakeholders both in the business sector as well as other sectors and interest groups in our communities.

Thank You.

SL. Netshivhale  
Acting Municipal Manager

# Chapter 1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### **BACKGROUND DATA**

#### **1.2.1 MUNICIPAL OVERVIEW**

Dipaleseng Municipality is composed of the following hubs: Greylingstad/Nthorwane, Grootvlei and Balfour/Siyathemba where the main Office is situated. The Municipality's main economic focus for turning around the local economy is through Agriculture, mining and tourism (Nature reserve) and agro processing industries.

Community consultation as championed by the Speaker's Office, Clr ML Makhubu and ND Khanye is at the heart of good governance in the Municipality to enhance community participation and informed decision making. As a result, the 2016/17 financial year has seen Dipaleseng Municipality expanding its service delivery in terms of infrastructure development through paving of gravel roads, construction of community library and upgrading of sports field, refurbishment of community halls, and upgrading of high mast lights and spent 52% on MIG.

The Dipaleseng Municipality continued with its mandate to create jobs to its local community through EPWP projects as outlined in the report. During the IDP/Budget process our community has again given the municipality a mandate to continue to implement projects in line with Government priorities, hence the infrastructure development has again come out as the main priority of the municipality. With all these achievements, the municipality has advertised the post for the Director Infrastructure Services.

The Municipality's sewerage system in Greylingstad is still managed through a suction tanker. The municipality has since the completion of the sewer project allocated budget on annual basis for revamping of the streets damaged during construction. The main challenge the municipality is facing in all areas is shortage of water.

#### **1.2.2 A short description of the municipality**

Dipaleseng Local Municipality is situated in the south-eastern part of Mpumalanga Province, abutting Gauteng Province in the south-west; approximately 90km east of Johannesburg and 350km south-west of Nelspruit (capital city of Mpumalanga).

It is one of the (7) local municipalities under the jurisdiction of Gert Sibande District (the other districts being Ehlanzeni and Nkangala) and one of the 18 local municipalities within Mpumalanga. The municipality consists of 03 nodal towns and is structured into 06 wards.

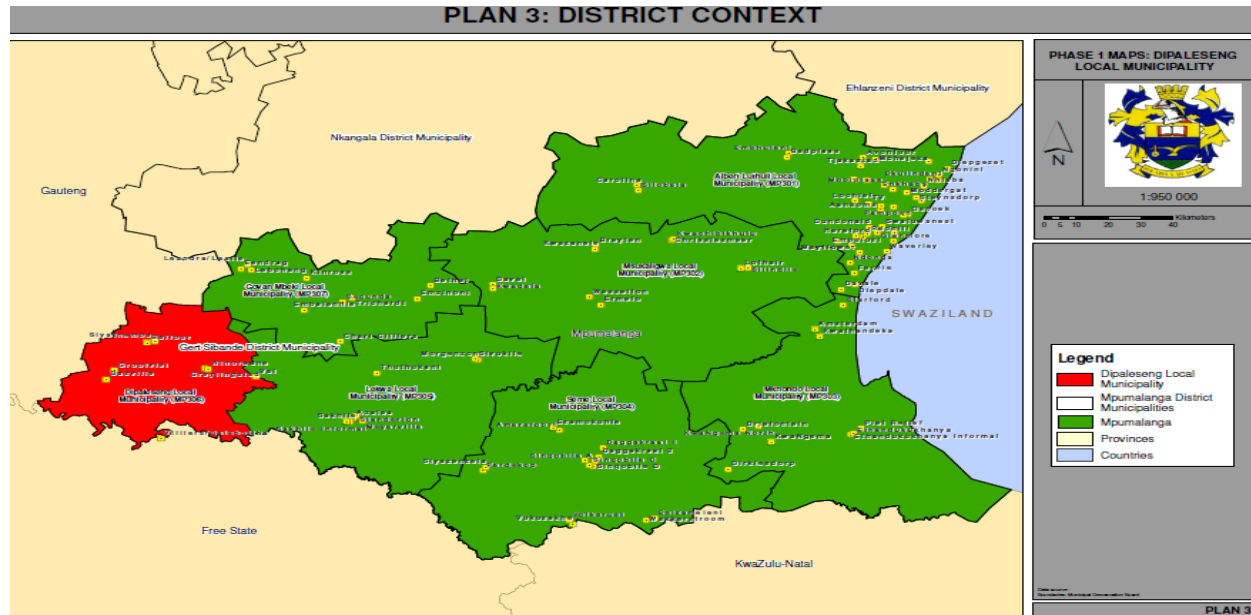
**The breakdown of wards details are as follows:**

WARD INFORMATION	
WARD	EXTENSION/SECTION
01	The ward consists of various extensions of Siyathemba including central portion of Ext 1, Ext 4 and Ext 5 and more than 300 km <sup>2</sup> of rural farm land which is used for commercial farming purposes.
02	The ward consists of the central of Siyathemba, 50% of Ext 2, Ext 3 as well as a small rural areas used for commercial farming purposes.
03	The ward consists of the following areas the whole of Balfour Ext 1&2, Greylingstad and surrounding commercial farming settlements on the East, South and West.

# Chapter 1

04	The ward consists of portion of Siyathemba central Ext1, 50% of Ext 2, Ext 6, Ext 7 and Lindukuhle settlements
05	The ward consists of Grootvlei Ext 1 & 2 and surrounding commercial farming land
06	The ward consists of Nthorwane, Zenzele and surrounding commercial farming land

Figure 1.1: Dipaleseng Local Municipality map



Dipaleseng Municipal area is one of the smaller municipal areas in terms of land area, and characterized by contrasts such as varied topography, population densities (low in the south, relatively dense in the north-east), prolific vegetates in the south (timber) and sparse in the north (bushveld). Although resources within the boundaries of the Municipality are scarce, the proximity of natural resources (dams, tourist's attractions, intensive economic activity, and nature reserves) to the borders of the municipality creates the opportunity for Capitalization.

The "gates" to the municipal area are considered to be Greylingstad in the East and Grootvlei in the south. The land area of Dipaleseng Municipality extends over approximately 2618km<sup>2</sup>. The Dipaleseng Municipality incorporates the proclaimed towns of Balfour/Siyathemba, Greylingstad/Nthorwane and Grootvlei, situated in the extreme East and south of the municipal area, there are also surrounding commercial farming communities within the municipal area.

# Chapter 1

## 1.2.3 Social Analysis

The socio-economic analysis will focus on the population size, age and gender profiles as well as the educational levels of the population. Information on the Socio-economic status of Dipaleseng Municipality was mainly gathered from census conducted by STATSSA in 2011. The majority of the municipal population is indigents.

### Demographics

#### 1.2.4 Population and Household Size

**Table 1.1: Population distribution in terms of Gender and Age Group**

Population		Households	
Census 2011	Community Survey 2016	Census 2011	Community Survey 2016
42 390	45 232	12 637	13 190

#### 1.2.5 Age and Gender Profile

**Figure1.2: Population distribution in terms of gender and age group**

**Table 1: Population**

Population									
Age	2014/15			2015/16			2016/17		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age:0-4	2350	2667	5017	2400	2700	5100	2400	2790	5190
Age:5-9	2380	2750	5130	2420	2800	5220	2480	2810	5290
Age:10-19	2940	2554	5494	3210	2650	5860	3000	2754	5754
Age:20-29	5120	5780	10 900	5300	5850	11150	5240	5916	11156
Age:30-39	3520	4180	7700	3600	4500	8100	3710	4650	8360
Age:40-49	3145	3570	6715	3335	3610	6945	3240	3680	6920
Age:50-59	812	890	1702	820	900	1720	911	980	1891
Age:60-69	650	690	1340	660	700	1360	700	865	1565
Age:70	250	320	525	330	600	930	380	456	836
Source: Statistic SA									
T 1.2.2.									

# Chapter 1

Table 2: Socio-economic status

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2016/17	35%	27,5	45%	35%	30%	23%
2015/16	32%	37%	40%	30%	35%	25%
2014/15	32%	37%	40%	30%	35%	25%
Source: Statistic SA						T 1.2.4

# Chapter 1

Table 3: Neighborhoods

Overview of Neighbourhoods within “Dipaleseng Local Municipality 2016/17		
Settlement Type	Households	Population
<b>Towns:</b>		
: Balfour	2500	3806
: Grootvlei	1800	6694
: Greylingstad	950	1631
Sub-Total	<b>5250</b>	<b>12 131</b>
<b>Townships</b>		
Siyathemba	6500	20 100
Nthorwane	2300	7876
Sub-Total	<b>8800</b>	<b>27 976</b>
<b>Rural Settlements</b>		
Sthandiwe	50	2450
Sub-Total	<b>50</b>	<b>2450</b>
<b>Informal Settlements</b>		
		3995
Siyathemba	3000	1200
Nthorwane	1500	
Phomolong	1000	2876
Sub-Total	<b>5500</b>	<b>6871</b>
Total	<b>13 190</b>	<b>45 232</b>
Sero report: 2016		
T.1.2.6		

Table 4: Natural resources

Natural Resources 2016/17	
Major Natural Resource	Relevance to Community
Gold and Coal	Socio- economic benefits as per mineral and Resources
T.1.2.6	

# Chapter 1

## 1.3. SERVICE DELIVERY OVERVIEW

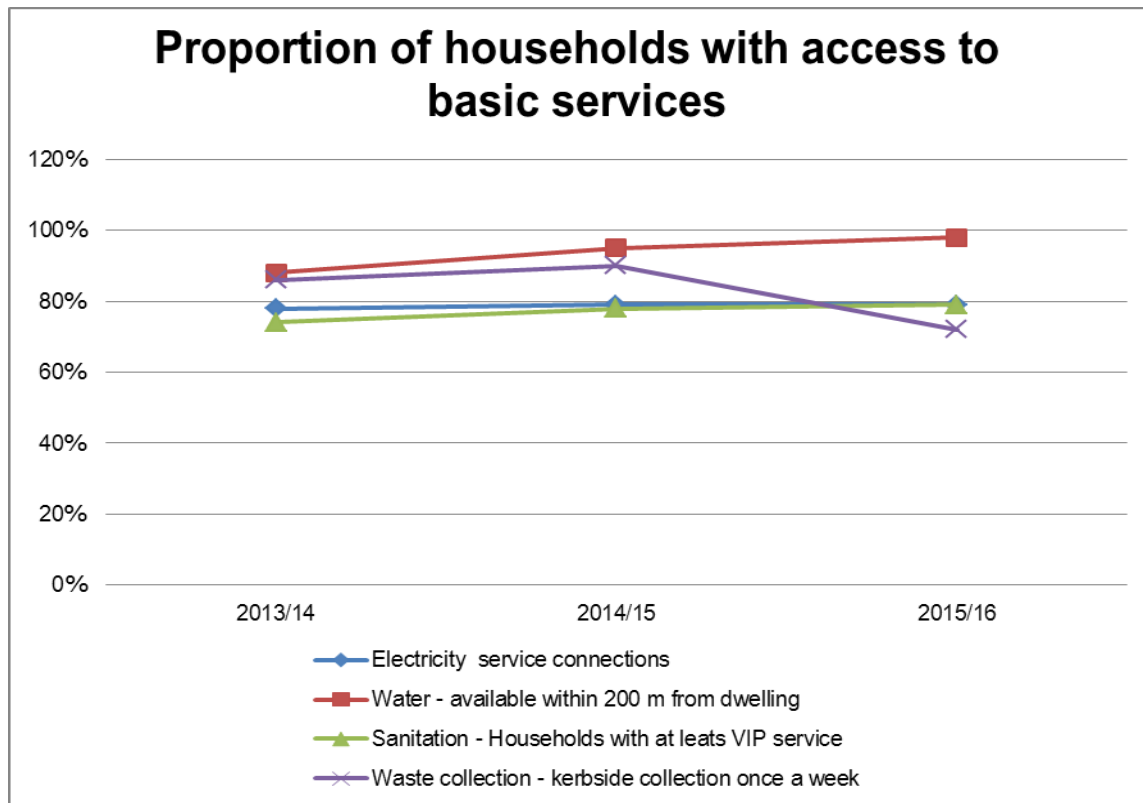
### INTRODUCTION TO SERVICE DELIVERY OVERVIEW

The success of local economic development is tied to the provision of basic and other types of infrastructure services to the people. All services under analysis in this section are located in a specific locality (as per SDF) and have potential to boost socio-economic development (as per LED). Infrastructure analysis focuses on the status quo regarding water supply, sanitation facilities, energy, housing provision, roads and public transport, waste management and telecommunications – all of which underpin socio-economic development and determine the people's quality of life. The provision of adequate municipal infrastructure remains a challenge throughout the district.

Figure 1: Proportion of Households with Access to Basic Services

Proportion of Households with minimum level of Basic services			
	2014/15	2015/16	2016/17
Electricity Service connections	78%	79%	79%
Water- available within 200m from dwelling	88%	95%	98%
Sanitation-Households with at least VIP service	74%	78%	79%
Waste collection- kerbside collection once a week	86%	90%	72%

T.1.2.6



# Chapter 1

## Comments on access to basic services:

The above still remain a challenge but it is being driven under the Gert Sibande District Municipality (GSDM), DLM, MIG and INEP capital programme to address the current backlogs within the municipality.

# Chapter 1

## 1.4. FINANCIAL HEALTH OVERVIEW

### INTRODUCTION ON FINANCIAL HEALTH OVERVIEW

The municipality is one of the small growing municipalities in the country within the average of 3.3 % Population growth; this is also placing additional pressure on our resources. During the year our budget expectations were fully realized. We budgeted for income amounting R173 392 930 and expenditure of R 201 301 938. By the close of books at the end of the year we have obtained an income of R 200 064 555 and we spent R215 436 968 giving us a deficit of R15 372 413.

In the 2015/16 the municipality obtained an Unqualified Opinion with matters from the Auditor General. It should be mentioned that the Auditor General this year not only concentrated on financial matters but mainly focused on performance management, thereby ensuring that all service delivery objectives are fully implemented. Serious attempts have to be made to ensure that the entire capital budget is fully spent each year.

Table 5: Financial Overview

Financial Overview: 2016/17			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	56,678	57,872	81,425
Taxes, Levies and tariffs	108,992	114,010	112,620
Other	1,142	1,507	6,019
Sub Total	166,812	173,389	200,064
Less: Expenditure	209,989	201,302	219,744
Net Total*	-43,177	-27,913	-19,680
* Note: surplus/(defecit)			T 1.4.2

Table 6: Operating ratios 2015/16

Operating Ratios 2016/17	
Detail	%
Employee Cost	25%
Repairs & Maintenance	3%
Finance Charges & Impairment	23%
	T 1.4.3

# Chapter 1

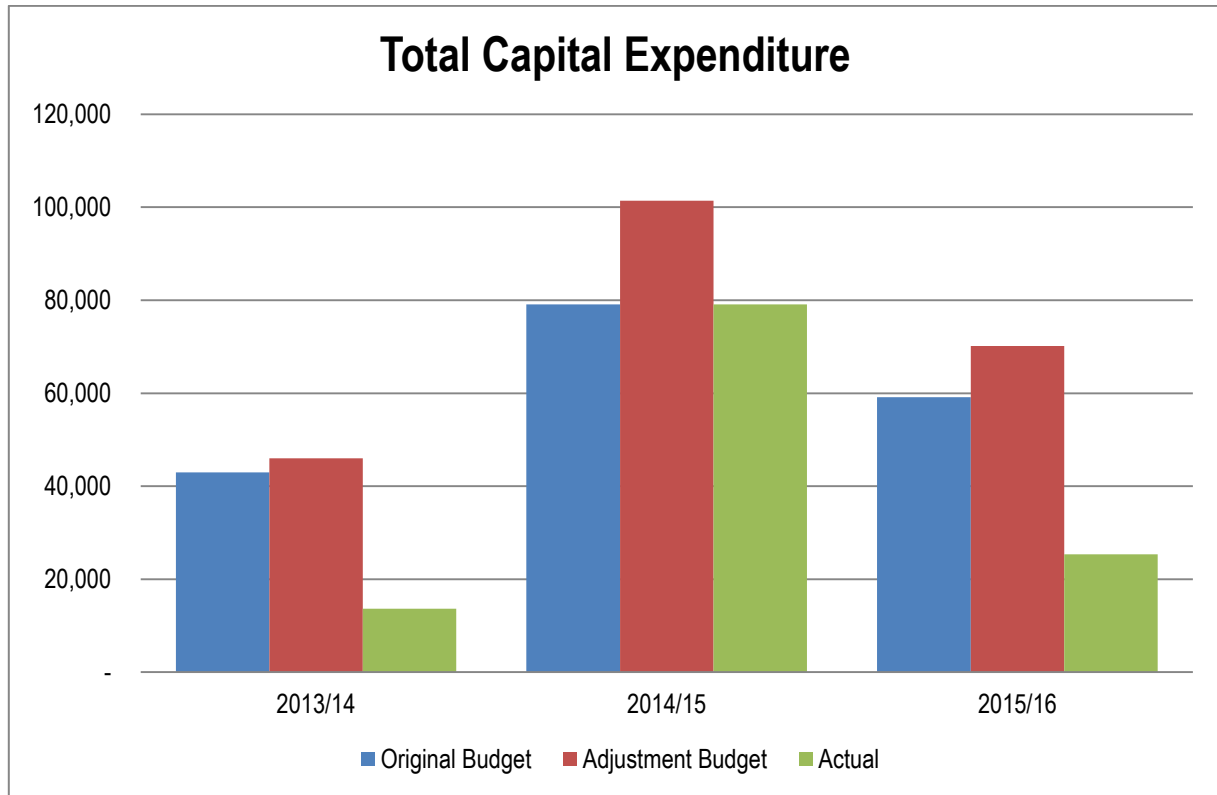
## Comment on operating ratios:

Employee costs constituted 25% of the total operating budget. Repairs and maintenance amounted to 3% but the figure only includes materials. Although the percentage is below the norm, there are major repair and maintenance backlogs. Overall, the municipal assets are not in good state of health. Finance charges and redemption contributes 23% to total operating costs. The national norm in this regard is 1% of the operational budget.

Table 7: Total capital expenditure

Total Capital Expenditure: 2016/17			
			R'000
Detail	2013/14	2014/15	2015/16
Original Budget	42,970	79,095	59,143
Adjustment Budget	46,015	101,395	70,143
Actual	13,637	79,095	25,374
			T 1.4.4

Figure 2: Total Capital Expenditure



## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The Dipaleseng Local Council had reviewed the Organisational Structure and approved by Council in August 2014 with the further view of initiating a process of benchmarking with the Emakhazeni Local Municipality for the purposes of implementing the SALGBC Collective Agreement on the Wage Curve.

The municipality also submitted 2015 Employment Equity Report to the Department of Labour and further developed a new 5-Year Employment Equity Plan for 2012-2017 for implementation. The municipality also implemented the National Treasury Requirements on Minimum Competency Requirements in terms of National Treasury Regulation No. 493 – gazetted on 15 January 2007.

# Chapter 1

The Councillors, MM and other officials completed the unit standards leading to the Certificate in Municipal Finance Management qualification (SAQA ID No. 48965) on NQF 6. Councillor training included enrolment in the FET Certificate in Leadership as well as the Advanced Municipal Governance Certificate for members of Council.

# Chapter 1

## 1.6. AUDITOR GENERAL REPORT

The municipality received an unqualified audit opinion for the 2015/16 Financial Year with findings on performance management, internal control deficiencies and supply chain management.

Chapter six (6) of this document contain more detail on the audit opinion and attachment clearly indicating steps to be taken in addressing and maintaining unqualified audit opinion.

## 1.7. STATUTORY ANNUAL REPORT PROCESS

STATUTORY ANNUAL REPORT PROCESS		
NO	Activity	Time Frame
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 the 4th quarter Performance Report for previous financial year	
4	Submits draft Annual Report including Annual Financial Statements and Performance Report to Auditor General	August
5	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
6	Auditor General audits Annual Report including Annual Financial Statements and Performance data	September - October
7	Municipalities receive and start to address the Auditor General's findings	
8	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	
9	Receive management letter and provide final comments on findings	November
10	Auditor-General submit audit opinion.	
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January
12	Audited Annual Report is made public and representation is invited	February
13	Oversight Committee assesses Annual Report	
14	Council adopts Oversight Report	March
15	Council table next financial year Budget / IDP and invite public representation	

# Chapter 1

16	Oversight Report is made public	April
17	Oversight Report is submitted to relevant national & provincial stakeholders and legislature	
18	Council approve next financial year Budget / IDP	May
19	Make public approved Budget and IDP	June
20	Finalize SDBIP and Performance Agreements for next financial year.	
21	Make public SDBIP and Performance Agreements.	July

**Comment on the Annual Report Process:**

One of the main features about the planning process undertaken by the Dipaleseng Local Municipality is the involvement of community and stakeholder organisations in the process. Participation of affected and interested parties ensures that the IDP addresses the real issues that are experienced by the community members of the municipality. The municipality has established six (6) functional ward committees to further strengthen community engagement with the Municipality.

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The Constitution Section 151 (3) states that the municipal Council has the right to govern on its own initiative the local government affairs of the community.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution Section 151(3)(a) stipulates the developmental duties of the municipality and states that the municipality must structure and manage its administration as well as planning and budgeting processes to give priority to the basic needs of the community and to promote socio-economic development.

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

The Dipaleseng Local Municipality (DLM) is a Category B municipality and has an executive mayoral system. The municipality is governed by two distinct but complementary structure namely the Executive Council headed by the Executive Mayor and Administration lead by the Municipal Manager, comprise of five Directorates in terms of section 56 of the municipal systems act.

Following the 2011 municipal elections, Council comprised of 12 elected councillors chaired by the Speaker comprising of six (6) ward councillors and six (6) proportional representation councillors. Each of the six (6) ward councillors chairs a ward committee as part of the Ward Participatory System that brings participation down to community level.

Ward councillors play a central role in the communication process between the communities they represent. The Council reports back regularly through ward meetings and assists the community to identify needs and priority areas of development which feeds into the municipality's planning processes. The municipality further established the Budget & IDP Representative as well as Steering Committees for purposes of consultation during the strategic planning process, and also has a Local Labour Forum (LLF) for consultation with labour.

Council further has the Rules and Ethics Committee; Geographical and Place Names Committee; Municipal Public Accounts Committee (MPAC) as well as the Policy and By-Laws Committee established in terms of Section 79 of the Municipal Structures Act of 1998. The following Section 80 Committees exists to assist the Mayoral Committee: Budget & Treasury Committee; Corporate Services Committee; Community Services and Public Safety Committee; Planning and Economic Development Committee as well as the Infrastructure Committee. Each of the Section 80 Committees is chaired by a Member of the Mayoral Committee whilst Section 79 Committees are chaired by a member of Council.

# Chapter 2

The system of governance is underpinned by existing Council Standing Rules of Order as well as a Council Delegation Register to ensure that the relevant stakeholders are enabled to deliver on their respective mandates.

POLITICAL STRUCTURE	
<b>SPEAKER</b> Cllr: ML Makhubu	Chairperson of Council
<b>EXECUTIVE MAYOR</b> Cllr: MD Khanye	Responsible for performing council's executive functions
MEMBERS OF THE MAYORAL EXECUTIVE COMMITTEE:	
Cllr DS Sithole	MMC PED and Community & Public Safety
Cllr A Carrim	MMC IS and Corporate Services
WARD COUNCILLORS:	
Ward 1	Cllr DS Sithole
Ward 2	Vacant
Ward 3	Cllr RJ Hall
Ward 4	Cllr ML Makhubu
Ward 5	Cllr MT Tsotetsi
Ward 6	Cllr TJ Mahlangu
PROPORTIONAL COUNCILLORS	
Cllr DG Zwane	
Cllr N Zwane	
Cllr DW Davel	
Cllr SA Motloung	
Cllr A Carrim	

## POLITICAL DECISION-TAKING

Council is chaired by the Speaker. Policy decisions and resolution are taken by the Council per recommendation from the Executive Mayor.

The Executive Mayor and two mayoral committee members are required to execute council resolutions and to resolve on matters delegated to the Executive Mayor by Council.

Reports regarding policy matters and non-delegated administrative matters are prepared by the administration and submitted to the Mayoral Committee together with recommendations from the Municipal Manager. At the Mayoral Committee such reports are considered and recommendations or resolutions formulated by the Executive Mayor from subsequent submission to the Council.

# Chapter 2

## 2.2 ADMINISTRATIVE GOVERNANCE

### **INTRODUCTION TO ADMINISTRATIVE GOVERNANCE**

Dipaleseng top leadership under the Municipal Manager (Accounting Officer in terms of the MFMA and Head of Administration in terms of the Municipal Systems Act) directs the municipal administration, making input into the IDP/Budget as well as develop and implement strategies and plans needed to give effect to the IDP. The functions executed by the Municipal Manager are in terms of the Council approved Delegation Registration as well as legislation, i.e. the MFMA, Municipal Systems Act, etc. During March 2016 the Municipal Manager was seconded to Provincial Cogta and an acting Municipal Manager was appointed.

**Table 8: Administrative posts top leadership**

TOP ADMINISTRATIVE STRUCTURE	
Position	Function
<b>Municipal Manager:</b> Mr SL Netshivhale	Administrative Head & Accounting Officer
Chief Financial Officer: Ms A Ngema	Provide and manage financial services to ensure financial viability, compliance and reporting.
Director Planning and Economic Development: Ms L Makaya	Provide and manage statutory town planning and integrated human settlement
Director Community Services & Public Safety: Mr IV Madonsela	Render integrated community services to all its communities
Director Corporate Services: Mr T Goba	Provides corporate services to ensure efficient support of organisational processes
Director Infrastructure Services: Mr RB Ntshanana	Provisioning of infrastructure development, maintenance and service delivery to ensure sustainable services to all communities

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

#### 2.3 INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The purpose of intergovernmental relations is to achieve the constitutional mandate for local government by mobilizing resources and strategic partnerships which will ensure co-operation and coordination by all stakeholders (National, Provincial and Local) to ensure service delivery to the residents of the municipality to ensure a better quality life for all.

#### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

- ❖ National Treasury – Co-ordinates the development of the Local Government fiscal framework applicable to municipalities within the context of the Division of Revenue Act. It manages the development of the Local Government Equitable Share formula and ensures compliance with the MFMA to modernise local government budgeting and financial management processes and practices. Provides assistances to improve financial governance and to maximize municipal capacity to deliver services through efficiency, effectiveness and sustainability, and by dealing with corruption. They set-up the accountability cycle by ensuring proper linkages between IDPs, Budgets, SDBIPs, In-Year reports, Annual Financial Statements, Annual reports, Oversight reports and Audit reports
- ❖ The Department of Cooperative Governance and Traditional Affairs (COGTA) – Develop various policies, guidelines to enable sustainable development to eradicate poverty and developed a service-orientated culture that requires the active participation of the wider community. Community inputs are essential to improve on integrated development planning and service delivery. Linked to this is the establishment of performance management which is a crucial mechanism to improve living conditions for all citizens.
- ❖ South Africa Local Government Association (SALGA) – Is the national representative body of local government and has a constitutionally defined mandate. It responds to challenges facing organized local government and addresses past weaknesses

#### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

- ❖ OFFICE OF THE PREMIER – Focuses on co-operative and good governance through the provision of advice and information, co-ordination, monitoring and support to local government.
- ❖ PROVINCIAL TREASURY - The functions of provincial treasuries are to • promote co-operative government among role-players and assist National Treasury in implementing the MFMA, monitor municipal budgets and outcomes, analyse in-year reports and take intervention measures to assist municipalities which breach the MFMA. Provincial Treasury has established various units to assist and monitor the municipality. These units specialized in revenue enhancement, assets, accounting standards, and in-year reporting. Through the Munimec meeting and Technical Munimec meetings various municipal issues in the province are discussed to formulate solutions and plans to improve governance and service delivery. These meetings were conducted quarterly during the financial year.
- ❖ COGTA MPUMALANGA – To assist and provide guidance to build clean, effective, efficient, responsive and accountability local government. Strengthen partnerships between local government and communities and ensure municipalities meet its mandate to provide basic services.

# Chapter 2

- ❖ SALGA- is the official representative of local government; an employer's organization for all municipalities, and sits as the employer in the South African Local Government Bargaining Council.

## DISTRICT INTERGOVERNMENTAL STRUCTURES

- ❖ The Gert Sibande District Municipality has a supporting role to play in the planning and coordinating of activities within their boundaries to ensure the provision of services in the district. It is therefore imperative that the capital allocations from the district is based on community needs. These projects are implemented by the district municipality and transferred to the municipality on completion. For the financial year under review projects to the value of R12.997 million were transferred to the municipality.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The following is done by the municipality to ensure widespread and conducive stakeholder participation and accountability:

- ❖ Media such as the local newspapers, ward community meetings, local radio stations, municipal bills, local communicator's forum etc, are utilised to inform communities and stakeholders on Council's activities.
- ❖ All messages/information is conveyed in a language/s understood by the general community.
- ❖ The venues and times for public meetings are well communicated. Furthermore, the municipality ensures that meetings are held at such times that all stakeholders can attend.
- ❖ Adequate time is allowed to community, representatives of organizations and business to report to their relevant forums and make inputs.
- ❖ Council meetings are open to the public and residents are invited to attend. Important documents such as IDP, Budget, Valuation roll etc. are available at all public libraries within the municipal area.
- ❖ Ward committee and ward community monthly and quarterly meetings are convened and serve as a platform for interaction, engagement and sharing of information.
- ❖ Various forums' exists on local, district and provincial level.
- ❖ CDWs act as the link between government and the community

### 2.4 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

On a regular basis, the municipality engages the community at consultation meetings in an endeavor to provide feedback on progress in relation to the level of development and to gather inputs from communities in relation to service delivery needs and to disseminate information on the roles and responsibilities of the municipality.

# Chapter 2

The ward committee structures are used to narrow the gap between the municipality and communities, since ward committees have the knowledge and understanding of the residents and communities they represent. Community Development Workers (CDWs) act as a link between accessing communities in relation to community development initiatives/ programmes.

The IDP forum is constituted by Councillors representatives from business organisations, mining companies, NGOs/ CBOs, government departments, agricultural organizations, parastatal organizations, and stakeholder representatives of unorganized groups. The representatives are given an opportunity to represent community interests and contribute knowledge and ideas, building consensus and support for the planning process itself, and ensuring a broader ownership of the outcomes.

Both the IDP and Multi-year Budget process for the period 2014/15 was open for comment by the public. The documents were available for inspection at all municipal libraries, and the municipal website, [www.dipaleseng.com](http://www.dipaleseng.com)

## **WARD COMMITTEES**

The purpose of the ward committee system is to provide a channel for public participation and general interaction between community and council.

The municipality has an intensive community consultation process that is done at a ward level in line with the community based planning approach. This process stimulates participatory governance by affording community members a fair opportunity to deliberate on issues affecting them in their respective wards. Furthermore, this approach was implemented to inevitably include the local community in decision-making, planning and generally allowing them to play an active part in their own development.

# Chapter 2

## Public Meetings

Table 9: public meetings

PUBLIC MEETINGS						
Nature and purpose of the meeting	Date of the Events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community Members Attending	Issues addressed (Yes/No)	Dates and manner of feedback given to community
Monthly Ward Committee Meeting	Monthly	12	4	As per attendance register[60]	Yes	Feedback given through quarterly ward meetings
Quarterly Ward Consultation Meeting	Quarterly	12	15	As per attendance register	Yes	Feedback given through quarterly ward meetings
Council Meeting	Quarterly	12	15	As per attendance register	Yes	Feedback given through quarterly ward meetings
IDP & Budget Consultation Meeting	Annually	12	15	As per attendance register	Yes	Feedback given through quarterly ward meetings
T 2.4.3						

### Comments on the effectiveness of public meetings:

- Section 16(1) of the Municipal Structures Act, no 32 of 2000 makes a provision for a Municipality to create an opportunity to encourage the local community to participate in municipal matters.
- The Dipaleseng Municipality places more emphasis on public participation to ensure successful engagements with communities, and to ensure that the needs of the communities are responded to and addressed as reflected in the IDP.

# Chapter 2

## 2.5 IDP PARTICIPATION AND ALIGNMENT

Table 10: IDP participation and alignment criteria

IDP Participation and Alignment Criteria*2015/16	Yes/No
Does the municipality have impact, outcome, input indicators?	Yes
Does the IDP have priorities, objective, KPI, 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 KPI's in the strategic plan?	Yes
Do the IDP KPI's align to section 56/57 Managers?	Yes
Do the IDP KPI's lead to functional area KPI as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
*Section 26 of Municipal Systems Act 2000	T 2.5.1

# Chapter 2

## COMPONENT D: CORPORATE GOVERNANCE

### **OVERVIEW OF CORPORATE GOVERNANCE**

The municipality has made great strides in ensuring open, democratic and accountable governance. Working together with all our constituencies, significant advances have been achieved in the realisation of our objective to ensure good governance and sound administration. The establishment of a Municipal Committee on Public Accounts (MPAC), amongst others, bears testimony to this.

### 2.6 RISK MANAGEMENT

A risk register was developed in the June 2015

### 2.7 ANTI-CORRUPTION AND FRAUD

An anti – Corruption and fraud Strategy was developed and adopted by Council on the

### 2.8 SUPPLY CHAIN MANAGEMENT

#### **OVERVIEW SUPPLY CHAIN MANAGEMENT**

The MFMA recognises supply chain management as a crucial component of municipal financial management. The efficiency and effectiveness of the procurement function has a large impact across a municipality. All related policies and legislative requirements were reviewed and updated accordingly. It is the intention of the Finance department in 2014/15 to further entrench these principles to support the effectiveness of this department.

The implementation of Supply Chain Management brings about fundamental changes in the procurement process in the Municipality. The Accounting Officer has appointed bid committees as indicated: Bid Specification, Evaluation and Adjudication Committees legislated in terms of the MFMA to assist in the execution of the supply chain management function.

### 2.9 BY-LAWS

Table 11: New by-laws

By-laws Introduced during 2015/16				
Newly Developed	Date Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	Date of Publication
Spatial Planning and Land use management by-law	n/a	Yes	21 June 2015	22 April 2016

#### **Comment on by-laws:**

**Only one by-laws was developed in the year under review**

### 2.10 WEBSITES

# Chapter 2

**Table 12: Municipality website**

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	No	
All current budget-related policies	No	
The previous annual report (2015/16)	No	
The annual report (2015/16) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2015/16) and resulting scorecards	No	
All service delivery agreements (2015/16)	No	
All long-term borrowing contracts (2015/16)	No	
All supply chain management contracts above a prescribed value (give value) for (2015/16)	No	
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 (2015/16)	No	
Contracts agreed in (2015/16) to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in (2015/16)	No	
All quarterly reports tabled in the council in terms of section 52 (d) during (2015/16)	No	
T2.10.1		

Comment on municipal website content and access:

- During the year under review the website was not fully operational and this challenge is being addressed by the Corporate Services department.
- According to the MFMA S75, the following information must be placed on the website of municipalities:
  - (a) The annual and adjustments budgets and all budget-related documents;
  - (b) all budget-related policies;
  - (c) the annual report;
  - (d) all performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act;
  - (e) all service delivery agreements;
  - (f) all long-term borrowing contracts;
  - (g) all supply chain management contracts above a prescribed value;
  - (h) 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 the previous quarter;
  - (i) contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;
  - (j) public-private partnership agreements referred to in section 120;
  - (k) all quarterly reports tabled in the council in terms of section 52(d); and
  - (l) any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.

# Chapter 2

- A document referred to in subsection (1) must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

No formal satisfaction survey was conducted during the current 2015/16 financial year

Satisfaction Surveys Undertaken during 2016/17				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results indicating satisfaction or better (%)*
<b>Overall satisfaction with:</b>	n/a	n/a	n/a	n/a
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
<b>Satisfaction with:</b>				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Sanitation				
(f) Information supplied by municipality to the public				
(g) Opportunities for consultation on municipal affairs				
				T2.11.2

### Comment on satisfaction levels:

No survey was conducted during the period under review

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

### INTRODUCTION

#### COMPONENT A: BASIC SERVICES

##### INTRODUCTION TO BASIC SERVICES

The provision of basic services to the community determines a person's quality of life, and has a potential to boost socio-economic development. The supply of free basic services to all households remains a challenge for the municipality operating under severe financial constraints. Backlogs have remained high in the delivery of waste management and sanitation as well as water which has been impacted by the current state of existing infrastructure as well as the high number of rural communities and the increasing number of informal settlements. Levels of service delivery provided by the Dipaleseng Local municipality are as follows:

##### **1. Water**

Access to water at the minimum basic level of service is defined as the installation of piped water at the minimum radius of 200m (stand pipe) with the highest level of service relating to full internal house connection.

##### **2. Sanitation**

Access to sanitation at basic level entails the dry sanitation in the form of VIP with ventilated pipe, septic tank system and up to the highest level of service which is the full water borne system.

##### **3. Electricity**

Access to basic service of electricity (lighting) and taking consideration free 50Kw basic service for registered indigents.

##### **4. Roads**

Provision of roads includes gravel roads with proper storm water drainage up to high level of service which is a paved/tarred road with storm water system.

# Chapter 3

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

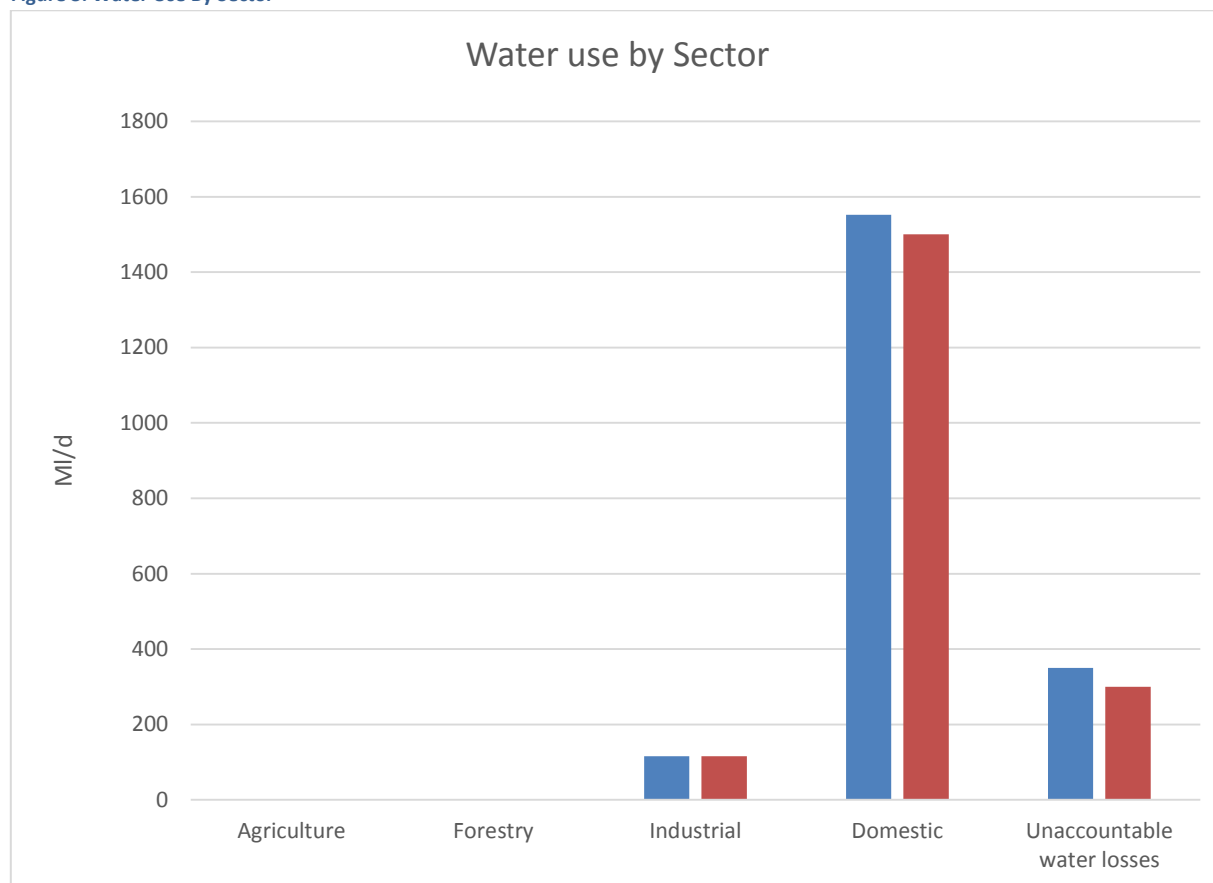
Dipaleseng LM is a Water Service Authority (WSA) as per the Water Act and any planning is being implemented following the Water Service Development Plan (including the Water Demand Management, Water Quality Management, Water Infrastructure Management etc.).

Water Quality is being addressed through Blue Drop System as per DWA Requirements.

Table 13: Total Water Use by Sector

Total Use of Water by Sector (Ml/d)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2015/16	0	0	116	1689	400
2014/15	0	0	116	1555	400
2013/14	0	0	116	1552	350

Figure 3: Water Use By Sector



#### Comment on water use:

The supply is above demand as per the latest SDF in the next 5 yrs and depending on the review.

- 98% (12840) HH with access and 2% (300) HH without access.

# Chapter 3

- The current supply of Fortuna WTW (6.5m/day) is less than the current demand of 16.8 ML/day
- The future demands (2034) is 19.5 ML/day

Table 14: Water Service Delivery Levels

Description	2016/17	2015/16	2014/15
	Actual No.	Actual No.	Actual No.
<b>Water: (above min level)</b>			
Piped water inside dwelling	4857.00	4847.00	4827.00
Piped water inside yard (but not in dwelling)	6350.00	6210.00	5920.00
Using public tap (within 200m from dwelling )	900.00	900.00	560.00
Other water supply (within 200m)			
<i>Minimum Service Level and Above sub-total</i>	12,107	11,957	11380
<i>Minimum Service Level and Above Percentage</i>	90%	90%	88%
<b>Water: (below min level)</b>			
Using public tap (more than 200m from dwelling)	1200	1200	1400
Other water supply (more than 200m from dwelling)			
No water supply	33	33	70
<i>Below Minimum Service Level sub-total</i>	1233	1233	1,470
<i>Below Minimum Service Level Percentage</i>	10%	10%	12%
<b>Total number of households*</b>	<b>13190</b>	<b>13190</b>	<b>12,120</b>
* - To include informal settlements			

Table 15: Water Min Service Delivery Levels

Description	Households - Water Service Delivery Levels below the minimum						
	Households						
	2015/16	2014/15	2013/14	2012/13	2011/12		
	Actual No.	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>							
Total households	12,765	12,638	12,120	11,975	11,580	11,580	11,580
Households below minimum service level	1,443	1,428	1,470	1,540	1,580	1,580	1,580
Proportion of households below minimum service level	11%	11%	12%	13%	14%	14%	14%
<b>Informal Settlements</b>							
Total households	2,573	2,451	1,900	1,700	1,000	1,000	1,000
Households is below minimum service level	1,287	1,225	950	850	500	500	500
Proportion of households is below minimum service level	50%	50%	50%	50%	50%	50%	50%
							T 3.1.4

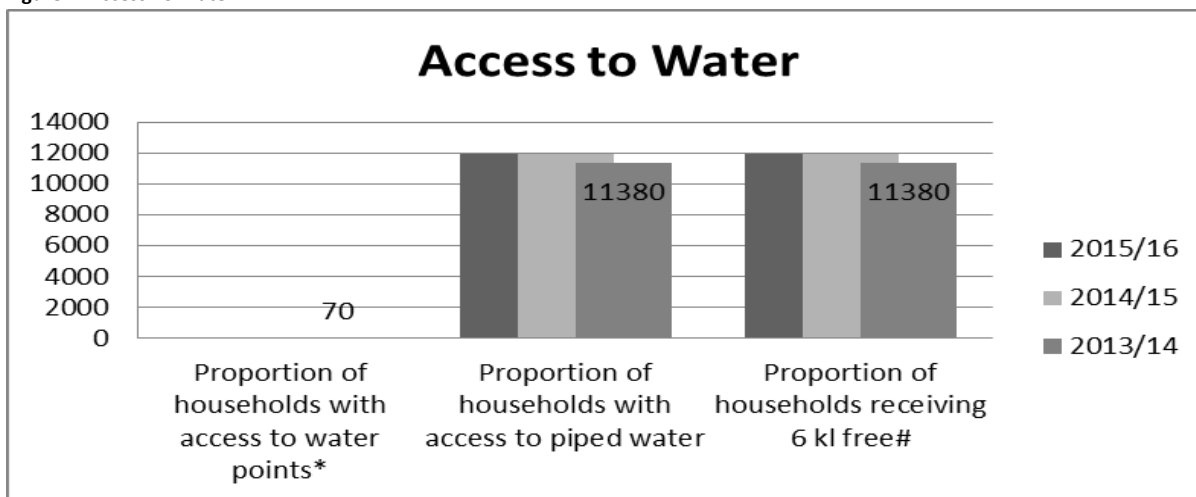
# Chapter 3

Table 16: Access to Water

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2015/16	38	11970	11970
2014/15	33	11957	11957
2013/14	70	11380	11380
T 3.1.5			

\* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 li  
# 6,000 litres of potable water supplied per formal connection per month

Figure 4: Access To Water



# Chapter 3

Table 17: Water Service Delivery Objectives

Water Service Policy Objectives Taken From IDP							
Service Objectives	Category	KPIs	2014/15		2015/16		
Service Indicators (i)	(ii)	(ii)	Target	Actual	Target	Actual	Target *Following Year
<b>Service Objective: Develop and maintain infrastructure</b>							
<b>Water Infrastructure and Services</b>	Formal Households	Percentage household with access minimum basic water supply	89%	95%	100%	95%	100%
	Informal Households	Percentage household with access minimum basic water supply	50%	90%	90%	65%	100%
<b>Clean and safe water provision</b>		Blue drop rating	60%	42%	70%	45%	75%
T3.1.6							

# Chapter 3

Table 18: Employees Water Services

Employees: Water Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	15	4	3	0	0%
7 - 9	15	15	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	15	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	31	31	31	0	0%
T 3.2.7					

# Chapter 3

Table 19: Financial Performance Water service

Financial Performance: Water Services						
R'000						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	15,428	13,462	15,397	16,786	16,259	-3%
Expenditure:						
Employees	1,920	1,883	1,964	1,931	1,983	3%
Repairs and Maintenance	673	1,123	1,291	870	727	-20%
Other	12,908	11,017	11,701	11,777	11,650	-1%
<b>Expenditure</b>	15,501	14,023	14,956	14,578	14,360	-2%
<b>Net Operational Expenditure</b>	-73	-561	441	2,208	1,899	77%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.						T 3.1.8

# Chapter 3

Table 20: Capital Expenditure Water Services

Capital Expenditure Year Water Services					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A	-	-	-	#DIV/0!	
Project B	-	-	-	#DIV/0!	
Project C	-	-	-	#DIV/0!	
Project D	-	-	-	#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.1.9

**Comment on water services performance overall:**

The RBIG project to address water demand is in a Planning Stage.

# Chapter 3

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

#### BALFOUR/SIYATHEMBA

The Balfour sewer system is dependent on septic tank collection where the suction service is a challenge due to the age of the equipment. These impacts on sustainable operational effectiveness. Greylingstad also employs the septic tank system. Siyathemba has full borne water system with the challenges being experienced with respect to blockage which are addressed as they occur.

Table 21: Sanitation Service Delivery Levels

Sanitation Service Delivery Levels				
Description	*Households			
	2015/16	2014/15	2013/14	2012/13
	Outcome No.	Outcome No.	Outcome No.	Outcome No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>				
Flush toilet (connected to sewerage)	9,649	9,649	9649	8000
Flush toilet (with septic tank)	276	276	276	250
Chemical toilet	44	44	44	30
Pit toilet (ventilated)	201	201	201	180
Other toilet provisions (above min.service level)	0	0	0	0
<i>Minimum Service Level and Above sub-total</i>	10,170	10,170	8,460	8,085
<i>Minimum Service Level and Above Percentage</i>	80.1%	80.1%	73.8%	70.7%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>				
Bucket toilet	0	0	0	11
Other toilet provisions (below min.service level)	1750	1750	2200	2400
No toilet provisions	766	766	900	950
<i>Below Minimum Service Level sub-total</i>	3020	3020	3,000	3,350
<i>Below Minimum Service Level Percentage</i>	19.9%	19.9%	26.2%	29.3%
<b>Total households</b>	<b>13190</b>	<b>13190</b>	<b>12694</b>	<b>11,460</b>
<b>*Total number of households including informal settlements</b>				<b>T 3.2.3</b>

# Chapter 3

*N.B: The project for construction of sewer reticulation and construction of toilet top structures could not be completed on time due to late appointment of Contractor.*

**Table 22: Sanitation Min Service Delivery Levels**

Households - Sanitation Service Delivery Levels below the minimum						Households
Description	2015/16	2014/15	2013/14	2010/11		Actual
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	
<b>Formal Settlements</b>						
Total households	10,170	10,170	8,460	7,310	7,310	7,310
Households below minimum service level	2,524	2,524	3,000	3,820	3,820	3,820
Proportion of households below minimum service level	25%	25%	35%	52%	52%	52%
<b>Informal Settlements</b>						
Total households	2,451	2,451	1,900	1,000	1,000	1,000
Households below minimum service level	1,225	1,225	950	500	500	500
Proportion of households below minimum service level	50%	50%	50%	50%	50%	50%
						T 3.2.4

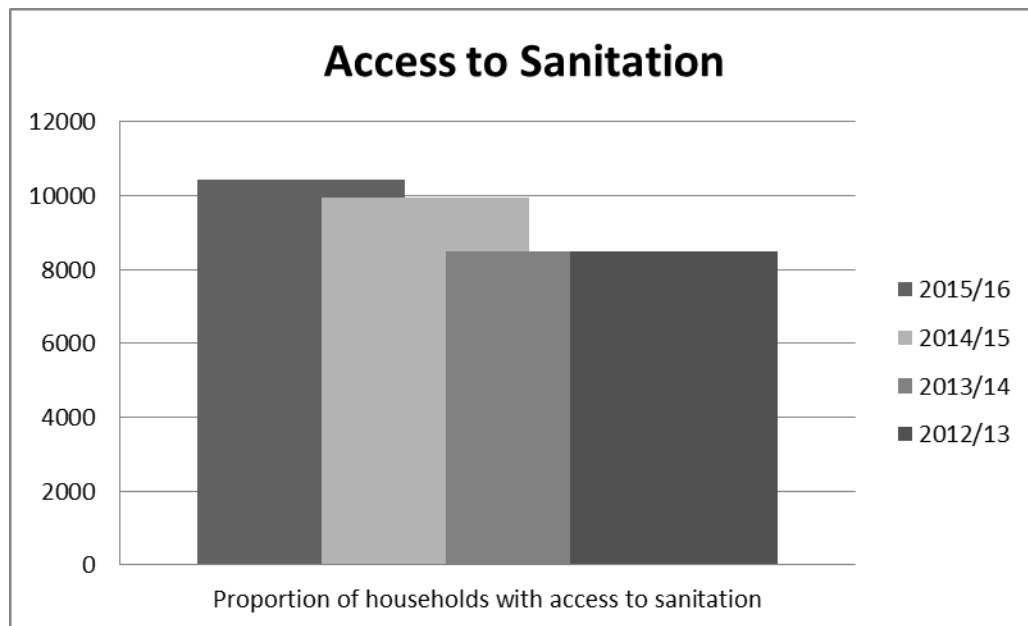
*N.B: The project for construction of sewer reticulation and construction of toilet top structures could not be completed in time due to late appointment of Contractor.*

# Chapter 3

Table 23: Access to Sanitation

Access to Sanitation	
	Proportion of households with access to sanitation
2015/16	10415
2014/15	9946
2013/14	8500
2012/13	8500

Figure 5: Access to Sanitation



# Chapter 3

Table 24: Sanitation Service Delivery Objectives

Waste Water (Sanitation) Service Policy Objectives Taken From IDP							
Service Objectives	Category	KPIs	2014/15		2015/16		
Service Indicators (i)	(ii)	(ii)	Target	Actual	Target	Actual	Target *Following Year
<b>Service Objective: Develop and maintain infrastructure</b>							
<b>Sanitation Infrastructure and Services</b>	Formal Households	Percentage household with access minimum basic sanitation services	90%	83%	90%	83%	85%
	Informal Households	Percentage household with access minimum basic sanitation services	50%	0%	50%	0%	70%
		Green drop rating	60%	35%	60%	35%	75%
T3.2.6							

# Chapter 3

Table 25: Employees Sanitation Levels

Employees: Sanitation Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	15	15	4	0	0%
7 - 9	15	15	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	15	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	31	31	31	0	0%
					T 3.2.7

Table 26: Financial Performance Sanitation

Financial Performance: Sanitation Services						R'000
Details	2013/14	2014/15	2015/16			Variance to Budget
	Actual	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	12,155	12,511	13,148	14,241	14,120	-1%
Expenditure:						
Employees	2,633	2,889	1,523	2,419	2,456	2%
Repairs and Maintenance	2,975	593	111	191	-	#DIV/0!
Other	517	6,583	4,982	5,009	500	-902%
Total Operational Expenditure	6,125	10,065	6,616	7,619	2,956	-158%
Net Operational Expenditure	6,030	2,446	6,532	6,622	11,164	41%
						T 3.2.8

# Chapter 3

Table 27: Capital Expenditure Sanitation Services

Capital Expenditure: Sanitation Services					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	30 000	30 000	20 000	0	48 000
Project A	23 000	23 000	17 000	0	35 000
Project B	13 000	13 000	2 000	0	13 000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.2.9					

**Comment on sanitation services performance overall:**

Access to basic sanitation is at 83% with the main challenge to address the backlogs (sewer connection) being the waste water treatment plant having reached the design capacity in all three nodal areas.

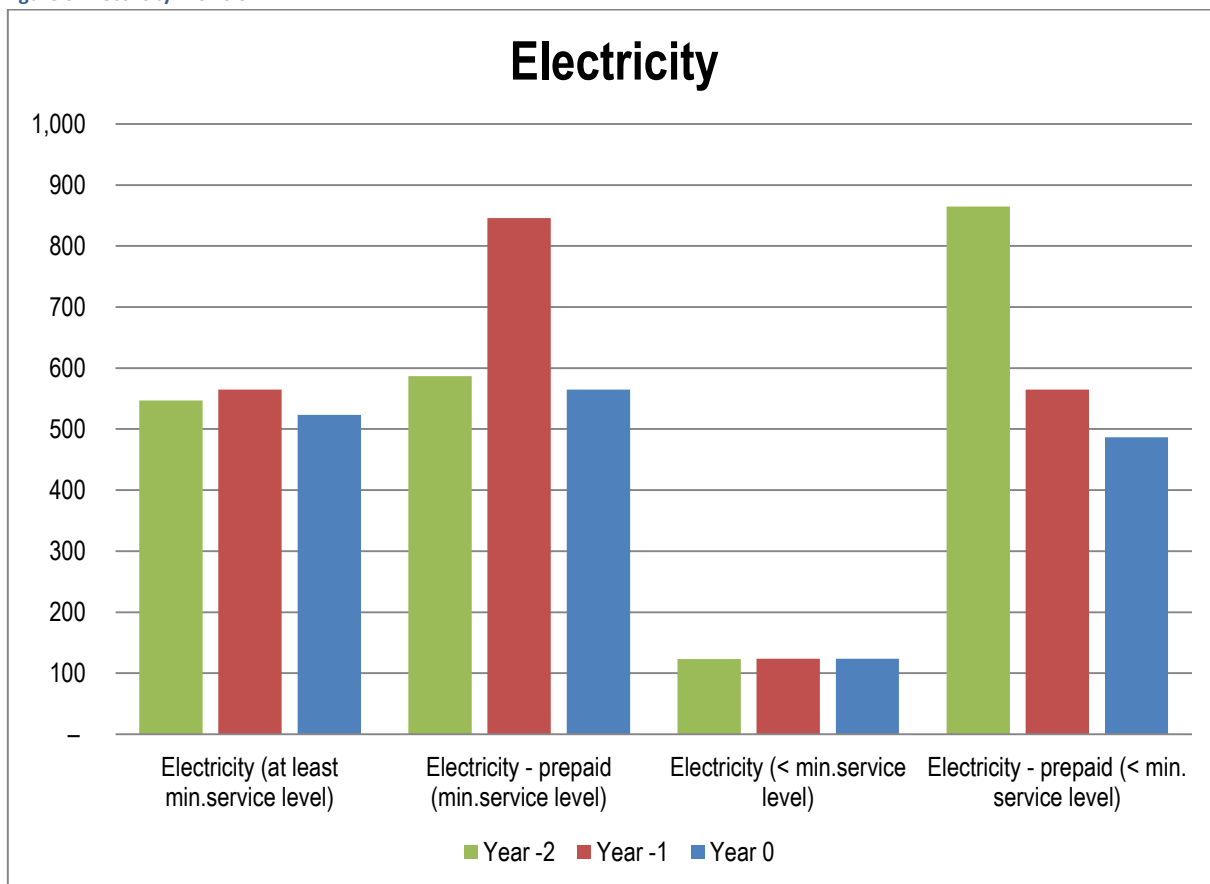
- Grootvlei WWTW: The upgrading of the plant is currently on phase 2 of the implementation. Civil works have been completed in 2015/16, and Mechanical & Electrical Works will commence in 2016/17FY.
- Grootvlei Sewer Reticulation: The project is currently underway and it is on 50% physical progress. The project will service for 450 households.
- Balfour WWTW: The project is on the design stage. The project funded by Department of Water and Sanitation, and the Implementing Agent is Rand Water.
- Greylingstad WWTW: planning stage.

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

Dipaleseng Local municipality has not reached the universal access as per the target set out by the National government. This is due to the existence of informal areas within the DLM.

Figure 6: Electricity Provision



# Chapter 3

Table 28: Electricity Service Delivery Levels

Electricity Service Delivery Levels				
Description	2015/16	2014/15	2013/14	Households 2012/13
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Energy: (above minimum level)</u></b>				
Electricity (at least in-service level)	8,179	8,179	7,500	6,950
Electricity - prepaid (min.service level)	2,322	2,322	1,800	1,300
<i>Minimum Service Level and Above sub-total</i>	10,501	10,501	9,300	8,250
<i>Minimum Service Level and Above Percentage</i>	79.6%	79.6%	78.2%	74.1%
<b><u>Energy: (below minimum level)</u></b>				
Electricity (< min.service level)	2,146	2,146	2,600	2,890
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	2	2	3	3
<i>Below Minimum Service Level Percentage</i>	16.26%	16.26%	21.8%	25.9%
<b>Total number of households</b>	13190	13190	12647	11,900
T 3.3.3				

Table 29: Electricity Min Service Delivery Levels

Households - Electricity Service Delivery Levels below the minimum						
Description	2015/16	2014/15	2013/14	Households 2012/13		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	10,693	10,501	9,300	8,250	8,250	8,250
Households below minimum service level	1443	2,146	2,600	2,890	2,890	2,890
Proportion of households below minimum service level	14%	20%	28%	35%	35%	35%
<b>Informal Settlements</b>						
Total households	1443	2,451	1,900	1,700	1,700	1,700
Households below minimum service level	1443	2,451	1,900	1,700	1,700	1,700
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%
T 3.3.4						

# Chapter 3

Table 30: Electricity Service Delivery Objectives

Electricity Service Policy Objectives Taken From IDP							
Service Objectives	Category	KPIs	2014/15		2015/16		
Service Indicators (i)	(ii)	(ii)	Target	Actual	Target	Actual	Target *Following Year
Service Objective: Develop and maintain infrastructure							
<b>Electricity Infrastructure and Services</b>	Formal Households	Percentage household with access minimum basic electricity services	100%	72%	100%	85%	90%
	Informal Households	Percentage household with access minimum basic electricity services	100%	0%	100%	0%	0%
T3.2.6							

# Chapter 3

**Table 31: Electricity Employee Levels**

Employees: Electricity Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	6	6	6	2.92	49%
7 - 9	9	9	9	2.92	32%
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	1	0	0	0
19 - 20	0	0	0	0	0
Total	16	17	16	5.84	34%
					T 3.3.6

**Table 32: Electricity Financial Performance**

Financial Performance: Electricity Services						
Details	2013/14	2014/15	2015/16			
			Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	37,298	38,250	49,382	54,615	41,789	-18%
Expenditure:						
Employees	1,576	1,823	1,127	1,905	1,994	43%
Repairs and Maintenance	718	2,599	1,893	3,298	5,378	65%
Other	36,844	39,947	34,082	52,553	45,829	26%
Expenditure	39,138	44,369	37,102	57,756	53,201	30%
Expenditure	-1,840	-6,119	12,280	-3,141	-11,412	208%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.						T 3.3.7

# Chapter 3

**Table 33: Electricity Capital Expenditure**

Capital Expenditure : Electricity Services					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	15 100	15 700	8 100	240	1 600
	0				
Project A	1 600	2 200	1 600	240	1 600
Project B	3 000	3 000	1 300	0	0
Project C	6 000	6 000	700	0	0
Project D	4 500	4 500	4 500	0	0
T 3.3.8					

**Comment on electricity services performance overall:**

The project for electrification of 145 Households has been completed (Project A). Project D: Construction of new Balfour Substation budget was fully expended by end of 2015/16FY.

# Chapter 3

## 3.4 WASTE MANAGEMENT

### INTRODUCTION TO WASTE MANAGEMENT

The main functions performed by the Waste Management division comprise of:

- Increase awareness with respect to waste management to ensure compliance to the National Waste Act and National Environmental Management Act
- Ensure that community receive an affordable and sustainable refuse removal service
- Management of the landfill sites in compliance to all relevant legislation
- Litter picking and cleaning all public areas

Waste Management comprises of waste collection, transportation, processing, recycling, disposal and monitoring of waste materials. The municipality is collecting in six wards. 22858 household are formal, 7414 households are informal and 570 are traditional. To offer a refuse collection service to these households is often problematic due to accessibility to the households.

Table 34: Waste Removal Service Delivery Levels

Solid Waste Service Delivery Level				
Description	Households			
	2015/16 Actual No.	2014/15 Actual No.	2013/14 Actual No.	2012/13 Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	9452	11,100	10,100	9,800
<i>Minimum Service Level and Above sub-total</i>	9452	11,100	10,100	9,800
<i>Minimum Service Level and Above percentage</i>	72%	90%	89.2%	88%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week	654	654	547	450
Using communal refuse dump	250	250	230	220
Using own refuse dump	110	110	95	85
Other rubbish disposal	124	124	100	95
No rubbish disposal	399	399	250	230
<i>Below Minimum Service Level sub-total</i>	1,537	1,537	1,222	1,080
<i>Below Minimum Service Level percentage</i>	12.2%	12.2%	10.8%	9.9%
<b>Total number of households</b>	<b>13190</b>	<b>13190</b>	<b>12637</b>	<b>11322</b>
T 3.4.2				

# Chapter 3

Table 35: Solid Waste Removal Min Services Levels

Households - Solid Waste Service Delivery Levels below the minimum							
Description	2014/15	2013/14	2012/13	2010/11			2015/16
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual	Actual
	No.	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>							
Total households	10,501	9,300	8,250	7,050	7,050	7,050	
Households below minimum service level	2,146	2,600	2,890	3,110	3,110	3,110	1,246
Proportion of households below minimum service level	20%	28%	35%	44%	44%	44%	20%
<b>Informal Settlements</b>							
Total households	2,451	1,900	1,700	1,000	1,000	1,000	2,451
Households below minimum service level	2,451	1,900	1,700	1,000	1,000	1,000	2,451
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%	100%

# Chapter 3

Table 36: Waste Management Service Policy Objectives

Service Objectives	Category	KPIs	2013/14		2014/15			2015/16		
			Target	Actual	Target	Actual	Target *Following Year	Target	Actual	Target the following year
(i)	(ii)	(ii)								
Service Objective: Develop and maintain infrastructure										
Waste Management Infrastructure and Services	Formal Households	Percentage household with access minimum basic electricity services	100%	72%	80%	85%	90%	100%	88%	90%
	Informal Households	Percentage household with access minimum basic electricity services	100%	0%	100%	0%	0%	100%	8%	30%
T3.4.4										

Table 37: Solid Waste Management Employees

Employees: Waste Disposal and Other Services						
Job Level	2013/14	2014/15	2015/16			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3						0%
4 - 6						0%
7 - 9						0%
10 - 12						0%
13 - 15						0%
16 - 18						0%
19 - 20						0%
Total	0		0	0	0	0%
						T3.4.6

# Chapter 3

Table 38: Waste Disposal Financial Performance

Financial Performance: Solid Waste Management Services						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Revenue</b>	5,410	6,509	6,748	6,786	6,806	1%
<b>Expenditure:</b>						
Employees	2,853	2,583	1,390	2,369	2,418	43%
Repairs and Maintenance	342	215	114	196	114	0%
Other	436	5,296	3,479	3,370	1,481	-135%
<b>Expenditure</b>	3,631	8,094	4,983	5,935	4,013	-24%
<b>Expenditure</b>	1,779	-1,585	1,765	851	2,793	37%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.4.7

Table 39: Waste Management Services Capital Expenditure

Capital Expenditure: Waste Management Services					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	900	900	0	0%	18000
Project A	900	900	0	0%	18000
T 3.4.9					

Comment on waste management service performance overall:

The municipality has had an increase in the number of households that receive refuse removal service. There has been a decrease in communal/ own refuse dumps and a small increase in the number of households that receive no refuse removal. The number of household that do not receive a refuse removal services are mainly located in rural areas such as farms and informal settlements that are at times not accessible by the Dipaleseng Local Municipality for waste removal service.

Overall the municipality is performing well towards achieving 100% refuse removal services. However there is seldom interruption occurs when there is mechanical breakdown of refuse removal trucks.

# Chapter 3

## 3.5 HOUSING

### INTRODUCTION TO HOUSING

Dipaleseng Local Municipality subscribes to the notion of integrated and sustainable human settlements. Therefore the identification and acquisition of well-located land, adequate access to municipal services, social and economic annuities including transport services continued to be the key determinant to achieve high levels of integration and sustainable human settlements. One of the Department of Human Settlements' areas of responsibility relates to provision of housing subsidies to the needy. A housing subsidy is a grant by government to qualifying beneficiaries for housing purposes.

Table 40: % of H/H with Access to Basic Housing

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2015/16	12700.00	11100.00	87.4%
2014/15	12700.00	11100.00	87.4%
2013/14	12637.00	11027.00	87.3%
2012/13	12322.00	10827.00	87.9%
T 3.5.2			

Table 41: Housing Services Employees

Employees: Housing Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	1	0	0%
4 - 6	2	5	5	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	6	6	0	0%

# Chapter 3

T 3.5.4

Table 42: Housing Services Financial Performance

Financial Performance : Housing Services						
Details	2013/14	2014/15	2015/16			
	Actual		Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-	-	-	-	-	0%
Expenditure:						
Employees	-	-	-	-	-	0%
Repairs and Maintenance	-	-	-	-	-	0%
Other	-	-	-	-	-	0%
<b>Expenditure</b>	-	-	-	-	-	0%
<b>Expenditure</b>	-	-	-	-	-	0%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.5.5

## Overall Comment

The budget for housing services resides at provincial human settlement.

Table 43: Housing Services Capital Expenditure

Capital Expenditure: Housing Services					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	#DIV/0!	
Land for RDP houses	-	-	-	#DIV/0!	13680000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.5.6

Comment on the overall performance of the housing service:

A total of 425 subsidised housing units (RDP) are under implementation in the financial year under review. It must however be noted that 205 units was a rollover from the 2013/14 financial year

Comment on the overall performance of the housing service:

## **Housing Subsidy Allocation**

A total of 425 subsidised housing units (RDP) were implemented in the financial year under review. It must however be noted that 205 units was a rollover from the 2013/14 financial year and finalised in the 2015/16 FY

## **Title deed registration/restoration programme**

It must however be taken into cognisance of a total of 512 title deeds were registered in the 2015/16 financial year for Dipaleseng Local Municipality (first phase of subsidised housing beneficiaries) and were successfully handed over by the MEC: Mpumalanga Dept. of Human Settlements to the former Executive Mayor of Dipaleseng Local Municipality (September 2015)

## **Acquisition of land for development of sustainable integrated human settlements**

The municipality managed to secure a total of approximately 710.593 hectares of tracts of land in the 2014/15-2015/2016 financial years. It should however be noted that the parcels of land are at separate areas, being Balfour and Grootvlei. Following are parcels of land that were identified, negotiated and finally acquired:

- a) Portion 5 (a Portion of Portion 20) of the Farm Vlakfontein 556IR: the farm measures approximately 580.253 hectares (ha) in extent. The land is intended for establishment of integrated human settlements with mixed use zoning.
- b) Portion 28 (a Portion of Portion 20) of the Farm Vlakfontein 556IR: The DoHS has been requested to provide funding for the acquisition of the above-mentioned property whereby Private Developer has been approached to acquire and develop the land on behalf of the Municipality and ensure transfers at a later stage.
- c) Portion 24 (a Portion of Portion 23) of the Farm Grootvlei No. 604-IR: It measures approximately 130.34 hectares (ha) in extent. The purpose intended for the acquired parcel of land is integrated human settlements for which establishment of the cemetery is one of them

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

One of the strategic objectives of the Dipaleseng addresses the upliftment of the socio-economic status of the communities within the municipal area. To ensure that all residents within the community area enjoy quality of life it is essential to monitor poverty levels and initiate programmes to decrease the number of households that are indigent. The review of the indigent register as well as continuous research in depth analysis on the root causes of such poverty is necessary to accurately determine the poverty levels in the community in order to develop strategies to alleviate the poverty levels.

The provision of adequate basic services and municipal infrastructure remains a challenge throughout the municipality.

Table 44: Free Basic Services

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R3010 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
2015/16		18,919	11,998	100%	-	100%	5,064	100%	1,857	100%
2014/15		17,470	11,998	69%	-	0%	5,064	29%	408	2%
2013/14		17,797	11,998	67%	-	0%	5,064	28%	735	4%
2012/13		17,182	11,998	70%	-	0%	5,064	29%	120	1%
2011/12		17,260	11,998	70%	-	0%	5,064	29%	198	1%
T 3.6.3										

Free basic services are:

- Water (6 kilolitres per household per month)
- Sanitation (free minimum service level)
- Refuse Removal (removed at least once per week)

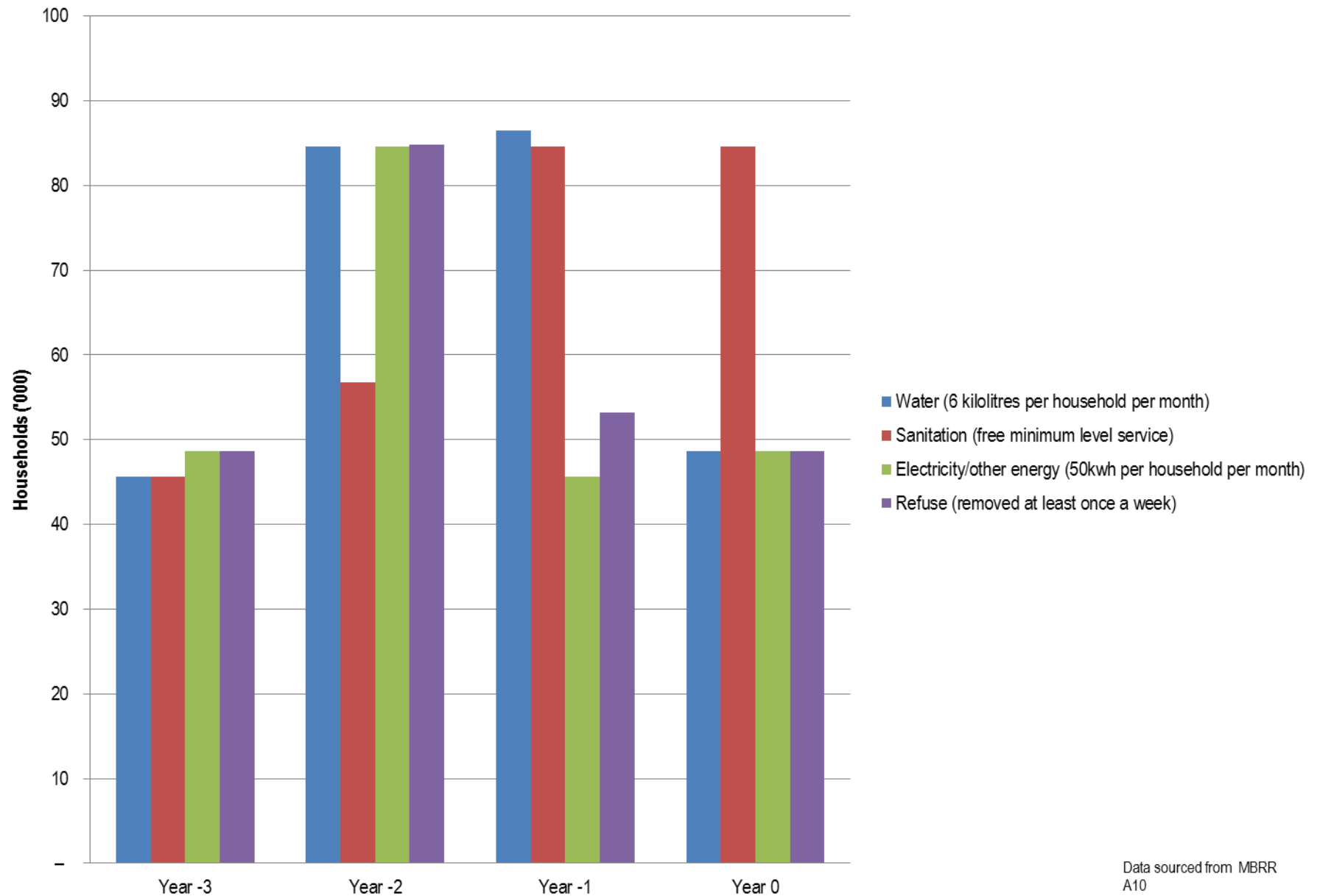
# Chapter 3

Figure 7: Free Basic Household Services

Table 45: Financial Cost for Free Basic Services

Financial Performance: Cost to Municipality of Free Basic Services Delivered						
Services Delivered	2013/14	2014/15	2015/16			
			Budget	Adjustment Budget	Actual	Variance to Budget
Water	418	355	253	435	475	47%
Waste Water (Sanitation)	-	-	-	-	-	0%
Electricity	211	405	164	281	255	36%
Waste Management (Solid Waste)	844	-	-	-	-	0%
Total	1,473	760	417	716	730	43%
						T 3.6.4

## Free Basic Household Services



## COMPONENT B: ROAD TRANSPORT

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

### INTRODUCTION TO ROAD TRANSPORT

#### 3.7 ROADS

##### INTRODUCTION TO ROADS

The roads within DLM range from tarred roads (which are mostly Class D access roads) and gravel to dusty roads which are at the fair to bad state due to budgetary challenges and capacity constraints.

Table 46: Gravel Road Infrastructure

Gravel Road Infrastructure				
	Total gravel roads Gravel roads constructed Gravel roads upgraded to tar	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2015/16	190	0.3km	0.3km	50km
2014/15	<b>187</b>	<b>0.00</b>	<b>2km</b>	<b>25.00</b>
2013/14	121	15	10	30
2012/13	141	20	12	60
2011/11	166	25	14	40
				T 3.7.2

# Chapter 3

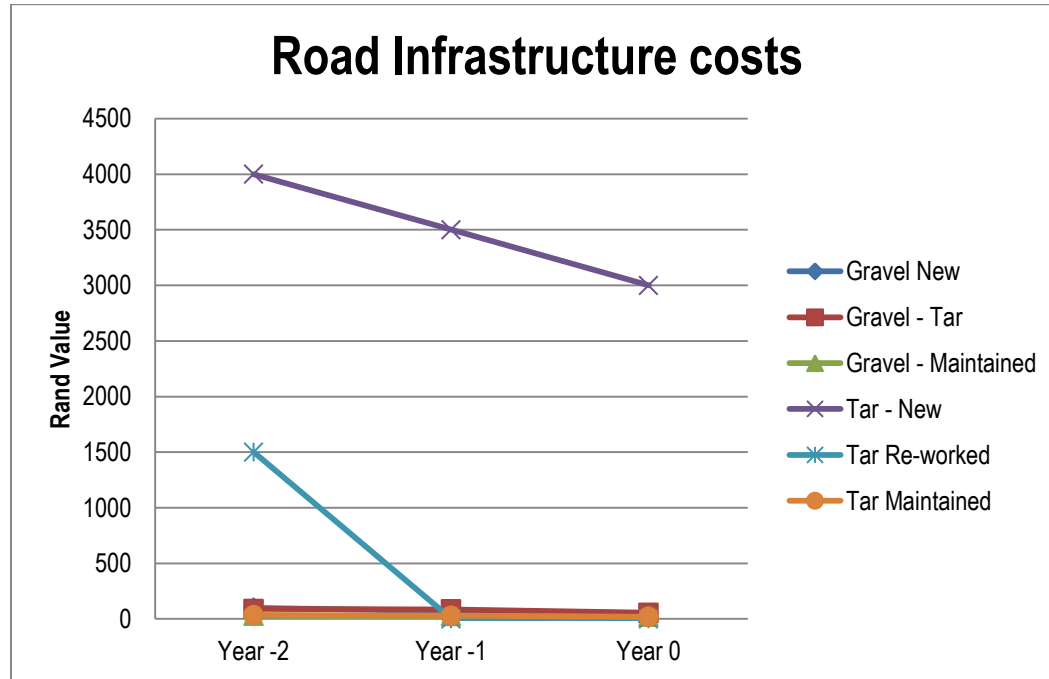
**Table 47: Tarred Roads Infrastructure**

Tarred Road Infrastructure 2015/16					Kilometres
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2015/16	88.6	0.3	0	0	6
2014/15	88	0	0	0	0
2013/14	85	5	5	4	6
2012/13	98	3	6	6	6
					T 3.7.3

**Table 48: Cost of Maintenance**

Cost of Construction/Maintenance 2015/16						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2015/16	0.3	0.3	50	3000	0	50
2014/15	105	95	35	4200	1500	35
2013/14	100	90	30	4000	0	30
2012/13	70	85	25	3500	0	20
						T 3.7.4

Figure 8: Road Infrastructure Cost



# Chapter 3

**Table 49: Roads Service Policy Objectives**[illegible]

# Chapter 3

**Table 50: Road Services Employees**

Employees: Road Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	7	12	12	0	0%
13 - 15	5	10	10	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	12	22	22	0	0%
NB: Information derived from the current orgonogram T3.7.7					

**Table 51: Roads Service Financial Performance**

Financial Performance: Road Services						R'000
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	300	-	-	-	-	0%
<b>Expenditure:</b>						
Employees	2,833	2,893	1,809	3,113	3,120	42%
Repairs and Maintenance	359	776	524	839	208	-152%
Other	394	-	-	-	386	100%
<b>Expenditure</b>	3,586	3,669	2,333	3,952	3,728	37%
<b>Expenditure</b>	-3,286	-3,669	-2,333	-3,952	-3,728	-0
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.7.8

# Chapter 3

Table 52: Road Services Capital Expenditure

Capital Expenditure: Road Services					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3,000.00	5,000.00	-	#DIV/0!	
Project A	3,000.00	5,000.00	-	#DIV/0!	
Project B	-	-	-	#DIV/0!	
Project C	-	-	-	#DIV/0!	
Project D	-	-	-	#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.7.9

Comment on the performance of roads overall:

None.

# Chapter 3

## 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

### INTRODUCTION TO TRANSPORT

Not applicable to this municipality.

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

The storm water system within DLM is mostly natural open storm water system which does not have the capacity to handle or channel the run off during rainy seasons.

Table 53: Storm Water Infrastructure

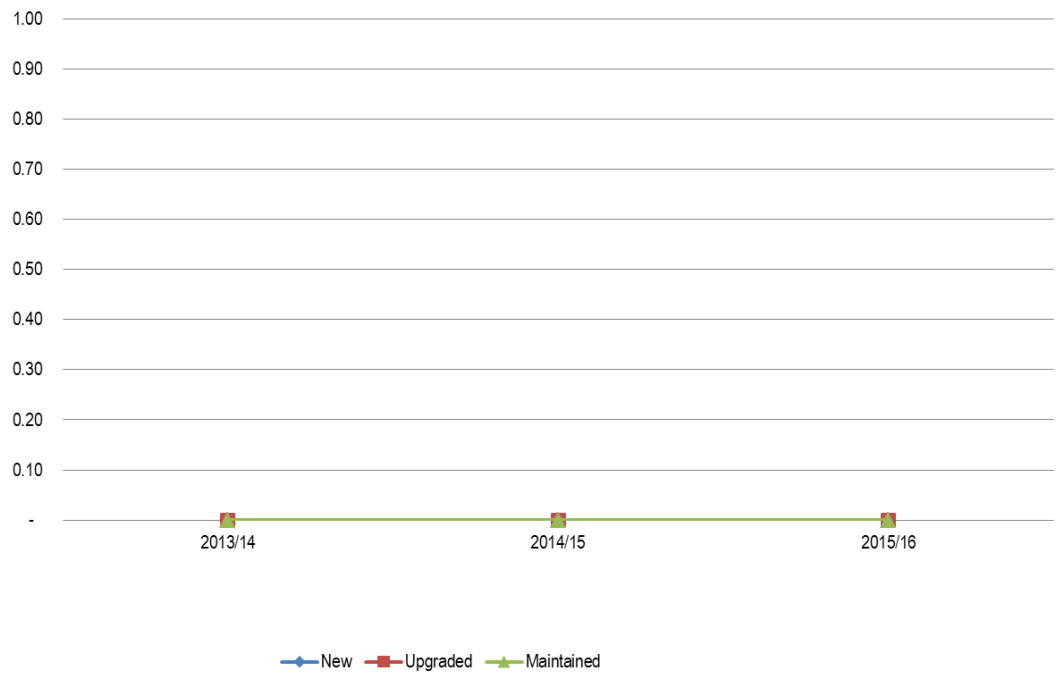
Storm water Infrastructure				Kilometres
	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
2015/16	110	0	0	10
2014/15	110	0	0	10
2013/14	105	5	5	5
2012/13	111	6	6	6
2011/12	114	7	7	7
				T 3.9.2

Table 54: Storm Water Construction/Maintenance Costs

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
2013/14	-	-	-	
2014/15	-	-	-	
2015/16	-	-	-	
				T 3.9.3

Figure 9: Storm water Infrastructure Cost

## Stormwater infrastructure costs



# Chapter 3

Table 55: Storm Water Service Policy Objectives

Stormwater Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Development of fully integrated stormwater management systems including wetlands and natural water courses	Phasing in of systems	Strategy approval (Yes/No); Timescale 2 yrs	Strategy approval (/No)	Strategy approval (Yes/No); Timescale 2 yrs	Strategy approval (/No)	Strategy approval (/No)	Strategy approval (/No)	Completion Yes	Reviewal
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T 3.9.5									

## Comment on the storm water tables

Storm Water tables relating to Employees, Financial Performance and Capital Expenditure included with Roads

## COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT

### INTRODUCTION TO PLANNING AND ECONOMIC DEVELOPMENT

The vision of the Department is to ensure integrated spatial planning, sustainable land use management and stimulation of economic development through:

- Exploiting existing economic potential of the Dipaleseng.
- Providing a framework for spatial planning and land use management.
- Establishment of safe and sustainable human settlements

#### 3.10 PLANNING

### INTRODUCTION TO PLANNING

The purpose of the unit is to Regulate, manage and promote well-coordinated spatial planning with focus on integration, redress and reversing undesirable settlement growth patterns. The municipality needs qualified town and regional planners to carry out the duties as set out by the Spatial Planning and Land use Management Act, Act 16 of 2013

The aim is to further manage Building Control within the entire jurisdiction of the Dipaleseng Municipal boundaries with the emphasis on the application of the Act on National Building Regulations and enforcement of the Act respectively.

Table 56: Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning (all planning application)		Built Environment (building plans)	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Planning application received	0	0	16	16	52	100%
Determination made in year of receipt	0	0	16	16	52	100%
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	1	0	0	1
Applications outstanding at year end	0	0	0	0	0	0
						T 3.10.2

# Chapter 3

Table 57: Planning Policy Objectives

Service Objectives <i>Service Indicators</i>	Outline Service Targets	2012/13		2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Determine planning applications within an agreed timeframe	Approval / rejection of all built environment applications	N/A	N/A	N/A	N/A	16	52	100%	100%
	Reduce decisions overturned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

T3.10.3

# Chapter 3

Table 58: Planning Services Employees

Employees: Planning Services					
Job Level	Year -2014/15	Year 2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	1	1	50%!
4 - 6	1	2	1	1	50%
7 - 9	0	0	0	0	0%!
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%!
16 - 18	0	0	0	0	0%!
19 - 20	0	0	0	0	0%
Total	2	4	2	2	50%

Table 59: Planning Services Financial Performance

Financial Performance: Planning Services						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Revenue	-	-	-	-	-	0%
Expenditure:						
Employees	2,596	2,958	1,601	2,744	2,727	-1%
Repairs and Maintenance	-	-	-	-	-	0%
Other	115	165	72	145	95	-53%
Expenditure	2,711	3,123	1,673	2,889	2,825	-2%
Expenditure	-2,711	-3,123	-1,673	-2,889	-2,825	-2%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.10.5

# Chapter 3

Table 60: Planning Services Capital Expenditure

Capital Expenditure: Planning Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
	0				
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.10.6

## Comment on the performance of physical planning overall:

The section provides the statutory town planning applications received in the 2015/2016 financial year. These applications are assessed and/or reviewed then tabled before Mayoral Committee and Council for approval. It should further be noted that any number of planning applications received are assessed and approved accordingly. In the financial year under review a total of 16 town planning applications and 41 building plans/permit were assessed respectively.

# Chapter 3

## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development (LED) within the Municipality aims at meeting the basic needs of people through establishment a conducive environment that will create jobs and alleviate poverty in a sustainable manner. This is achieved through a collaborated effort for which the Local Economic Development Forum (LEDF) is a driver to the success. LEDF therefore offers local government, the private sector, Non-Profit Organisations and local community the opportunity to work together to improve the local economy through investment attraction and retention initiatives; and Local Economic Development (LED) catalytic project implementation.

**Table 61: Economic Activity by Sector**

Economic Activity by Sector			
			R '000
Sector	Year -2	Year -1	Year 0
Agric, forestry and fishing	n/a	n/a	n/a
Mining and quarrying	n/a	n/a	n/a
Manufacturing	n/a	n/a	n/a
Wholesale and retail trade	n/a	n/a	n/a
Finance, property, etc.	n/a	n/a	n/a
Govt, community and social services	n/a	n/a	n/a
Infrastructure services	15 000 000	15 000	15 000 000
Total	15 000 000	15 000 000	15 000 000
			T 3.11.2

**Table 62: Economic Employment by Sector**

Economic Employment by Sector			
			Jobs
Sector	Year 1 No.	Year -1 No.	Year 0 No.
Agric, forestry and fishing	n/a		
Mining and quarrying	n/a		
Manufacturing	n/a		
Wholesale and retail trade	n/a		
Finance, property, etc.	n/a		
Govt, community and social services	n/a		
Infrastructure services	n/a		
Total	0	0	0
			T 3.11.3

#### Comment on local job opportunities:

There are limited local job opportunities due to few economic activities happening within the municipal jurisdiction. Furthermore the municipal policies are not pro-local in the sense that they favour use of local businesses, services and goods.

# Chapter 3

Since resuscitation of the LEDF in 2014 it has been maintaining its consistent quarterly sittings; and working groups as per identified pillars in the LED strategy also active. Nonetheless, implementation of the summit resolutions (which aimed at facilitating implementation of the LED Strategy) has never been satisfactory due to inadequate capacity in the LED Unit to coordinate and monitor implementation of proposed activities.

The Municipality facilitates Creation of job opportunities and promotion of poverty alleviation strategies to ensure sustainable livelihoods, and Compilation of register for job opportunities created. There are Temporary labour intensive job opportunities created through various projects and government initiatives (EPWP programmes) running within the municipal jurisdiction.

There is further facilitation and coordination of workshops and trainings for different economic related topics with other departments to empower local SMME's (at least to per quarter. The Municipality is playing a connector role in respect of LED through seeking support from different government instruments (support of the Sector Education and Training Authorities (SETAs); and non-governmental backing initiatives that municipalities can tap into for resources e.g Sasol, Eskom etc. to address skills development

SMME data base developed and being submitted to major businesses upon request for subcontracting and supply and delivery of services as and when required.

# Chapter 3

Table 63: Jobs Created by LED Indicatives

Jobs Created during by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -2	904	0	0	0
Year -1	0	0	0	0
Year 0	0	0	0	0
Initiative A (Year 0)	0	0.00	0.00	0.00
Initiative B (Year 0)	0.00	0.00	0.00	0.00
Initiative C (Year 0)	0.00	0.00	0.00	0.00
				T 3.11.5

Table 64: Jobs Created by EPWP Indicatives

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2015/16	3	691
2014/15	5	70
2013/14	5	175
2012/13	4	162
* - Extended Public Works Programme	T 3.11.6	

# Chapter 3

Table 65: LED Policy Objectives

Local Economic Development Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14		2014/15		2015/16
<i>Service Indicators</i>		Target	Actual	Target	Actual	Target	Actual	Target	Actual	*Following Year
<b>Service Objective: Local Economic Development</b>										
Job Creation	No of people trained	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0
										T3.11.7
<i>Source: Automated Performance Management System</i>										

# Chapter 3

Table 66: LED Employees

Employees: Local Economic Development Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	5	1	4	80%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	5	1	4	80%

Table 67: LED Financial Performance

Financial Performance Year: Local Economic Development Services						R'000
Details	2012/13	2013/14	2014/15			Variance to Budget
	Actual	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	0		0	0	0	#DIV/0!
Expenditure:						
Employees						#DIV/0!
Repairs and Maintenance						#DIV/0!
Other						#DIV/0!
Expenditure	0		0	0	0	#DIV/0!
Expenditure	0		0	0	0	#DIV/0!
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.11.9

# Chapter 3

Table 68: LED Capital Expenditure

Capital Expenditure: Economic Development Services					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.11.10

## Comment on local economic development performance overall:

There is insignificant change in LED. The Municipality still struggles to implement the LED strategy due to financial constraints coupled with lack of capacity. There needs to be a more strategic approach to the development of local economies and overcome challenges we are facing; and to support local economies to realise their optimal potential and make local communities active participants in the economy of our region.

# Chapter 3

## COMPONENT D: COMMUNITY& SOCIAL SERVICES

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

### **INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES**

The Community Services and Public Safety Directorate is responsible for the coordination and implementation of traffic and licensing, waste management, libraries, disaster management, fire and rescue, parks, cemeteries, open spaces, hall and sporting faculties.

Re. environmental health practioners (EHP) employees: the service is provided by the Gert Sibande District Municipality.

## 3.12 LIBRARIES; COMMUNITY FACILITIES; OTHER

### **INTRODUCTION TO LIBRARIES; COMMUNITY FACILITIES**

The main function of the library services division is as follows:

- Ensures that the community receives free access to information
- Conducts awareness to crèches, schools

The Municipality has three libraries, one in Balfour, Grootvlei and the other facility in Nthorwane. They all operate on a full-time basis.

The municipality operates and maintains four (4) community halls in each of the following areas:

- Nthorwane
- Balfour
- Siyathemba
- Grootvlei

In the new financial year of 2015/16an additional facility will be handed over to the municipality by the GSDM; presently their responsibility.

With respect to municipal buildings the division ensures that

- The municipal buildings are well maintained
- bookings of halls
- cleaning of halls

# Chapter 3

Table 69: Libraries Policy Objectives

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i>	Outline Service Targets	2015/16		2014/15		2013/14		2012/13	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Objective: Improve community well-being									
Community Upliftment	Provision of Libraries	3	1	2	2	2	2	3	3
T3. 12.3									

# Chapter 3

Table 70: Libraries Employees

Employees: Libraries and Community Facilities					
Job Level	2015/16	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	1	0	0	0	
7 - 9	1	1	4	2	25%
10 - 12	0	0	0	0	0%
13 - 15	1	0	0	1	50%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	3	1	4	3	27.3%

\*Three permanent employees, one contract (DCSR) and two interns (DCSR).

Table 71: Libraries Employees

Financial Performance: Libraries and Community Facilities						R'000
Details	2015/16		2014/15			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	5,832	1,945	1,393	7,684	9,969	86%
Expenditure:	-	-	-	-	-	
Employees	450,000	450,000	467,000	451,000	463,725	-1%
Repairs and Maintenance	-	-	-	-	-	0%
Other	-	-	-	-	-	0%
Expenditure	450,000	450,000	467,000	451,000	463,725	-1%
Expenditure	444,168	448,055	465,607	443,316	453,756	-3%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.12.5

# Chapter 3

Table 72: Libraries Capital Expenditure

Capital Expenditure: Libraries and Community Facilities;					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.12.6

## Comment on the performance of libraries;

No capital expenditure was experienced in the year under review.

## 3.13 CEMETERIES AND CREMATORIALS

### INTRODUCTION TO CEMETERIES AND CREMATORIALS

It is noted that the division of powers and functions between the district municipality and local municipalities were adjusted by the MEC for Local Government and Housing in terms of sections 16 and 85 of the Municipal Structures Act, 1998, and published in the Provincial Gazette No. 878, dated 07 March 2003. Some district municipal powers and functions were thus transferred to local municipalities, including that of the establishment, conduct and control of cemeteries and crematoria serving the municipal area.

The policy objective with respect to cemeteries is to maintain existing facilities and acquire suitable land in 2015/16 to construct an additional one. No permanent staff's are employed.

From an operational viewpoint the division is responsible for the management of the cemeteries under its control.

# Chapter 3

Table 73: Cemeteries Financial Performance

Financial Performance: Cemeteries and Crematoriums						
R'000						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational</b>	145	107	104	143	138	-4%
Expenditure:						
Employees	19	49	46	79	82	4%
Repairs and Maintenance	-	-	-	-	-	0%
Other	28	10	3	7	4	-75%
<b>Total Operational</b>	47	59	49	86	86	0%
<b>Net Operational</b>	98	48	55	57	52	-10%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.13.5

Table 74: Cemeteries Capital Expenditure

Capital Expenditure: Cemeteries					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	0	
Project A	-	-	-	0	
Project B	-	-	-	0	
Project C	-	-	-	0	
Project D	-	-	-	0	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.13.6

## Comment on the performance of cemeteries and crematoriums overall:

No further comment is to be made for the period under review other than to reiterate that the policy objective with respect to cemeteries was to maintain existing facilities.

## 3.14 CHILDCARE; AGED CARE; SOCIAL PROGRAMMES

### **INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

The municipality did not conduct any programmes in the current year due to financial constraints.

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

### **INTRODUCTION TO ENVIRONMENTAL PROTECTION**

Environmental protection comprises of human health, including the quality of life, determined by physical biological social and psych-social factors in the environment. It also refers to the theory and practice of ascertaining correcting; controlling and preventing those factors in the environment can have adverse effects to the health of people.

Services provided by the GSDM include the monitoring of all business sites as well as the following:

- Ensure compliance with the Act
- Conduct awareness campaigns
- Monitor municipal infrastructure e.g. water, spillages, etc.

### 3.15 POLLUTION CONTROL

#### **INTRODUCTION TO POLLUTION CONTROL**

Environmental protection is the practice of protecting the natural environment. Dipaleseng Local Municipality has an air monitoring station and water sampling is done on a monthly basis to ensure that the community receives water that meets the standards of the National Water Act. These roles and responsibility for pollution control is provided by the District municipality of GSDM Environmental Health Practitioners (EHP) whose duties include the following:

- Increase awareness to ensure compliance to the National Health Act
- Ensure compliance to Air Quality Standard by taking reading and monitoring the air quality station on a monthly basis
- Ensure compliance to water quality standard for the community to receive good and healthy water

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

### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The municipality has currently no capacity to implement a Bio-Diversity programme.

Table 75: Biodiversity, Landscape and Other Policy Objectives

Bio-Diversity; Landscape and Other Policy Objectives Taken From IDP									
Service Objectives	Outline Service	2015/16		2014/15		2013/14		2012/13	
Service Indicators	Targets	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Objective: Improve community well-being									
SDBIP Indicators:									
	Provide safe, healthy and sustainable environment	NA	NA	NA	NA	NA	NA	NA	NA
It is not the competency of the Municipality .									
									T3. 16.3

# Chapter 3

**Table 76: Parks and Recreation Employees**

Parks and recreation					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%

**Table 77: Parks and Recreation Financial Performance**

Financial Performance: Parks and Recreation						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-	-	-	-	-	0%
Expenditure:						
Employees	335,433	285,498	307,403	219,308	182,793	-20%
Repairs and Maintenance			-	-	-	0%
Other	-	-	-	-	-	0%
<b>Expenditure</b>	335,433	285,498	307,403	219,308	182,793	-20%
<b>Expenditure</b>	-335,433	-285,498	-307,403	-219,308	-182,793	-20%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.16.5

**Table 78: Parks and Recreation Capital Expenditure**

Capital Expenditure: Parks and recreation					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1426	1426	1426	0%	
Project A	1426	0	1426	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0

# Chapter 3

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.*

T 3.16.6

## Comment on the performance of parks and recreation overall:

The division provides services with respect to the following components:

- Ensure that all parks, sport facilities, taxi ranks, streets are clean and well maintained
- Monitoring and maintaining of the parks and recreation
- Development of both children play parks and adults parks

The Municipality has currently developed 7 children parks. The department has achieved its yearly target of developing 2 parks per year.

The Department is currently experiencing challenges with the municipal sport facilities that need renovation and upgrading.

## COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

### **INTRODUCTION TO HEALTH**

Municipal Health service is the competence of the District Municipality. Gert Sibande District Municipality has deployed one Environmental Health Practitioner (EHP) to assist with Environmental Health Services within Dipaleseng Local Municipality

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### 3.17 CLINICS

#### **INTRODUCTION TO CLINICS**

The province has assumed all responsibility in the municipal district for the provision of health-care related services such as clinics, ambulance services etc.

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### 3.18 AMBULANCE SERVICES

#### **INTRODUCTION TO AMBULANCE SERVICES**

Not applicable to this municipality responsibility with Province

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### 3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

Not a core functions of the municipality. This function is performed by the District Municipality.

# Chapter 3

## COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

### INTRODUCTION TO SECURITY AND SAFETY

#### 3.20 TRAFFIC

##### INTRODUCTION TO TRAFFIC

The main function performed by this division is as follows:

- Increase awareness and enforcement of traffic and transport rules and regulations
- Manage the delivery of effective and efficient traffic control and motor vehicle licensing services

Table 79: Traffic Statistics

Municipal Traffic Service Data		
	Details	2015/16
		Actual No.
1	Number of road traffic accidents during the year	715
2	Number of by-law infringements attended	0
3	Number of traffic officers in the field on an average day	2
4	Number of traffic officers on duty on an average day	5

##### Comments on traffic enforcement:

The traffic performance has been hampered by the departure of two traffic officers. We are left with two officers which makes it difficult for us cover all areas for law enforcement.

# Chapter 3

## 3.21 FIRE

### INTRODUCTION TO FIRE SERVICES

The division promotes and Increases awareness to ensure compliance to Disaster Management Act.

The Fire and Rescue Services have personnel strength of two (2) staff members, both fire fighters. This has subsequently been augmented in 14/15 with the appointment of a Senior Fire Officer as well as another five (5) fighters. The service is operational on a 24-hour basis. The Division respond to all Emergency incidents, which include fires, vehicle collisions, entrapments/rescues and various other related special services. The service strives to respond to all emergency calls during operational hours within a ten (10) minute timeframe from receipt of call to dispatch of the vehicles; currently the goal is to have 80% compliance as a benchmark. The focus of the service will change from a response outlook to that of a preventative nature. During the forthcoming 14/15 financial year various school talks will be conducted by the fire fighters and additional education programs are in the planning phase to include rural settlements also. Data for the past years is not available due to facility only becoming fully functional in due course.

Table 80: Fire Service Statistics

Municipal Fire Service Data				
	Details	Year 2013/14	Year 2014/15	Year 2015/16
		Actual No.	Actual No.	Actual No.
#	Total Fires attended in the year	90	100	20
#	Total of other incidents attended in the year	56	85	60
#	Average turnout time- urban areas	15min	15min	15min
#	Average turnout time-rural areas	30min	30min	30min
#	Fire fighters in post at year end	7	6	6
#	Total fire appliances year end	2	2	2
#	Average number of appliance of the road during the year	2	2	2

# Chapter 3

Table 81: Fire Services Policy Objectives

Fire Service Policy Objectives Taken From IDP											
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14		2014/15		2015/16	
<i>Service Indicators</i>		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Objective: Improve community well-being (Safety and Security)											
Response time	Prevent loss of lives through response time to fires.	100%	50%	100%	50%	100%	55%	100%	60%	100%	60%
										T3. 21.3	

# Chapter 3

**Table 82: Fire Services Employees**

Employees: Fire Services					
Job Level	Year 2014/15	Year 2015/16			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3	0	0	1	0	0
4 - 6	0	0	0	0	0
7 - 9	6	7	6	6	45%
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0

**Table 83: Fire Services Financial Performance**

Financial Performance: Fire Services						R'000
Details	Year 2013/14	Year 2014/15	Year 2015/16			Variance to Budget
	Actual	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	-	-	-	-	-	0
Expenditure:						
Fire fighters	-	-	-	-	-	
Other employees						0
Repairs and Maintenance	-	-	-	-	-	0
Other	-	-	-	-	-	0
<b>Expenditure</b>	-	-	-	-	-	0
<b>Expenditure</b>	-	-	-	-	-	0
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.21.5

# Chapter 3

Table 84: Fire Services Capital Expenditure

Capital Expenditure: Fire Services					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.21.6

## Comment on the performance of fire services overall:

The facility will only become fully functional in 2015/16 and 2016/17 financial years.

## 3.22 DISASTER MANAGEMENT

### INTRODUCTION TO DISASTER MANAGEMENT

This is not a core function of the municipality as the district is responsible for the operation and funding of the disaster centre within the municipality

# Chapter 3

Table 85: Disaster Management Policy Objectives

Disaster Management Policy Objectives Taken From IDP											
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14		2014/15		2015/16	
Service Indicators		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Objective: Improve community well-being (Disaster Management)											
SDBIP Indicators:											
To develop and implement a comprehensive Disaster Management programme	Functional Disaster Management Centre	100%	0%	100%	0%	100%	0%	100%	0%	100%	100%
										T3.22.3	

# Chapter 3

**Table 86: Disaster Management Employees**

Employees: Disaster Management Etc					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	0	0	0

N.B.: This function is performed at the District level

**Table 87: Disaster Management Financial Performance**

Financial Performance Year: Disaster Management Etc						R'000
Details	2013/14	2014/15	2015/16			Variance to Budget
	Actual	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	-		-	-	-	0
Expenditure:						
Employees	-		-	-	-	0
Repairs and Maintenance	-		-	-	-	0
Other	-		-	-	-	0
<b>Expenditure</b>	-		-	-	-	0
<b>Expenditure</b>	-		-	-	-	0
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.22.5

# Chapter 3

Table 88: Disaster Management Capital Expenditure

Capital Expenditure: Disaster Management					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.22.6

Comment on the performance of disaster management:

This function is the responsibility of Gert Sibande District municipality

## COMPONENT H: SPORT AND RECREATION

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

### 3.23 SPORT AND RECREATION

#### **INTRODUCTION TO SPORT AND RECREATION**

The municipality has no post budgeted to provide services in this regard and currently the appointed Youth Officer assumes responsibility for any ad hoc initiatives that are implemented.

# Chapter 3

Table 89: S&R Policy Objectives

Sports and Recreation Policy Objectives Taken From IDP										
Service Objectives <i>Service Indicators</i>	Outline Service Targets	2011/12		2012/13		2013/14		2014/15		2015/16
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Actual
Service Objective: Improve community well-being (Sport, Arts and Culture)										
Community Development and cohesion		Na/	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
										T3. 23.2

# Chapter 3

Table 90: S&R Employees

Employees: Sport and Recreation					
Job Level	2013/14	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	0	0	0

# Chapter 3

Table 91: S&R Financial Performance

Financial Performance: Parks and Recreation						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational</b>	-	-	-	-	-	0%
Expenditure:						
Employees	219	285	126	219	183	-20%
Repairs and Maintenance			-	-	-	0%
Other	117	-	-	-	-	0%
<b>Total Operational</b>	336	336	126	219	183	-20%
<b>Net Operational</b>	-336	-336	-126	-219	-183	-20%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.16.5

# Chapter 3

Table 92: S&R Capital Expenditure

Capital Expenditure: Sport and Recreation					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.23.5

Comment on the performance of sport and recreation overall:

Please refer to earlier comment.

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### **INTRODUCTION TO CORPORATE POLICY OFFICES**

The Office of the Municipal Manager is responsible for Good Corporate Governance and Public Participation; the Finance Department is responsible for financial management and administration; the Corporate Services Department is responsible for general administration, human resources management, ICT as well as committee secretarial support, whilst the Planning and Development Department administers land-use management and stimulation of economic development; and Community Services and Public Safety administers waste management, emergency services and council properties.

## 3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councillors; and municipal manager).

### **INTRODUCTION TO EXECUTIVE AND COUNCIL**

The Mayoral Committee held twelve (12) meetings and made decisions on matters delegated to it and report to Council which held four (4) meetings which included approval of the Budget, IDP Review, Auditor General's Report and Annual Report. Several Special Council and Mayoral Committee meetings were held as detailed in the following table. However, cognizance should be given to the fact that there are certain urgent issues that necessitated council and Mayoral committee respectively to convene and deliberate on those issues.

# Chapter 3

Table 93: Mayoral, Council and Special Meetings

Table 94: Exec and Council Policy Objectives

Executive and Council Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i>	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
		Meetings Convened by Mayoral Committee					
		Democratic and accountable organisation					
Good Governance and Community Participation	Cooperative and Democratic Governance, number of meetings	12	12	15	12	11	16
		Meetings Convened by Council					
		2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
		4	18	4		4	13
						T3. 24.3	

# Chapter 3

Table 95: Exec and Council Employees

Employees: The Executive and Council					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	7	3	4	57,1%
4 - 6	0	4	2	2	50%
7 - 9	0	1	1	0	0%
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	12	12	5	6	58%

Table 96: Exec and Council Financial Performance

Financial Performance: The Executive and Council						R'000
Details	2013/14	2014/15	2015/16			Variance to Budget
	Actual	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational</b>	42,473	48,823	37,478	37,490	52,693	29%
Expenditure:						0%
Employees	5,967	5,038	2,979	5,107	5,022	41%
Repairs and Maintenance	-	-	-	-	-	0%
Community Participation	1,728	1,713	2,491	3,243	38,893	0%
<b>Total Operational</b>	7,695	6,751	5,470	8,350	43,921	88%
<b>Net Operational</b>	34,778	42,072	32,008	29,140	8,772	-265%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.24.5

## Comment on the performance of the executive and council

The Mayoral Committee held ten (10) meetings and made decisions on matters delegated to it and report to Council which held four (4) meetings which included approval of the Budget, IDP Review, Auditor General's Report and Annual Report.

# Chapter 3

## 3.25 FINANCIAL SERVICES

### **INTRODUCTION FINANCIAL SERVICES**

The Department Financial Services is responsible for the delivery of all financial-related services to the Municipality.

This includes the following:

- Financial guidance.
- Budget, financial statements and related aspects.
- Expenditure management, which includes salaries and wages.
- Income and account services.
- Supply chain management services

The aim of this Department is to keep the financial position of the Municipality stable and to ensure that it will continue to being able to not only meeting its financial commitments but to ensure that economically viable services are rendered to the community on an effective and efficient manner. To maintain the present high standard of financial services the Municipality must adhere to many acts and other legal prescripts, policies, regulations, etcetera

**Table 97: Financial Services Employees**

<b>Employees: Financial Services</b>					
<b>Job Level</b>	<b>2014/15</b>	<b>2015/16</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

**Table 98: Financial Services Financial Performance**

# Chapter 3

Financial Performance: Financial Services						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational</b>	20,399	20,308	18,268	19,839	25,454	28%
Expenditure:						
Employees	5,221	7,900	3,262	5,585	10,102	68%
Repairs and Maintenance	14	-	-	-	-	0%
Other	52,724	52,602	40,479	50,464	48,367	16%
<b>Total Operational</b>	57,959	60,502	43,741	56,049	58,469	25%
<b>Net Operational</b>	-37,560	-40,194	-25,473	-36,210	-33,015	23%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.						T 3.25.5

## 3.26 HUMAN RESOURCE SERVICES

### **INTRODUCTION TO HUMAN RESOURCE SERVICES**

Human Resources Management is responsible for labour relations, recruitment and selection, personnel administration as well as skills development.

The Labour Relations function managed to facilitate a few meetings of the Local Labour Forum, administered collective agreements on grievance procedure and disciplinary code despite the post of Labour Relations Officer being vacant.

The Recruitment and Selection function managed to facilitate the filling of critical vacant posts of Directors/HoDs.

The Personnel Administration function also managed to update leave records, administer collective agreement on conditions of services as well as the staff establishment.

The Skills Development Facilitation function managed to develop and submit an annual 2014 Employment Equity Report to the Department of Labour, facilitate the development of a 5-Year EE Plan, develop an Annual Workplace Skills Plan for 2015/16 and implement it, as well as submit the Annual Training Report to the LGSETA. This was made possible by merging the function of Employment Equity Officer and that of the Skills Development Officer to be performed by the Skills Development Facilitator.

# Chapter 3

Table 99: HR Policy Objectives

Human Resource Services Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/13		2013/14		2014/15		2015/16	
Service Indicators		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Objective: Develop entrepreneurial & intellectual capability									
Transformation and Institutional development	Institutional capacity and development	100%	25%	100%	30%	100%	80%	100%	80%
	Submit posts for job evaluation	100%	0%	100%	0%	100%	0%	100%	10%
	Fill vacant posts	100%	40%	100%	55%	100%	70%	100%	0%
T3.71.3									

# Chapter 3

Table 100: HR Employees

Employees: Human Resource Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	5	3	2	40%
4 - 6	3	6	3	3	50%
7 - 9	6	3	0	3	100%
10 - 12	7	0	0	0	
13 - 15	9	0	0	0	
16 - 18	11	0	0	0	
19 - 20	18	0	0	0	
Total	55	14	6	8	63,3%

Table 101: HR Financial Performance

Financial Performance: Human Resource Services						R'000
Details	2013/14	2014/15	2015/16			Variance to Budget
	Actual	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational</b>	-	-	-	-	-	0%
Expenditure:						
Employees	6,855	8,346	4,848	8,279	8,422	42%
Repairs and Maintenance	-	-				0%
Other	61	3,185	2,906	4,477	5,227	44%
<b>Total Operational</b>	6,916	11,531	7,754	12,756	13,649	43%
<b>Net Operational</b>	-6,916	-11,531	-7,754	-12,756	-13,649	43%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.						T 3.26.5

# Chapter 3

Table 102: HR Capital Expenditure

Capital Expenditure: Human Resource Services					
R' 000					
Capital Projects	Year 2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.26.6

## Comment on the performance of Human Resource Services overall:

The Human Resources Management despite vacant posts of Manager HR, Labour Relations, Employee Wellness and Senior HR Officer not being filled, managed to administer LLF meetings as well as facilitate the process for the filling of vacant critical posts, as well as ensure compliance with the Employment Equity Act and the Skills Development Act through implementation of the Annual Workplace Skills Plan.

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information and Communication Technology services is responsible for the provision of integrated ICT Support which includes acquisition of telephony system, mobile phones, internet connectivity, end-user support, systems administration and ICT infrastructure.

# Chapter 3

Table 103: ICT Policy Objectives

ICT Services Objectives Taken From IDP											
Service Objectives	Outline Service Targets	2011/12		2012/13		2013/14		2014/15		2015/16	
Service Indicators		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Objective: Manage through information											
ICT Infrastructure	Upgrade ICT Infrastructure Network	100%	20%	100%	35%	100%	40%	100%	80%	100%	80%
										T3. 27.3	

# Chapter 4

Table 104: ICT Employees

Employees: ICT Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	0	1	0	1	100%
7 - 9	0	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	4	2	2	50%

Table 105: ICT Financial Performance

Financial Performance: ICT Services						
						R'000
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-	0
Expenditure:						
Employees	-	-	-	-	-	0
Repairs and Maintenance	-	-	-	-	-	0
Other	-	-	-	-	-	0
Expenditure	-	-	-	-	-	0
Expenditure	-	-	-	-	-	0
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.27.5

# Chapter 4

Table 106: ICT Capital Expenditure

Capital Expenditure: ICT Services					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	0%	
Project A	-	-	-	0%	
Project B	-	-	-	0%	
Project C	-	-	-	0%	
Project D	-	-	-	0%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.27.6

Comment on the performance of ICT services overall:

ICT managed to provide continued end-user support, but due to lack of IT Strategy and Plan as well as limited human resource capacity and budget and therefore managed to deliver on part of its mandate. The identified challenges are to be addressed in the following financial year.

## 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

### **INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES**

#### **RISK MANAGEMENT**

The Municipality did not have a functional Risk Management Committee to ensure Risk Governance and a designated Risk Officer, however the MPAC was functional and the Internal Audit function was outsourced to Sizwe Ntsaluba. Council has an approved risk policy that guides risk objective setting, risk identification, risk assessment and risk response.

#### **LEGAL SERVICES**

The objective of Legal Services is to provide an efficient and effective legal service to DLM. The top three services delivered includes litigation, labour relations and contract management.

The Municipality experienced an increase in litigation as well as labour relations disputes against the municipality, where possible the Municipality attempted to settle matters thus avoiding long and costly litigation. Problem areas have also been identified (e.g.; poor contract management by project managers; lack of legal services framework and labour relations strategy) and remedial action will be taken.

#### **PROPERTY MANAGEMENT**

Property management is going through some transformation aimed at reorganising the processes, systems and structures to maximise efficiency. The transformation process involves the transfer of office cleaning and maintenance from Corporate Services and certain aspects of property management from Planning and Development to Community Services and Public Safety. The process will be concluded in the next financial year.

# Chapter 4

**Table 107: Legal Employees**

Employees: Legal, Risk Management and Procurement Services					
Job Level	13/14	15/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
No.	No.	No.	No.	No.	%
0 - 3	3	1	1	1	1
4-6					
7-9					
10-12					
13 - 15					
16 - 18					
19 - 20					
Total	3	1	1	1	1
Source:					T3. 28.4

**Table 108: Legal Financial Performance**

Financial Performance: Legal Administration					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:	none				
Employees	0	0	0	0	#DIV/0!
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Expenditure	none	0	0	0	#DIV/0!
Expenditure	#VALUE!	0	0	0	#DIV/0!
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.28.5

**Comment on the performance of Legal, Risk Management and Procurement Services overall:**

The Legal, Risk and Procurement Services is undergoing transformation with the filling of vacant critical posts in the Supply Chain Unit and problems in legal services being identified for urgent attention. The Risk management function will be strengthened with the establishment of Risk Committee and the designation of a Risk Officer in the next financial year.

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

### INTRODUCTION

The purpose of this report is to give feedback regarding the performance of the Dipaleseng Local Municipality as required through The Municipal Systems Act No 32 of 2000 and Municipal Finance Management Act No 52 of 2003. The information included in this report is based on the IDP<sup>1</sup> and SDBIP<sup>2</sup> as developed for the financial year 2015/16. The scorecards were developed to reflect *cumulative performance*, therefore the status of indicators are a reflection of the overall performance level achieved in the financial year under review.

This report is based on information received from each department for annual assessment of performance ending June 2015. Overall performance for the Dipaleseng Local Municipality is based on the Departmental Performance scorecard which is inclusive of all the IDP, SDBIP indicators and Projects. Sub-sections are included that discuss the progress made in achieving the targets as detailed in each scorecard in terms of the contribution made by each Department.

This report serves as a summary of results developed to reflect *cumulative performance*, therefore the status of indicators are a reflection of the overall performance level achieved in the year under review

This report serves as the Final Annual Performance Report for the financial year 2014/15 ending June 2015. It provides feedback on the performance level achieved to date against the targets as set out in the IDP and SDBIP. Where under performance has been experienced the respective concerns or mitigating reasons are highlighted and detail pertaining to the relevant measures being implemented or those that need to be implemented are included thereto.

The overall performance for the Dipaleseng Local Municipality is based on the Departmental Performance Scorecard as this contains all of the indicators as included in the IDP, SDBIP Scorecards.

A total of 89 **KPIs and 25 projects** encompassing the different scorecards were measured for the financial year under review. The overall achievement of the municipality is depicted in the table below, with **44%** achievement.

The main challenge related to finances with the Municipality operating on a deficit budget due to the low levels of revenue collection experienced in the current year. This state of affairs seriously curtailed the implementation of key programmes and projects as well as restricting the appointment of key personnel.

The detail pertaining to the Key Performance Indicators (KPIs) and Projects of the Directorate's departmental individual performance are reflected in Appendix U attached.

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<sup>1</sup> Integrated Development Plan

<sup>2</sup> Service Delivery and Budget Implementation Plan

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 109: Vacancy Rate

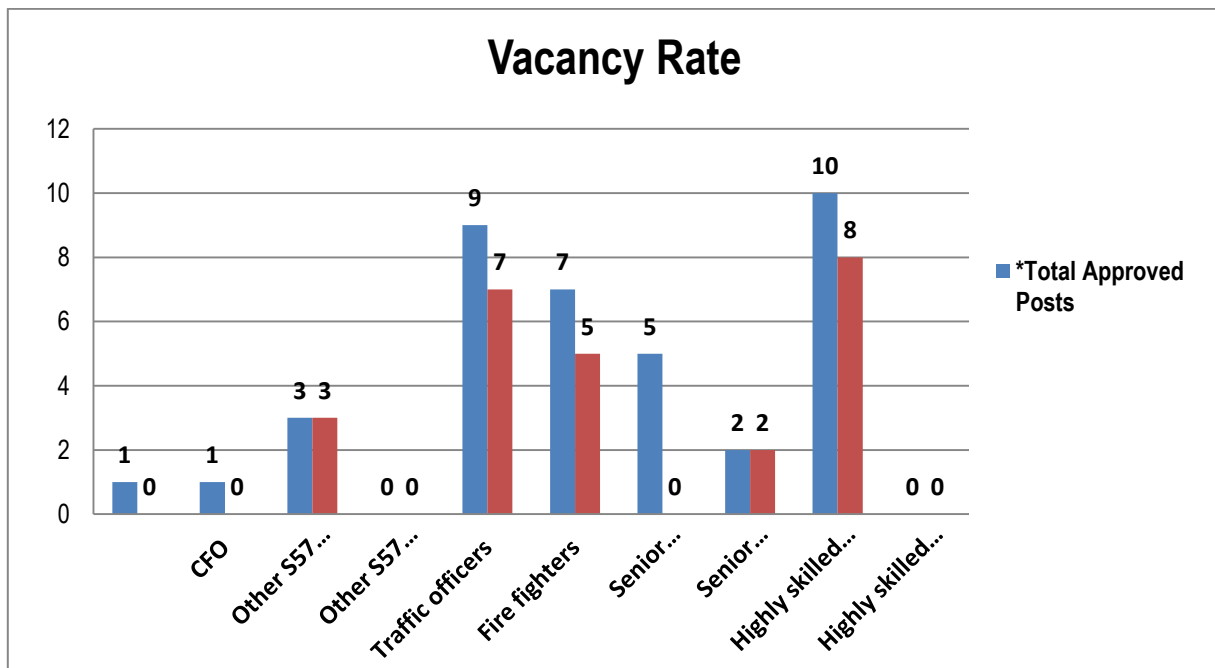
Occupational Levels	Male				Female				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	0	0	0	1	0	0	0	0	1	6
Senior Management	3	0	0	0	2	0	0	0	1	0	6
Professionally qualified and experienced specialists and mid-management	5	0	0	0	3	0	0	0	0	0	8
Skilled technical and academically qualified workers, junior management , supervisors, foreman and superintendents	23	0	0	1	17	0	0	2	0	0	43
Semi-skilled and discretionary decision	32	0	1	0	19	0	0	0	0	0	52
Unskilled and defined decision making	56	0	0	1	12	0	0	0	0	0	69
<b>TOTAL PERMANENT</b>	123	0	1	2	54	0	0	2	1	1	184
Temporary employees	0	0	0	1		0	0	0	0	0	1
<b>GRAND TOTAL</b>	123	0	1	3	54	0	0	2	0	0	185

# Chapter 4

Table 110: Vacancies in 2015/16

Vacancy Rate: 2015/16			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	3	3	100%
Other S57 Managers (Finance posts)	0	0	0%
Traffic officers	9	7	20,2%
Fire fighters	7	5	71,4%
Senior management: Levels 13-15 (excluding Finance Posts)	5	0	0%
Senior management: Levels 13-15 (Finance posts)	2	2	100%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	10	8	80%
Highly skilled supervision: levels 9-12 (Finance posts)	0	0	0%
<b>Total</b>	<b>38</b>	<b>25</b>	<b>65,8%</b>

Figure 10: Vacancy rate



# Chapter 4

Table 111: Turn-over Rate

Turn-over Rate 2015/16			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2015/16	2	9	22,2%
2014/15	3	5	60%
2013/14	22	8	36,4%
2012/13	12	10	83,3%
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			T 4.1.3

Comment on vacancies and turnover:

Vacant funded critical posts and vacancies are now filled on an on-going basis starting in the new Financial Year.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality intends to create a healthy, safe and productive work environment underpinned by an organisational culture that supports the realisation of the IDP/ Budget, Batho Pele code and other strategic objectives of the organisation.

The Municipality complied with the SALGBC Collective Agreements and developed draft policies on workforce management that were submitted to Council, but Council referred them to the Policies and By-Laws Committee of Council for further processing before approval by Council during the 2015/16 financial year.

# Chapter 4

## 4.2 POLICIES

**Table 112: HR Policies and Plans**

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	100%	N/A	Jan 2013 Jan 2013 Currently under-review.
2	Attraction and Retention	0%	N/A	N/A
3	Code of Conduct for employees	100%	N/A	SALGBC Collective Agreement
4	Delegations, Authorisation & Responsibility	100%	N/A	2012- Currently under-review
5	Disciplinary Code and Procedures	100%	N/A	SALGBC Collective Agreement
6	Essential Services	100%	N/A	2012-Currently under-review
7	Employee Assistance / Wellness	50%	N/A	Policies & By-Laws Committee
8	Employment Equity	100%	N/A	Jan 2013-Currently under-review
9	Exit Management	0%	N/A	N/A
10	Grievance Procedures	100%	N/A	SALGBC Collective Agreement
11	HIV/Aids	100%	N/A	2012-Currently under-review
12	Human Resource and Development	0%	N/A	N/A
13	Information Technology	100%	N/A	April 2014-Currently under-review
14	Job Evaluation	0%	N/A	Dispute on Wage Curve Collective Agreement
15	Leave	100%	N/A	April 2015-Currently under-review
16	Occupational Health and Safety	0%	N/A	N/A
17	Official Housing	100%	N/A	SALGBC Collective Agreement
18	Official Journeys	0%	N/A	N/A
19	Official transport to attend Funerals	0%	N/A	N/A
20	Official Working Hours and Overtime	100%	N/A	SALGBC Collective Agreement
21	Organisational Rights	100%	N/A	SALGBC Collective Agreement
22	Payroll Deductions	100%	N/A	SALGBC Collective Agreement
23	Performance Management and Development	0%	N/A	N/A
24	Recruitment, Selection and Appointments	100%	N/A	April 2015-Currently under-review
25	Remuneration Scales and Allowances	0%	N/A	Dispute on Wage Curve Collective Agreement
26	Resettlement	0%	N/A	N/A
27	Sexual Harassment	0%	N/A	N/A
28	Skills Development	0%	N/A	N/A
29	Smoking	0%	N/A	N/A
30	Special Skills	0%	N/A	N/A
31	Work Organisation	0%	N/A	N/A
32	Uniforms and Protective Clothing	0%	N/A	N/A
33	Other:			

### Comment on workforce policy development:

The Municipality has managed to provide a conducive working environment and the Draft Policies are referred to the Policy and By-Law Committee to be submitted back to Council for approval in the next financial year for implementation.

# Chapter 4

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 113: Cost of Injuries in Duty

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	0	0	0%	0	0
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	0	0	0%	0	0
T 4.3.1					

Comment on injuries, sickness and suspensions:

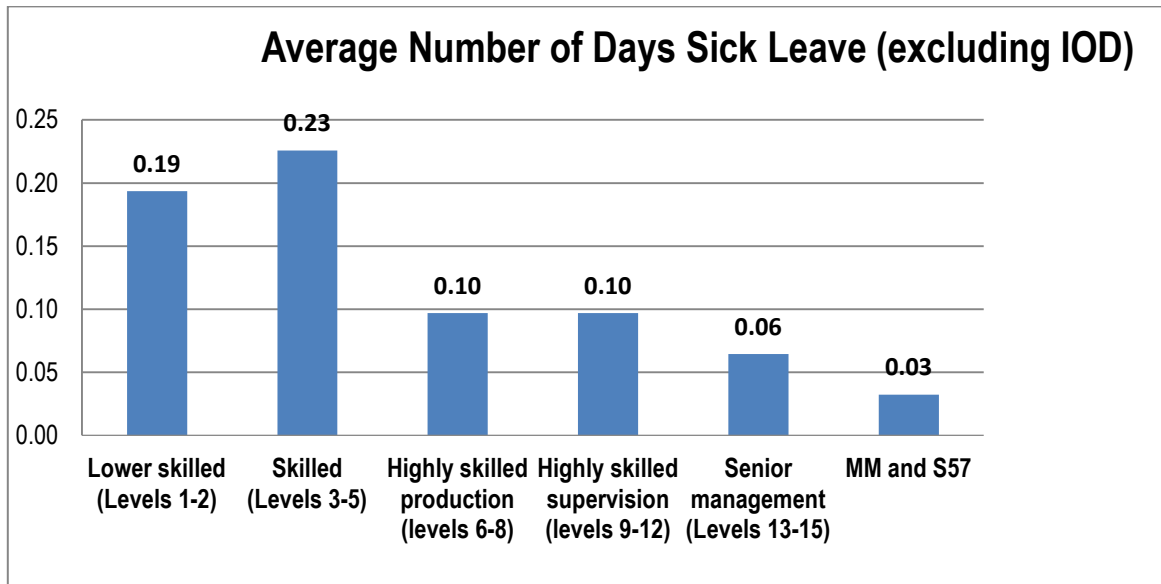
No lost time injuries were reported during the period under review.

Table 114: Cost Sick Leave

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
Lower skilled (Levels 1-2)	25	0%	100%	30	0.19	30
Skilled (Levels 3-5)	30	0%	100%	22	0.23	
Highly skilled production (levels 6-8)	25	0%	100%	58	0.10	
Highly skilled supervision (levels 9-12)	20	0%	100%	26	0.10	31
Senior management (Levels 13-15)	10	0%	100%	11	0.06	
MM and S57	10	0%	100%	8	0.03	
Total	120	0%	100%	155	0.71	61
* - Number of employees in post at the beginning of the year						
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						
T 4.3.2						

# Chapter 4

Figure 11: Average Number of Days Sick Leave



Comment on injury and sick leave:

No additional comment provided.

Table 115: Periods of Suspension

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
Driver	Theft	October 2015	Repayment	April 2016
Committee Clerk	Insubordination	July 2015	Final Written Warning	November 2015
Admin Officer	Insubordination	July 2015	Demotion	February 2016
				T 4.3.5

# Chapter 4

Table 116: Disciplinary Action

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
n/a	n/a	n/a	
T 4.3.6			

Comment on suspensions and cases of financial misconduct:

No suspensions or cases of financial misconduct were recorded during 2015/16

## 4.4 PERFORMANCE REWARDS

Table 117: Performance Rewards

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (Levels 3-5)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled production (levels 6-8)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled supervision (levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior management (Levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
MM and S57	Female	0	0	0	0
	Male	0	0	0	0

Comment on performance rewards:

No policy relating to performance rewards, however a draft policy is currently developed to be implemented during 2016.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### **INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

In terms of Government Gazette No 27801 of 18 July 2005 as amended by Government Notice No. R88 published in Government Gazette No. 29584 of 2 February 2007, the Dipaleseng Local Municipality is obliged to submit a workplace skills plan and ATR to the Local Government SETA in order to access the conditional grants not later than 30 April each year.

The Workplace Skills Plan 2015/2016 and Annual Training Report 2015/2016 were tabled to Training/Employment Equity Committee Meeting on the 21<sup>st</sup> of April 2015 for consultation with organised labour and approved by Council on the 23<sup>rd</sup> of April 2015.

That the Workplace Skills Plan for 2015/2016 and Annual Training Report for 2014/2015 financial year was submitted to LGSETA on the 29<sup>th</sup> April 2015. All consultative processes have been undertaken with the relevant stakeholders and the Workplace Skills Plan for 2015/2016 and Annual Training Report are in compliance with the Skills Development Act 97 of 1998.

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Table 118: Skills Matrix

Skills Matrix						
Management Level	Gender	Employees in post as 30 June 2016	Number of Skills Required and actual as at 30 June 2016			
			Learnership	Skills Programme & other short courses	Other form of Training	Total
		No.	2015/16	2015/16	2015/16	2015/16
MM and S56	Female	2	0	2	2	4
	Male	4	0	3	2	5
Managers	Female	2	0	2	2	4
	Male	4	0	3	3	6
Councillors	Female	4	3	2	4	9
	Male	8	4	4	3	11
Professionals	Female	5	4	6	0	10
	Male	3	3	6	2	11
Technicians and associate professionals	Female	1	0	0	0	0
	Male	2	0	3	3	6
Cleric and Administrative Workers	Female	21	6	2	7	15
	Male	8	0	4	4	8
Sales and Service Workers	Female	11	0	2	0	2
	Male	14	0	2	4	6
Supervisors, Machine operators and Drivers	Female	3	3	0	0	3
	Male	34	2	0	0	2
General Workers	Female	12	2	0	0	2
	Male	57	6	0	0	6
Intern	Female	4	0	5	0	5
	Male	2	0	0	0	0
Sub-Total	Female	65	18	21	15	54
	Male	136	15	25	21	61
Total		201	33	46	36	115

# Chapter 4

## Comment on Skills Development:

The budget allocation for training still remains a challenge for the SDF. Sufficient funds have not been budgeted for this function and this creates challenges in terms of implementing the departmental training and requirements.

**Table 119: Financial Competencies Development**

<b>Financial Competency Development: Progress Report*</b>						
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))
<b>Financial Officials</b>						
<i>Accounting officer</i>	1	0	1	0	0	0
<i>Chief financial officer</i>	1	0	1	0	0	0
<i>Senior managers</i>	1	0	1	0	0	0
<i>Any other financial officials</i>	0	0	0	0	0	0
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	1	0	1	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	1	1	1
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>

# Chapter 4

Table 120: Skills Development Expenditure

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training/Bursary		Total	
			No.	planned	Actual	Planned	Actual	Planned	Actual	Original Budget
MM and S57	Female	2	0	0	1	0	0	0	0	0
	Male	4	0	0	0	0	0	0	0	0
Legislators, senior officials and managers	Female	6	0	0	0	0	0	0	0	0
	Male	12	0	0	0	0	0	0	0	0
Professionals	Female	5	0	0	1	0	1	1	R30000.00	R30000.00
	Male	3	0	0	0	0	0	0	0	0
Technicians and associate professionals	Female	1	0	0	0	0	2	2	R42520.00	R42520.00
	Male	3	0	0	0	0	2	2	R42520.00	R42520.00
Clerks	Female	21	0	0	0	0	0	0	0	0
	Male	8	0	0	0	0	0	0	0	0
Service and sales workers	Female	11	0	0	3	3	0	0	R4200.00	R4200.00
	Male	14	0	0	2	2	0	0	R2800.00	R2800.00
Plant and machine operators and assemblers	Female	3	0	0	0	0	0	0	0	0
	Male	34	0	0	1	1	0	0	R1400.00	R1400.00
Elementary occupations	Female	12	0	0	0	0	1	1	R1400.00	R1400.00
	Male	57	0	0	0	0	5	5	R7000.00	R7000.00
Sub total	Female	61	0	0	5	3	4	4	R116440.00	R78120.00
	Male	134	0	0	4	1	7	7	R 15196.00	R53720.00
Total		195	0	0	0	4	11	11	R131840.00	R131840.00

# Chapter 4

## 4.6 EMPLOYEE EXPENDITURE

Comment on workforce expenditure:

Table 121: Increases Salaries

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded				
Beneficiaries		Gender	Total	
Lower skilled (Levels 1-2)		Female	n/a	
		Male	n/a	
Skilled (Levels 3-5)		Female	n/a	
		Male	n/a	
Highly skilled production (Levels 6-8)		Female	n/a	
		Male	n/a	
Highly skilled supervision (Levels9-12)		Female	n/a	
		Male	n/a	
Senior management (Levels13-16)		Female	n/a	
		Male	n/a	
MM and S 57		Female	n/a	
		Male	n/a	
Total				
Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				

Table 122: Post Appointed not Approved

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None	n/a	n/a	n/a	n/a
				T 4.6.4

Comment on upgraded posts and those that are at variance with normal practice:

The municipality advertises every new position and interested employees may apply as per policy.

## **DISCLOSURES OF FINANCIAL INTERESTS**

The Municipal Systems Act 32, of 2000, as amended regulates that municipal staff and elected councillors in South Africa, should disclose their Financial Interest to manage and detect conflicts of interests in public life. The purpose of this legislation is to support the effective implementation of financial disclosure regulations by reflecting on institutional good practice. Dipaleseng Local Municipality, fully complies with this regulation.

## 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

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Note: Statements of revenue collection performance by vote and by source are included at Appendix K.

#### Statement of Financial Performance for the year ended 30 June 2016

Figures in Rand	Note(s)	2016	2015 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	16	76 685 478	68 304 496
Rental of facilities and equipment		212 641	203 359
Licences and permits		3 493 909	3 379 282
Other income	17	790 751	14 828 187
Interest revenue	18	22 290 146	16 504 732
<b>Total revenue from exchange transactions</b>		<b>103 472 925</b>	<b>103 220 056</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	19	13 645 484	10 203 275
<b>Transfer revenue</b>			
Government grants & subsidies	20	81 424 896	98 082 868
Fines		1 521 250	925 750
<b>Total revenue from non-exchange transactions</b>		<b>96 591 630</b>	<b>109 211 893</b>
<b>Total revenue</b>	21	<b>200 064 555</b>	<b>212 431 949</b>
<b>Expenditure</b>			
Employee related costs	22	(50 691 457)	(46 948 414)
Remuneration of councillors	23	(4 959 312)	(4 922 783)
Depreciation and amortisation	24	(18 310 835)	(21 181 201)
Impairment loss	30	(102 249)	(751 942)
Finance costs	25	(395 393)	(932 455)
Lease rentals on operating lease		(679 502)	(507 266)
Debt Impairment	26	(51 054 262)	(44 607 754)
Repairs and maintenance		(5 850 378)	(3 698 233)
Bulk purchases	27	(43 356 775)	(37 568 412)
Transfers and Subsidies	28	(3 163 334)	(584 678)
General Expenses	29	(41 180 072)	(30 647 924)
<b>Total expenditure</b>		<b>(219 743 569)</b>	<b>(192 351 062)</b>
<b>Operating (deficit) surplus</b>		<b>(19 679 014)</b>	<b>20 080 887</b>
Fair value adjustments		(556 911)	956 535
<b>(Deficit) surplus for the year</b>		<b>(20 235 925)</b>	<b>21 037 422</b>

# Chapter 5

## Statement of Financial Performance for the year ended 30 June 2016

Figures in Rand

	Note(s)	2016	2015 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	16	76 685 478	68 304 496
Rental of facilities and equipment		212 641	203 359
Licences and permits		3 493 909	3 379 282
Other income	17	790 751	14 828 187
Interest revenue	18	22 290 146	16 504 732
<b>Total revenue from exchange transactions</b>		<b>103 472 925</b>	<b>103 220 056</b>
<b>Revenue from non-exchange transactions</b>			
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<b>Total expenditure</b>		<b>(219 743 569)</b>	<b>(192 351 062)</b>
<b>Operating (deficit) surplus</b>		<b>(19 679 014)</b>	<b>20 080 887</b>
Fair value adjustments		(556 911)	956 535
<b>(Deficit) surplus for the year</b>		<b>(20 235 925)</b>	<b>21 037 422</b>

# Chapter 5

## .1 STATEMENTS OF FINANCIAL PERFORMANCE

Reconciliation of Table A1 Budget Summary											
Description	Year 2015/2016										
	Original Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
R thousands											
<b>Financial Performance</b>											
Property rates	9,767	4,233	14,000	-	-	14,000	13,645	-	(355)	97%	140%
Service charges	75,330	2,531	77,861	-	-	77,861	76,685	-	(1,176)	98%	102%
Investment revenue	16,978	(550)	16,428	-	-	16,428	22,290	-	5,863	136%	131%
Transfers recognised - operational	56,678	1,194	57,872	-	-	57,872	56,678	-	(1,194)	98%	100%
Other own revenue	8,060	(827)	7,232	-	-	7,232	6,019	-	(1,214)	83%	75%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>166,812</b>	<b>6,581</b>	<b>173,393</b>	<b>-</b>	<b>-</b>	<b>173,393</b>	<b>175,318</b>	<b>-</b>	<b>12</b>	<b>0</b>	<b>0</b>
Employee costs	50,387	(5,165)	45,223	-	-	45,223	50,691	-	5,469	112%	101%
Remuneration of councillors	5,419	(312)	5,107	-	-	5,107	4,969	-	(148)	97%	92%
Debt impairment	48,170	(6,701)	41,469	-	-	41,469	51,054	9,585	9,585	123%	106%
Depreciation & asset impairment	36,091	(11,091)	25,000	-	-	25,000	18,289	-	(6,711)	73%	51%
Finance charges	338	(176)	162	-	-	162	395	932	233	244%	117%
Materials and bulk purchases	44,234	3,809	48,043	-	-	48,043	43,357	-	(4,686)	90%	98%
Transfers and grants	4,169	1,395	5,564	-	-	5,564	3,163	-	(2,401)	57%	76%
Other expenditure	21,181	9,554	30,735	-	-	30,735	47,828	-	17,093	156%	226%
<b>Total Expenditure</b>	<b>209,989</b>	<b>(8,687)</b>	<b>201,302</b>	<b>-</b>	<b>-</b>	<b>201,302</b>	<b>219,737</b>	<b>10,517</b>	<b>(0)</b>	<b>0</b>	<b>0</b>
<b>Surplus/(Deficit)</b>	<b>(43,177)</b>	<b>15,268</b>	<b>(27,909)</b>	<b>-</b>	<b>-</b>	<b>(27,909)</b>	<b>(44,420)</b>	<b>-</b>	<b>(16,511)</b>	<b>159%</b>	<b>103%</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	0%	0%
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(43,177)</b>	<b>15,268</b>	<b>(27,909)</b>	<b>-</b>	<b>-</b>	<b>(27,909)</b>	<b>(44,420)</b>	<b>-</b>	<b>(16,511)</b>	<b>37%</b>	<b>54%</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>59,143</b>	<b>11,000</b>	<b>70,143</b>	<b>-</b>	<b>-</b>	<b>70,143</b>	<b>25,347</b>	<b>-</b>	<b>(44,796)</b>	<b>36%</b>	<b>43%</b>
Transfers recognised - capital	31,643	11,000	42,643	-	-	42,643	25,347	-	(17,296)	59%	80%
Public contributions & donations	-	27,500	27,500	-	-	27,500	17,160	-	(10,340)	62%	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>31,643</b>	<b>38,500</b>	<b>70,143</b>	<b>-</b>	<b>-</b>	<b>70,143</b>	<b>-</b>	<b>-</b>	<b>(70,143)</b>	<b>0%</b>	<b>0%</b>
<b>Cash flows</b>											
Net cash from (used) operating	32,466	9,023	41,489	-	-	41,489	19,583	-	(21,907)	47%	60%
Net cash from (used) investing	(59,143)	(11,000)	(70,143)	-	-	(70,143)	(20,810)	-	49,333	30%	35%
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>1,942</b>	<b>1,165</b>	<b>3,107</b>	<b>-</b>	<b>-</b>	<b>3,107</b>	<b>(1,228)</b>	<b>-</b>	<b>(4,335)</b>	<b>-40%</b>	<b>-63%</b>

T 5.1.1

# Chapter 5

Financial Performance of Operational Services						
						R '000
Description	Year 2014/15	Year 2015/16			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment s Budget
<b>Operating Cost</b>						
Water	14,023	15,181	14,803	12,666	-19.86%	-16.88%
Waste Water (Sanitation)	10,065	9,059	7,619	2,956	-206.46%	-157.75%
Electricity	44,370	58,869	57,606	53,201	-10.65%	-8.28%
Waste Management	8,094	6,982	5,935	4,013	-74.00%	-47.91%
Housing	–	–	–	–	0.00%	0.00%
Component A: sub-total	76,551	90,092	85,963	72,835	-23.69%	-18.02%
Waste Water (Stormwater Drainage)					0.00%	0.00%
Roads	8,640	8,695	8,984	3,714	-134.09%	-141.88%
Transport	–	–	–	–	0.00%	0.00%
Component B: sub-total	8,640	8,695	8,984	3,714	-134.09%	-141.88%
Planning	3,123	5,009	2,889	2,823	-77.47%	-2.35%
Local Economic Development	–	–	–	–	0.00%	0.00%
Component B: sub-total	3,123	5,009	2,889	2,823	-77.47%	-2.35%
Planning (Strategic & Regulatory)	–	–	–	–	0.00%	0.00%
Local Economic Development	–	–	–	–	0.00%	0.00%
Component C: sub-total	–	–	–	–	0.00%	0.00%
Community & Social Services	12,529	11,832	14,954	19,829	40.33%	24.58%
Enviromental Protection	–	–	–	–	0.00%	0.00%
Health	–	–	–	–	0.00%	0.00%
Security and Safety	–	–	–	–	0.00%	0.00%
Sport and Recreation	285	307	219	183	-68.29%	-20.06%
Corporate Policy Offices and Other	91,222	94,670	88,292	121,751	22.24%	27.48%
Component D: sub-total	104,036	106,809	103,466	141,763	24.66%	27.01%
<b>Total Expenditure</b>	<b>192,350</b>	<b>210,605</b>	<b>201,302</b>	<b>221,135</b>	<b>4.76%</b>	<b>8.97%</b>
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2

# Chapter 5

## 5.2 GRANTS

Table 123: Grant Performance

Grant Performance				
R' 000				
Description	Year 2014/2015	Year 2015/2016		
	Actual	Budget	Adjustments Budget	Actual
<b>Operating Transfers and Grants</b>				
<b>National Government:</b>	<b>54,968</b>	<b>56,678</b>	<b>56,678</b>	<b>56,678</b>
Equitable share	48,618	52,509	52,509	52,509
Municipal Systems Improvement	890	930	930	930
Department of Water Affairs	–	–	–	–
Levy replacement	–	–	–	–
Other transfers/grants	5,460	3,239	3,239	3,239
<b>Provincial Government:</b>	–	–	–	–
Health subsidy	–	–	–	–
Housing	–	–	–	–
Ambulance subsidy	–	–	–	–
Sports and Recreation	–	–	–	–
Other transfers/grants	–	–	–	–
<b>District Municipality:</b>	–	–	–	–
	–	–	–	–
	–	–	–	–
<b>Other grant providers:</b>	–	–	–	–
	–	–	–	–
	–	–	–	–
<b>Total Operating Transfers and Grants</b>	<b>54,968</b>	<b>56,678</b>	<b>56,678</b>	<b>56,678</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>				

Comment on operating transfers and grants:

All the grants allocated to the Municipality have been received and spent on the planned projects.

# Chapter 5

Table 124: Grants from Other Sources

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Foreign Governments/Development Aid Agencies</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Private Sector / Organisations</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Provide a comprehensive response to this schedule						T 5.2.3

Comment on conditional grants and grant received from other sources:

No other grant funds sourced.

# Chapter 5

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

Table 125: Treatment of three largest Assets Acquired

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2015/16				
Asset 1				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	Year -3	Year -2	Year -1	Year 0
Asset Value				
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	Year -3	Year -2	Year -1	Year 0
Asset Value				
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	Year -3	Year -2	Year -1	Year 0
Asset Value				
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
T 5.3.2				

# Chapter 5

## Comment on asset management:

Currently no plan in place.

**Table 126: Repair and Maintenance Expenditure**

Repair and Maintenance Expenditure: 2015/16				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	4,370,831	1,694,850	6,065,681	-39%
				T 5.3.4

## Comment on repair and maintenance expenditure:

Low spending in the repairs and maintenance was due to cash flow challenges that the Municipality experienced in the 2015/16 financial year

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Figure 12: Liquidity Ratio

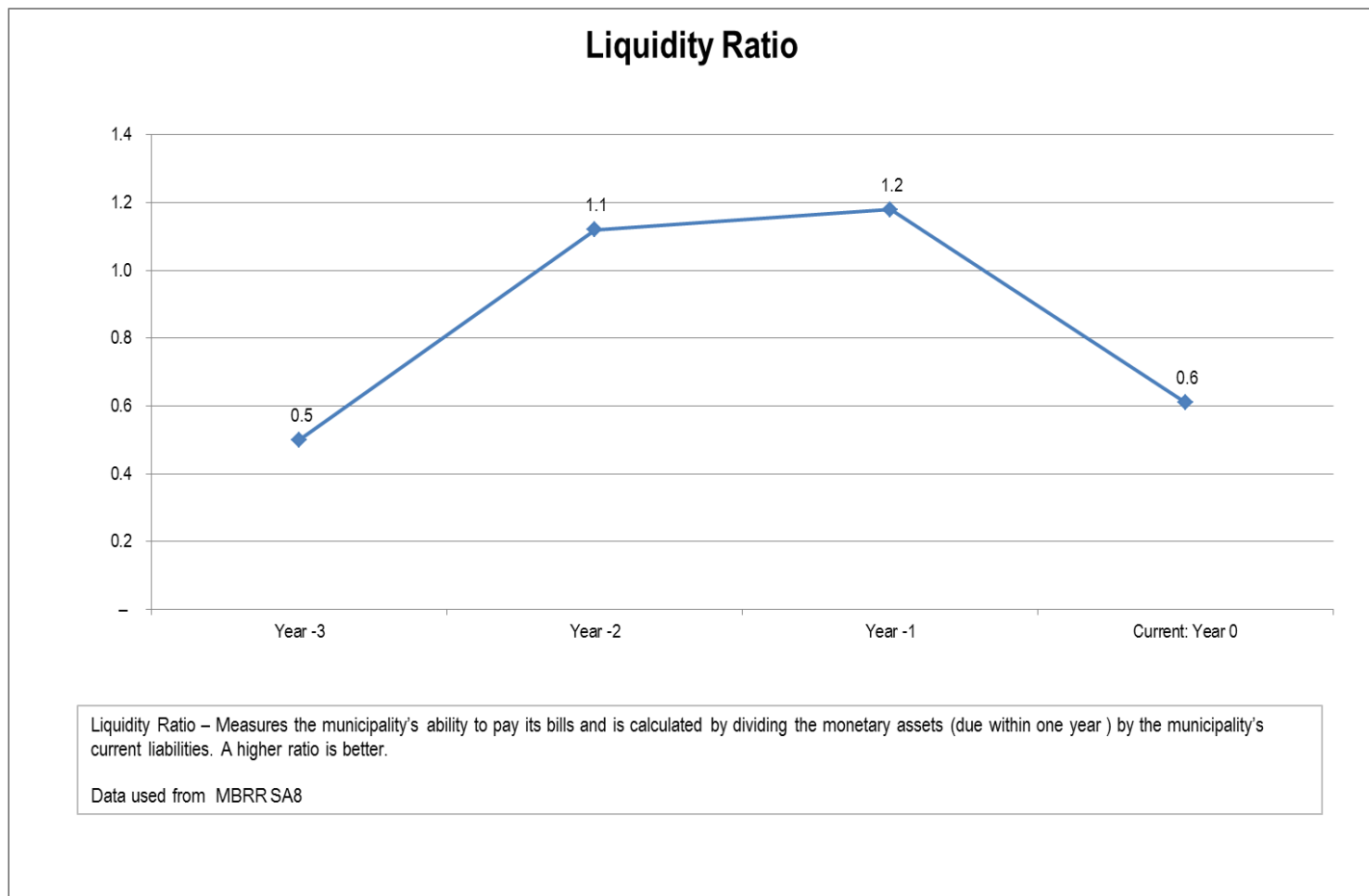


Figure 13: Cost Coverage Ratio

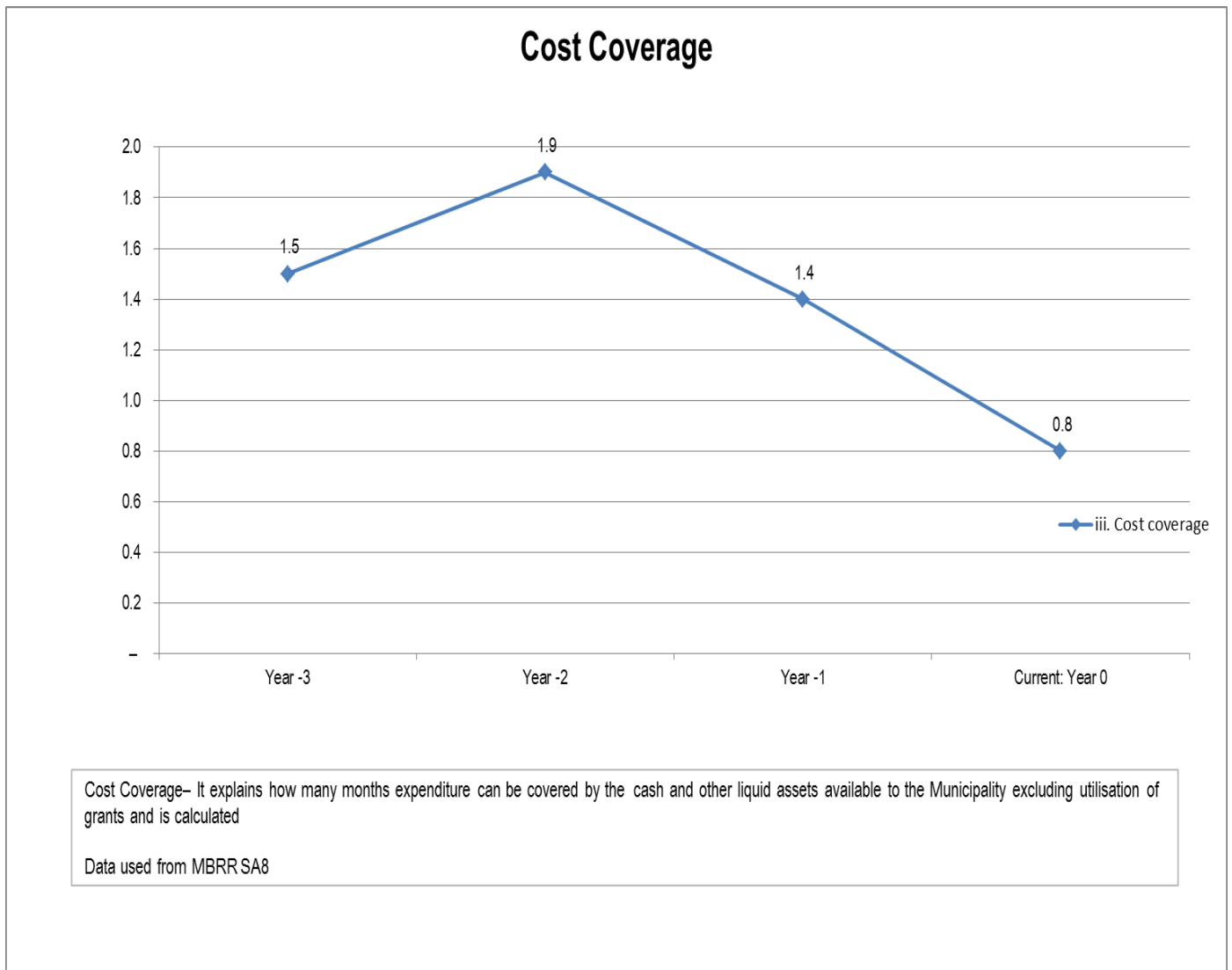




Figure 14: Outstanding Service Debtor to Revenue Ratio

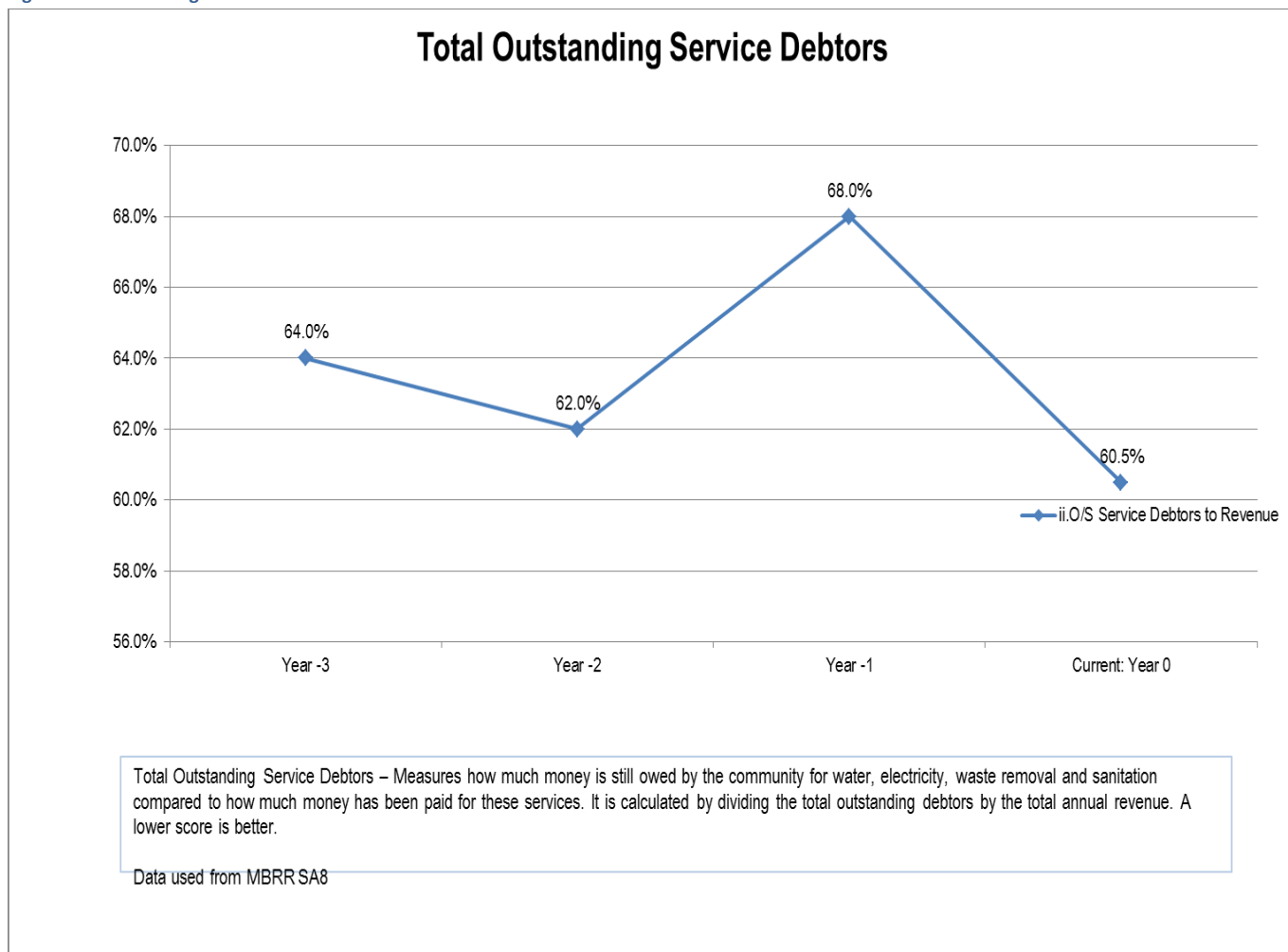


Figure 15: Debt Coverage Ratio

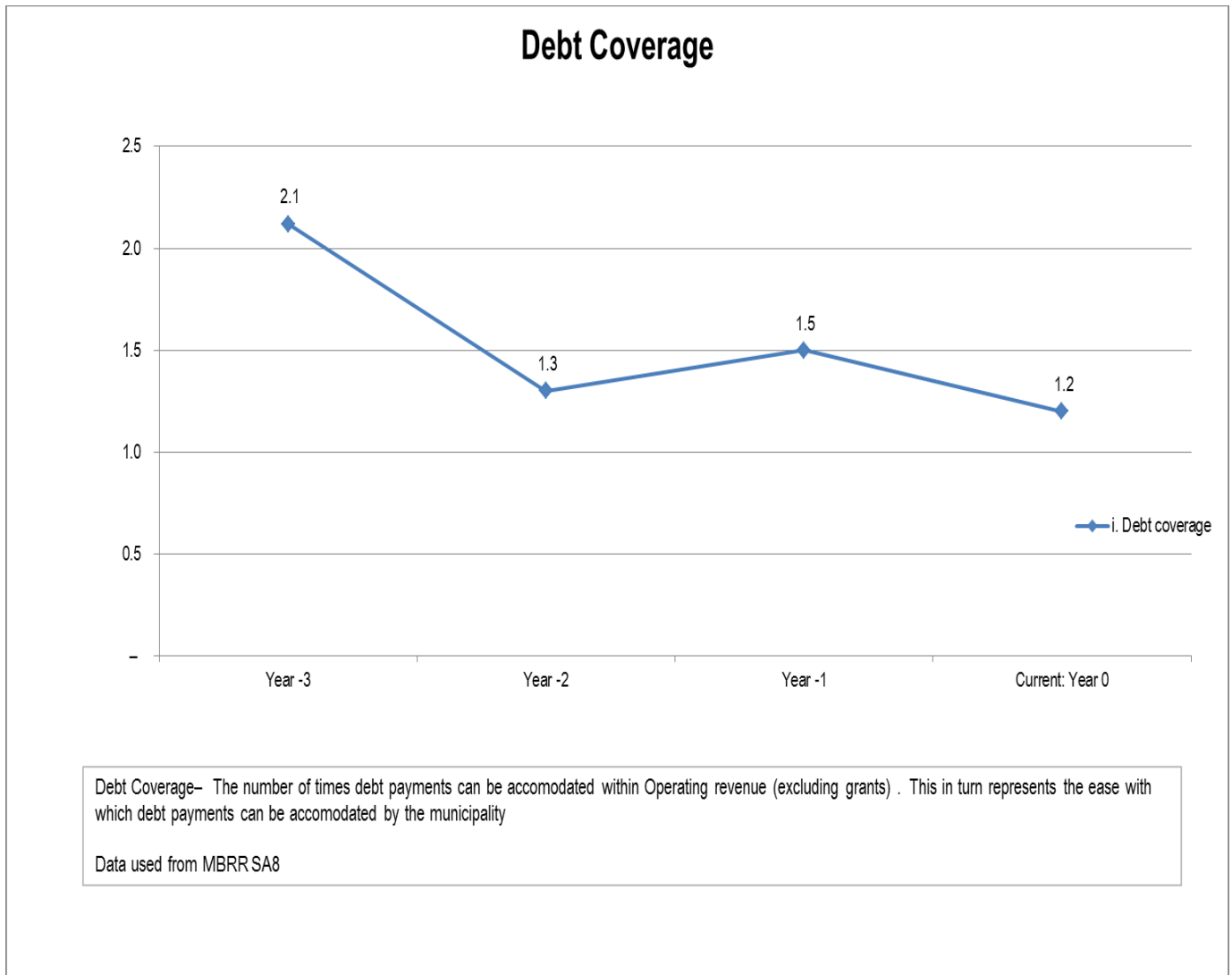


Figure 16: Creditors System Efficiency

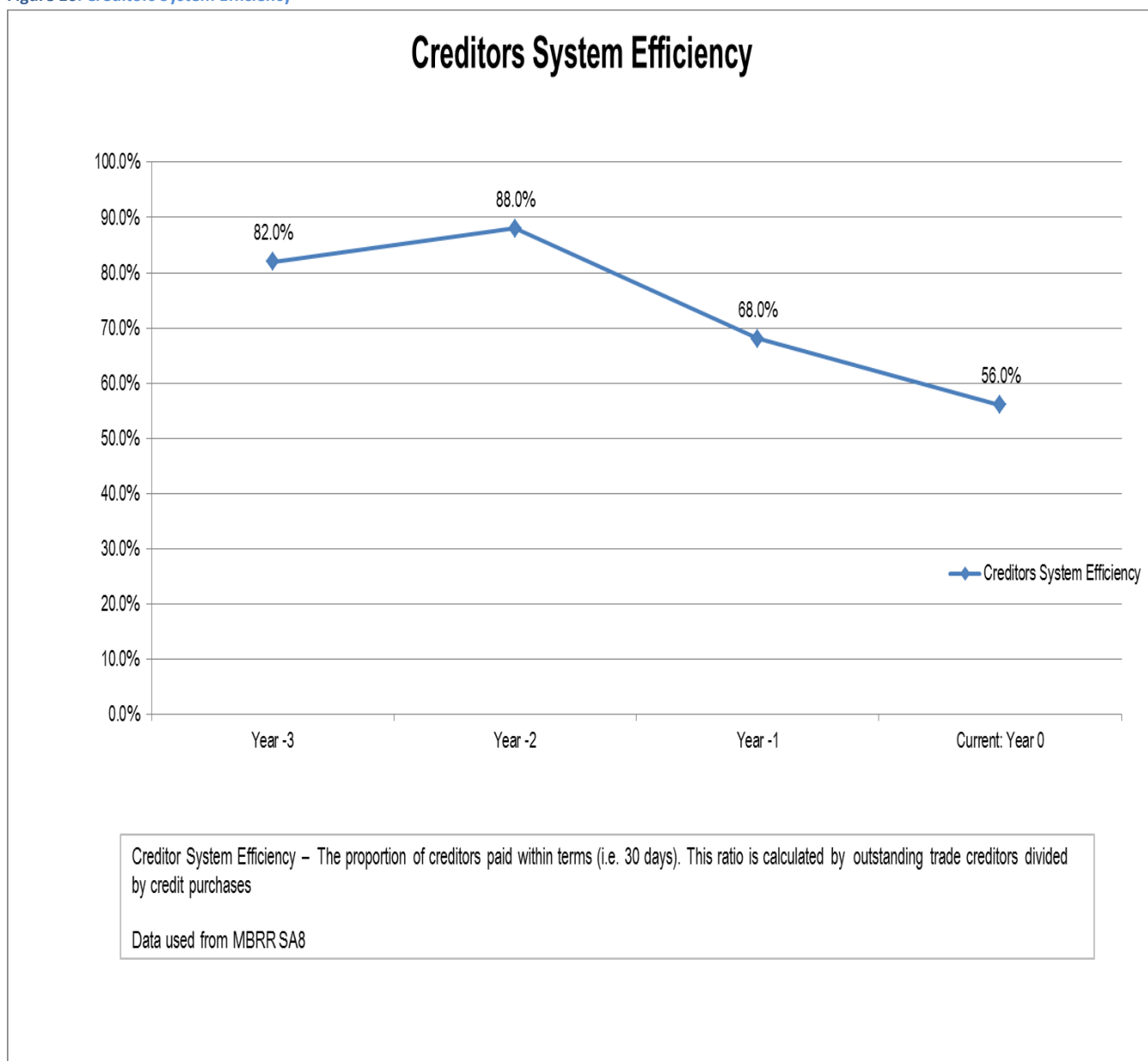


Figure 17: Capital Charges to Operating Expenditure

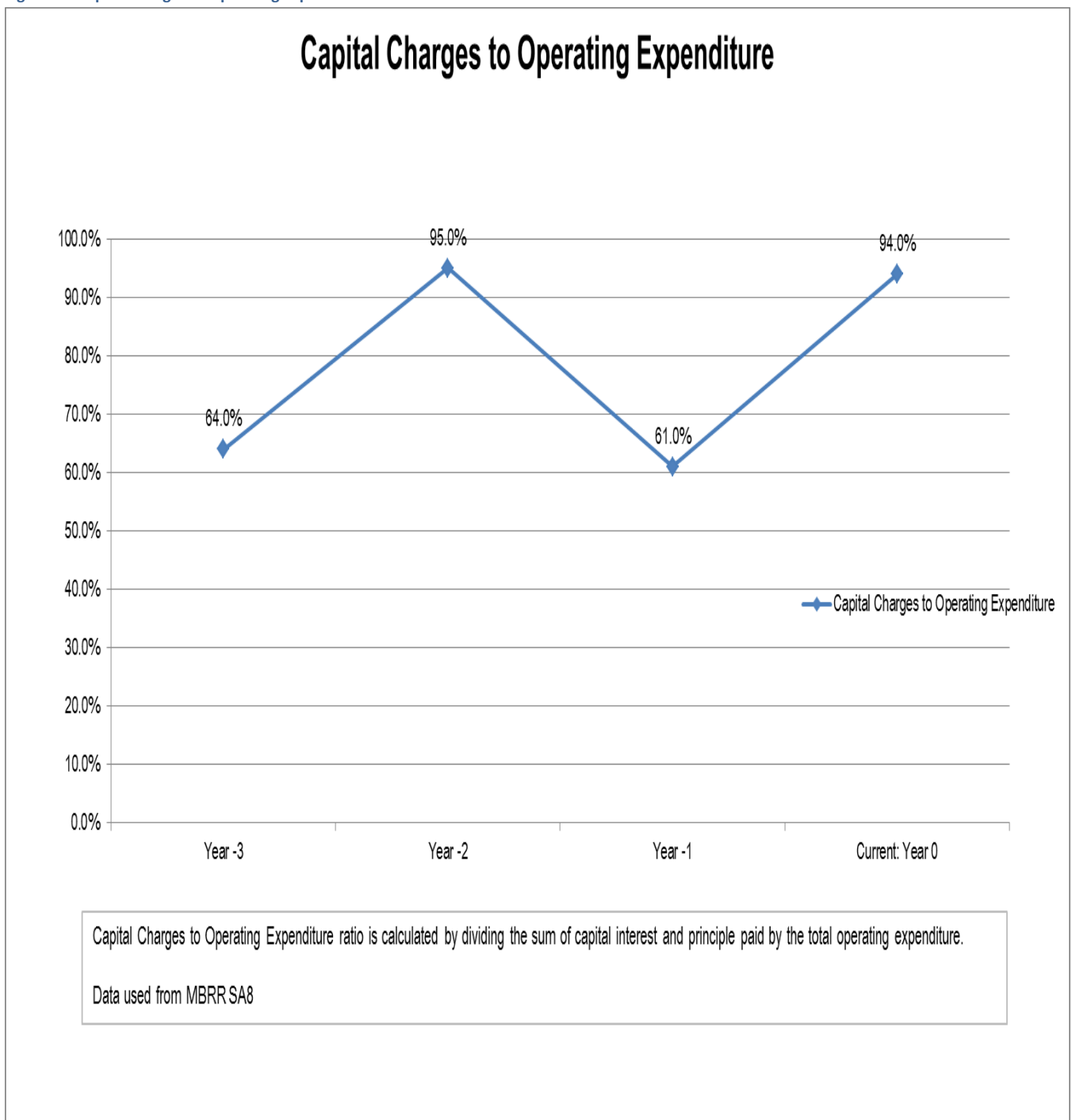


Figure 18: Employee Costs

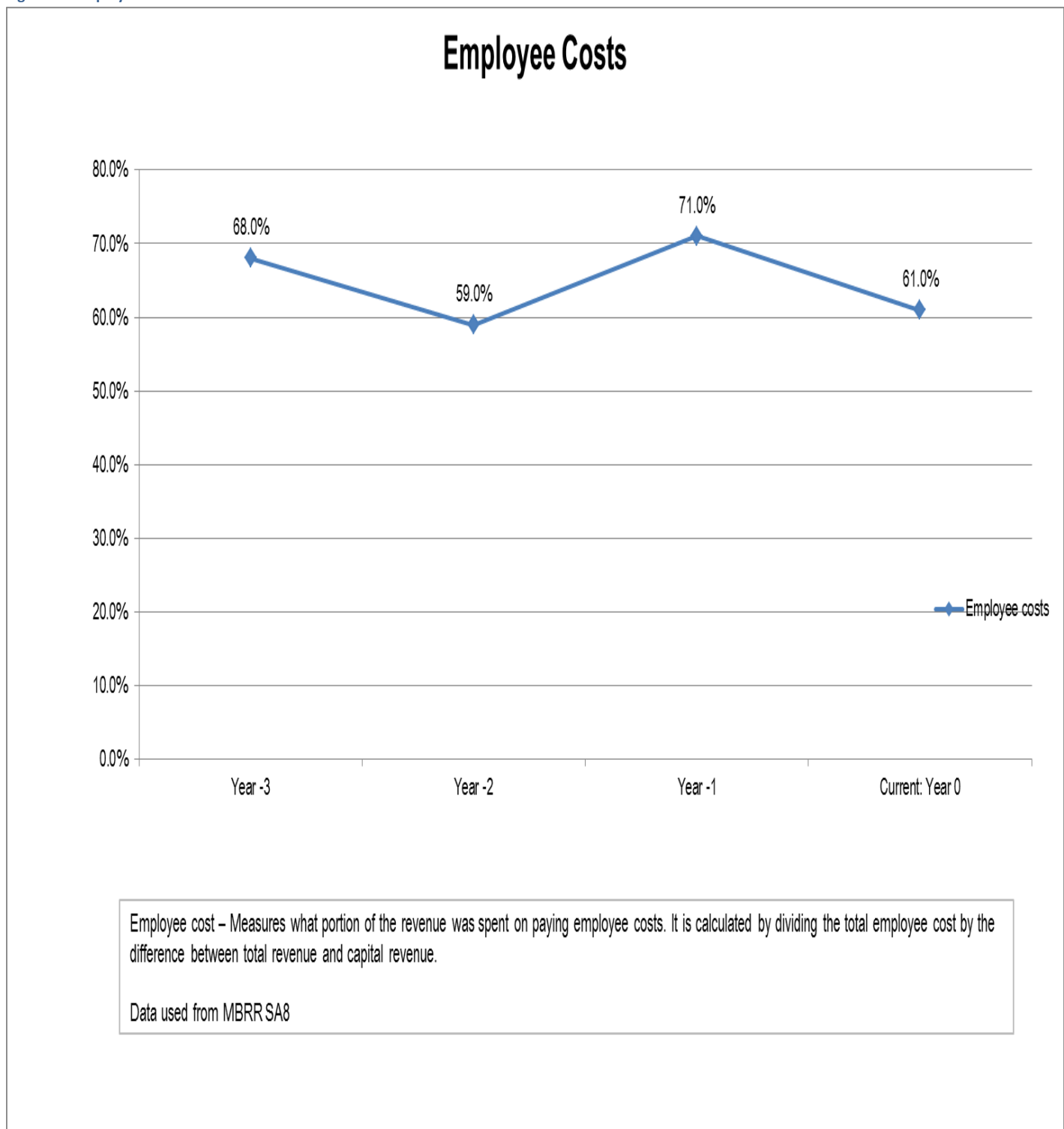
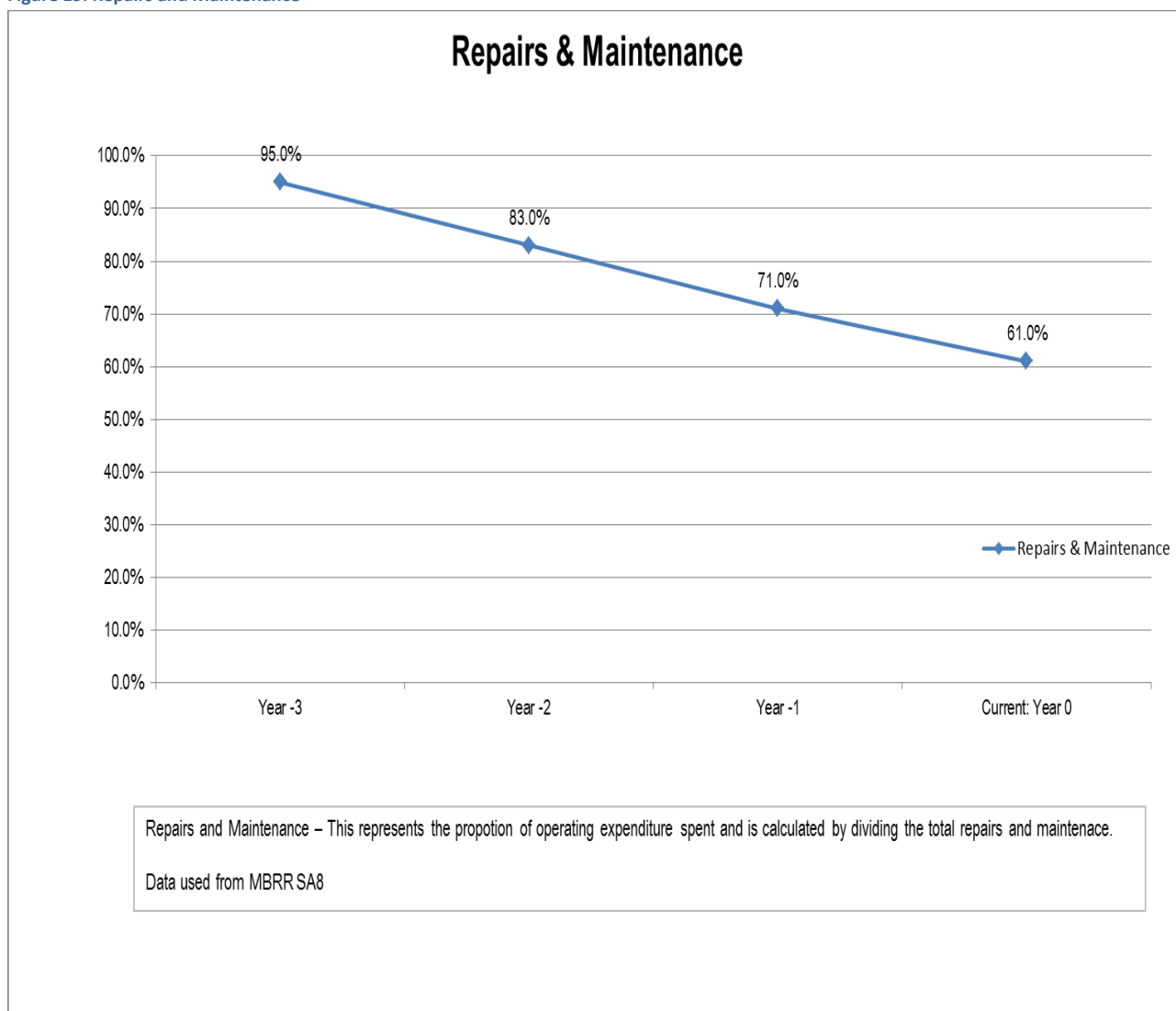


Figure 19: Repairs and Maintenance

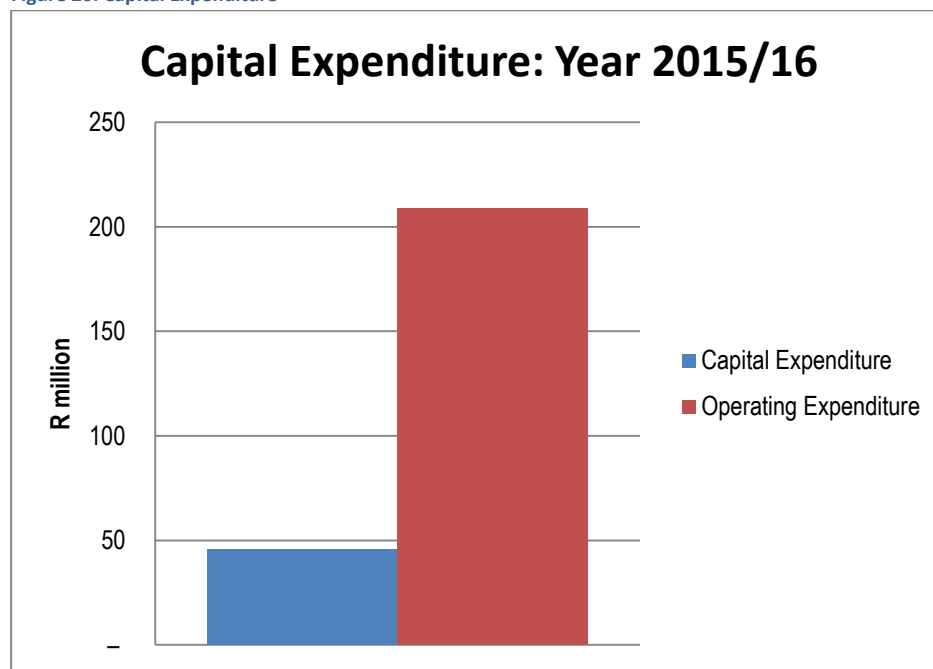


## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Total spending for our capital expenditure improved in the 2015/16 financial year and this was due to delays in the supply Chain processes, however the unspent grant was committed.

Figure 20: Capital Expenditure



# Chapter 5

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Table 127: Capital Expenditure on the 5 Largest Projects

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 2015/16			Variance: Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Name of Project				#DIV/0!	#DIV/0!
B - Name of Project				#DIV/0!	#DIV/0!
C - Name of Project				#DIV/0!	#DIV/0!
D - Name of Project				#DIV/0!	#DIV/0!
E - Name of Project				#DIV/0!	#DIV/0!
* Projects with the highest capital expenditure in Year 0					
Name of Project - A					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - E					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
T 5.7.1					

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS– OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Table 128: Service Backlog

Service Backlogs as at 30 June Year 2015				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				
T 5.8.2				

# Chapter 5

Table 129: Grant Expenditure on Service Backlog

Municipal Infrastructure Grant (MIG)* Expenditure Year 14/15 on Service backlogs					
R' 000					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
<b>Infrastructure - Road transport</b>				%	%
<i>Roads, Pavements &amp; Bridges</i>	3000	5000	250	10%	%
<i>Storm water</i>				%	%
<b>Infrastructure - Electricity</b>				%	%
<i>Generation</i>				%	%
<i>Transmission &amp; Reticulation</i>				%	%
<i>Street Lighting</i>	1500	1800	1800	20%	%
<b>Infrastructure - Water</b>				%	%
<i>Dams &amp; Reservoirs</i>				%	%
<i>Water purification</i>				%	%
<i>Reticulation</i>	1500	1500	1500	100%	%
<b>Infrastructure - Sanitation</b>				%	%
<i>Reticulation</i>	11,000	11,000	11000	100%	%
<i>Sewerage purification</i>				%	%
<b>Infrastructure - Other</b>				%	%
<i>Waste Management</i>	6000	6000	5800	%	%
<i>Transportation</i>				%	%
<i>Gas</i>				%	%
<b>Other Specify:</b>				%	%
Sport and recreation	3000	3000	-	%	%
	-			%	%
				%	%
<b>Total</b>	-			%	%

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The collection rate of the municipality for the 2014/15 was very low, that resulted in the municipality now not being able to meet other financial obligations

Table 130: Cash Flow Outcomes

Cash Flow Outcomes				
R'000				
Description	Year 2014/15	Current: 2015/16		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	54,408	68,356	71,004	73,204
Government - operating	69,601	56,678	57,941	56,678
Government - capital	29,435	31,643	42,643	20,817
Interest	16,505	2,134	4,064	16,496
Dividends	–	–	–	–
<b>Payments</b>				
Suppliers and employees	(107,826)	(121,837)	(128,936)	(147,236)
Finance charges	(932)	(338)	(162)	(390)
Transfers and Grants		(4,169)	(5,065)	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>61,190</b>	<b>32,466</b>	<b>41,489</b>	<b>19,568</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivable	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
<b>Payments</b>				
Capital assets	(56,290)	(79,095)	(101,395)	(20,768)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(56,290)</b>	<b>(79,095)</b>	<b>(101,395)</b>	<b>(20,768)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
<b>Payments</b>				
Repayment of borrowing	–	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>4,900</b>	<b>(46,629)</b>	<b>(59,906)</b>	<b>(1,199)</b>
Cash/cash equivalents at the year begin:	19,952	(23,581)	584	24,852
Cash/cash equivalents at the year end:	24,852	(70,210)	(59,322)	23,653
Source: MBRR A7				T 5.9.1

## 5.10 BORROWING AND INVESTMENT

### INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality has no borrowings or investments.

Table 131: Actual Borrowings

Actual Borrowings:			
	R' 000		
Instrument	2012/13	2013/14	2015/16
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	0	0	0
<b>Municipal Entities</b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>	0	0	0
T 5.10.2			

Comment on borrowing and investments:

The municipality has no borrowings or investments.

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### **INTRODUCTION TO PUBLIC PRIVATE PARTNERSHIPS**

No agreements are currently in place.

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### **INTRODUCTION TO SUPPLY CHAIN MANAGEMENT**

Although the SCM policy was reviewed the municipality experienced certain issues of non-compliance with laws and regulations relating to supply chain management (SCM) and the MFMA and in the opinion of the office of the Auditor General these could have been prevented had SCM Regulations been properly reviewed.

### 5.13 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognised Accounting Practice and it provides guidance on the accounting treatment of financial transactions to which municipalities must comply in order to report on the financial affairs of the municipality. Compliance with GRAP ensures that municipal accounts are accurate, reliable, comparable and informative for the municipality and investors. It also ensures that the municipality is accountable to its citizens and other stakeholders. Compliance with GRAP is required in order for National Treasury to measure the performance and assess the viability of the municipality.

The municipality complied with all GRAP standards as legislated

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/15

#### 6.1 AUDITOR GENERAL REPORTS 2015/16

##### 6.1.1 AUDITOR GENERAL REPORTS 2015/2016

The municipality obtained an unqualified audit opinion for the 2015/16 financial year with findings on internal control deficiencies, performance information and supply chain management.

## Auditor's report

Dipaleseng Local Municipality

30 June 2015

## REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE DIPALESENG LOCAL MUNICIPALITY

### REPORT ON THE FINANCIAL STATEMENTS

#### INTRODUCTION

1. I have audited the financial statements of the Dipaleseng Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with 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 municipality'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 municipality'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 Dipaleseng Local Municipality as at 30 June 2015 and its financial

performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

## 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 38 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an error discovered during 2014-15 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

## MATERIAL LOSSES

9. As disclosed in note 47 to the financial statements, material losses of R5 013 287 (2013-14: R3 061 470) were incurred as a result of water distribution losses, which represented 66% (2013-14: 43%) of the total water purchased.

## MATERIAL IMPAIRMENTS

10. As disclosed in note 3 to the financial statements, the receivables from non-exchange transactions balance was significantly impaired. The impairment of debtors amounted to R33 825 120 (2013-14: R25 245 191), which represented 91% (2013-14: 87%) of the total debtors. The contribution to the provision for debt impairment was R8 579 929 (2013-14: R1 023 454).
11. As disclosed in note 4 to the financial statements, the receivables from exchange transactions balance was significantly impaired. The impairment of consumer debtors amounted to R245 034 692 (2013-14: R209 006 867), which represented 94% (2013-14: 93%) of the total consumer debtors. The contribution to the provision for debt impairment was R36 027 825 (2013-14: R15 144 818).

## ADDITIONAL MATTER

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## UNAUDITED DISCLOSURE NOTES

13. 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

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## PREDETERMINED OBJECTIVES

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the municipality for the year ended 30 June 2015:
  - Programme 5.4: community services and public safety, on pages ... to ...
  - Programme 5.5: planning and economic development, on pages ... to ...
  - Programme 5.6: infrastructure, on pages ... to ...
16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. 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).
18. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. The material findings in respect of the selected programmes are as follows:

## COMMUNITY SERVICES AND PUBLIC SAFETY

### USEFULNESS OF REPORTED PERFORMANCE INFORMATION

20. Section 41(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) requires the service delivery agreement to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 40% of the reported objectives, indicators and targets were not consistent with those in the approved service delivery agreement. This was due to the municipality not having standard operating procedures to ensure consistent reporting.
21. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 30% of the indicators were not well defined.
22. Performance targets should be specific in clearly identifying the nature and required level of performance, as required by the FMPPI. A total of 30% of the targets were not specific.
23. Performance targets should be measurable, as required by the FMPPI. I could not measure the required performance for 30% of the targets.

This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes as well as the absence of technical indicator descriptions.

## RELIABILITY OF REPORTED PERFORMANCE INFORMATION

24. 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 standard operating procedures or documented system descriptions for the accurate recording of actual achievements; technical indicator descriptions for the accurate measurement, recording and monitoring of performance; monitoring of the completeness of source documentation in support of actual achievements; and frequent review of the validity of reported achievements against source documentation.

## PLANNING AND ECONOMIC DEVELOPMENT

### USEFULNESS OF REPORTED PERFORMANCE INFORMATION

25. Section 41(c) of the MSA requires the service delivery agreement to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 35% of the reported objectives, 41% of the reported indicators and 42% of the reported targets were not consistent with those in the approved service delivery agreement. This was due to the municipality not having standard operating procedures to ensure consistent reporting.
26. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 24% of the indicators were not well defined.
27. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 24% of the indicators were not verifiable.

This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes as well as the absence of technical indicator descriptions.

## RELIABILITY OF REPORTED PERFORMANCE INFORMATION

28. 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 because proper indicator definitions were not used to predetermine the evidence and method of calculation for actual achievements.

## INFRASTRUCTURE

## RELIABILITY OF REPORTED PERFORMANCE INFORMATION

29. 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 standard operating procedures or documented system descriptions for the accurate recording of actual achievements; technical indicator descriptions for the accurate measurement, recording and monitoring of performance; monitoring of the completeness of source documentation in support of actual achievements; and frequent review of the validity of reported achievements against source documentation.

## ADDITIONAL MATTER

30. I draw attention to the following matter:

## ACHIEVEMENT OF PLANNED TARGETS

31. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 20 to 29 of this report.

## COMPLIANCE WITH LEGISLATION

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

## STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

33. The municipality did not establish a performance management system, as required by section 38(a) of the MSA.

34. Measurable performance targets for the financial year were not set in the integrated development plan for each of the key performance indicators and with regard to each of the development priorities or objectives, as required by section 41(1)(b) of the MSA and municipal planning and performance management regulation 12(1) and 12(2)(e).
35. The service delivery and budget implementation plan, used for implementing the municipality's delivery of municipal services and annual budget, did not indicate projections for each month of the revenue to be collected by source and the operational and capital expenditure by vote, as required by section 1 of the MFMA.

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## ANNUAL FINANCIAL STATEMENTS, PERFORMANCE REPORT AND ANNUAL REPORT

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

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## AUDIT COMMITTEE

37. The audit committee did not advise the council and accounting officer on the following:
  - Matters relating to internal financial control and internal audits, risk management, accounting policies, effective governance, performance management and performance evaluation, as required by section 166(2)(a) of the MFMA.
  - Matters relating to the adequacy, reliability and accuracy of financial reporting and information, as required by section 166(2)(a)(iv) of the MFMA.
  - Matters relating to compliance with legislation, as required by section 166(2)(a)(vii) of the MFMA.
38. The audit committee did not respond to the council on the issues raised in the audit reports of the auditor-general, as required by section 166(2)(c) of the MFMA.
39. The audit committee did not review the municipality's performance management system and make recommendations to the council, as required by municipal planning and performance management regulation 14(4)(a)(ii).
40. The audit committee did not review the quarterly internal audit reports on performance measurement, as required by municipal planning and performance management regulation 14(4)(a)(i).
41. The audit committee did not submit, at least twice during the financial year, an audit report on the review of the performance management system to the council, as required by municipal planning and performance management regulation 14(4)(a)(iii).
42. The audit committee did not meet at least four times a year, as required by section 166(4)(b) of the MFMA.

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## PROCUREMENT AND CONTRACT MANAGEMENT

# GLOSSARY

43. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, contrary to supply chain management (SCM) regulation 17(a) and (c).
44. Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, contrary to SCM regulation 19(a). Deviations were also approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
45. Bid adjudication was not always done by committees composed in accordance with SCM regulation 29(2).
46. Thresholds for local content on designated sectors' procurement were not properly applied in accordance with the requirements of preferential procurement regulation 9.
47. Contracts were extended and modified without tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA.

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## EXPENDITURE MANAGEMENT

48. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
49. Reasonable steps were not taken to prevent unauthorised, irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

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## ASSET MANAGEMENT

50. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

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## CONSEQUENCE MANAGEMENT

51. Unauthorised, irregular as well as fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.
52. The council certified unauthorised as well as fruitless and wasteful expenditure as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(a)(ii) of the MFMA.

## INTERNAL AUDIT

53. The internal audit unit did not function as required by section 165(2) of the MFMA, in that:
- it did not report to the audit committee on the implementation of the internal audit plan
  - it did not report to the audit committee on matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management as well as loss control.
54. The internal audit unit did not report to the audit committee on matters relating to compliance with the MFMA, DoRA and other applicable legislation, as required by section 165(2)(b)(vii) of the MFMA.

## REVENUE MANAGEMENT

55. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.
56. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

## HUMAN RESOURCE MANAGEMENT

57. The municipality did not develop and adopt appropriate systems (policies) and procedures to monitor, measure and evaluate the performance of staff, in contravention of section 67(d) of the MSA.

## INTERNAL CONTROL

58. 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 compliance with legislation included in this report.

## LEADERSHIP

59. The accounting officer did not implement effective human resource management to ensure that adequate and sufficiently skilled resources were in place and that performance was monitored.
60. An action plan to address identified control deficiencies was not implemented properly and monitored closely.

## FINANCIAL AND PERFORMANCE MANAGEMENT

61. Senior management did not effectively monitor and review performance reports to ensure that they were accurate, complete and supported by valid evidence.
62. The municipality did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support financial and performance reporting.
63. Monitoring tools were not put in place to review and monitor compliance with applicable legislation.

## GOVERNANCE

64. The municipality did not ensure that there was an adequately resourced and functioning internal audit unit that identified internal control deficiencies and recommended corrective action effectively.
65. The municipality did not ensure that the audit committee promoted accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation.

Mbombela

30 November 2015



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## GLOSSARY

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

# GLOSSARY

	performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General performance indicators</b>	<b>Key</b> After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	<b>Plan</b> Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.

# GLOSSARY

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

# APPENDICES

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Functionality of Ward Committees					
Ward	Name of Ward Councillor and Elected Ward Committee Member	Committee established (Yes/No)	Number of monthly meetings held during the year	Number of monthly reports submitted to Speaker's office on time	Number of quarterly public ward meetings held during the year
Ward 2	Clr Nhlapo <i>(till February 2015)</i>	Yes	4	0	4
Ward 1	Clr PR Thenjekwayo <i>(till February 2015)</i>	Yes	4	0	4
Ward 1	Clr DS Sithole	Yes	12	0	4
Ward 3	Clr R Hall	Yes	4	0	4
Ward 3	Clr W Davel	Yes	12	0	4
Ward 4	Clr ML Makhubu	Yes	4	0	4
Ward 5	Clr M Tsotetsi	Yes	4	0	0
Ward 5	Clr SA Motloung	Yes	12	0	0
Ward 6	Clr TJ Mahlangu	Yes	4	0	4
Ward 6	Clr MD Khanye	Yes	4	0	4
Ward 1	Clr N Zwane	Yes	4	0	4
Ward 3	Clr DG Zwane	Yes	4	0	4
					TE

# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purposes of Committees		
Municipal Committee	Purpose of Committee	
Clr NS Nhlapo (till February 2015)	Finance Portfolio /Executive Mayor	
Clr PR Thenjekwayo (till February 2015)	Policy & By-laws, rules & ethics Committee/Speaker	
Clr DS Sithole	MPAC-Chairperson/MMC	
Clr R Hall	Finance Portfolio	
Clr W Davel	MPAC Member	
Clr ML Makhubu	Section 80 Committee	
Clr M Tsotetsi	Section 80 Committee	
Clr SA Motloung	MPAC member / Chairperson	
Clr TJ Mahlangu	MPAC Member	
Clr MD Khanye	Section 80 Committee/MMC	
Clr N Zwane	MPAC Member	
Clr DG Zwane	Policy & By-laws, rules & ethics Committee/Speaker	

# APPENDICES

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	SL Netshivhale (Acting MM) from March 2016
Corporate Services	T Goba (Director)
Infrastructure Services	RB Ntshanana (Director)
Budget and Treasury	A Ngema (CFO)
Community Services	IV Madonsela(Director)
Planning & Economic Development	L Makaya (Director)
<i>Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2)</i>	
TC	

# APPENDICES

## APPENDIX D – FUNCTIONS OF MUNICIPALITY/ENTITY

NO Municipal entities

# APPENDICES

## APPENDIX E –WARD REPORTING

### APPENDIX E – WARD REPORTING

Councillors, Committees Allocated and Council Attendance					
Council Member	Full time/ Part - Time	Committees Allocated	Ward and/or Party Represented	Percentage Council Meeting Attendance	Percentage Apologies for non- attendance
Clr NS Nhlapo (till March 2016)	FT	Finance Portfolio /Executive Mayor	Ward 2 (ANC)	100%	0%
Clr PR Thenjekwayo (till March 2016)	FT	Policy & By-laws, rules & ethics Committee/Speaker	Ward 1 PR (ANC)	100%	0%
Clr DS Sithole	PT	MPAC-Chairperson/MMC	Ward 1 (ANC)	100%	0%
Clr R Hall	PT	Finance Portfolio	Ward 3 (DA)	100%	0%
Clr W Davel	PT	MPAC Member	Ward 3 PR (DA)	100%	0%
Clr ML Makhubu	PT	Section 80 Committee	Ward 4 (Independent)	100%	0%
Clr M Tsotetsi	FT	Section 80 Committee	Ward 5 (ANC)	100%	0%
Clr SA Motloung	P	MPAC member / Chairperson	Ward 5 (ANC)	100%	0%
Clr TJ Mahlangu	PT	MPAC Member	Ward 6 (ANC)	100%	0%
Clr MD Khanye	FT	Section 80 Committee/MMC	Ward 6 (ANC)	100%	0%
Clr N Zwane	PT	MPAC Member	Ward 1 (SCM)	100%	0%
Clr DG Zwane	PT	Policy & By-laws, rules & ethics Committee/Speaker	Ward 3 (SCM)	100%	0%
<b>Note:</b> Councillors appointed on proportional basis do not have wards allocated to them					TE

# APPENDICES

## APPENDIX F – WARD INFORMATION

Functionality of Ward Committees					
Ward	Name of Ward Councillor and Elected Ward Committee Member	Committee established (Yes/No)	Number of monthly meetings held during the year	Number of monthly reports submitted to Speaker's office on time	Number of quarterly public ward meetings held during the year
Ward 2	Clr NS Nhlapo (till March 2016)	Yes	4	0	4
Ward 1	Clr PR Thenjekwayo (till March 2016)	Yes	4	0	4
Ward 1	Clr DS Sithole	Yes	12	0	4
Ward 3	Clr R Hall	Yes	4	0	4
Ward 3	Clr W Davel	Yes	12	0	4
Ward 4	Clr ML Makhubu	Yes	4	0	4
Ward 5	Clr M Tsotetsi	Yes	4	0	0
Ward 5	Clr SA Motloun	Yes	12	0	0
Ward 6	Clr TJ Mahlangu	Yes	4	0	4
Ward 6	Clr MD Khanye	Yes	4	0	4
Ward 1	Clr N Zwane	Yes	4	0	4
Ward 3	Clr DG Zwane	Yes	4	0	4
					TE

# APPENDICES

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2015/16

none

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

none

## APPENDIX I – MUNICIPAL ENTITY

None

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

None

# APPENDICES

## APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Performance by Vote						
R' 000						
Vote Description	2014/15	Current: 2015/16			Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - EXECUTIVE AND COUNCIL	106,469,000	37,449,748	37,461,748	52,692,746	-29%	-29%
Vote 2 - FINANCIAL AND ADMINISTRATION	30,714,153	30,037,171	34,044,226	40,643,512	-26%	-16%
Vote 3 - COMMUNITY SERVICES	109,170	107,548	160,759	332,093	-68%	-52%
Vote 4 - DEVELOPMENT AND PLANNING	75,206	-	-	13,127	0%	
Vote 5 - SPORTS AND RECREATION	-	-	-		0%	
Vote 6 - ROADS	3,382,659	4,129,666	4,130,207	1,975,642	109%	109%
Vote 7 - PUBLIC SAFETY	945,000	1,023,235	1,539,308	1,521,250	-33%	1%
Vote 8 - WASTE MANAGEMENT	6,509,052	6,747,741	6,785,713	6,805,866	-1%	0%
Vote 9 - WATER WASTE MANAGEMENT	12,514,526	13,148,283	14,240,800	14,119,706	-7%	1%
Vote 10 - WATER	13,461,906	15,396,992	16,786,135	16,259,450	-5%	3%
Vote 11 - ELECTRICITY	38,250,079	58,771,155	58,243,374	41,788,795	41%	39%
Example 12 - Vote 12	-	-	-	-	0%	-
Example 13 - Vote 13	-	-	-	-	0%	-
Example 14 - Vote 14	-	-	-	-	0%	
Example 15 - Vote 15	-	-	-	-	0%	
<b>Total Revenue by Vote</b>	<b>212,430,751</b>	<b>166,811,539</b>	<b>173,392,270</b>	<b>176,152,187</b>	<b>(0)</b>	<b>0</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

# APPENDICES

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	2014/15	Current: 2015/16			Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	10,203	9,767	14,000	13,645	-40%	3%
Property rates - penalties & collection charges	–	–	–	–	0%	0%
Service Charges - electricity revenue	37,667	42,814	42,814	41,471	3%	0%
Service Charges - water revenue	13,056	14,069	15,464	15,731	-12%	0%
Service Charges - sanitation revenue	12,515	13,148	14,241	14,120	-7%	0%
Service Charges - refuse revenue	5,068	5,299	5,343	5,364	-1%	0%
Service Charges - other	–	–	–	–	0%	0%
Rentals of facilities and equipment	203	212	206	213	0%	-3%
Interest earned - external investments	705	524	973	1,390	-165%	0%
Interest earned - outstanding debtors	15,799	16,454	15,455	20,901	-27%	-26%
Dividends received	–	–	–	–		
Fines	926	1,143	1,508	1,521	-33%	-1%
Licences and permits	–	–	2	–	0%	0%
Agency services	3,379	3,258	3,256	3,494	-7%	-7%
Transfers recognised - operational	98,083	56,678	57,872	81,425	-44%	-29%
Other revenue	14,827	2,247	1,061	791	65%	34%
Gains on disposal of PPE	–	1,200	1,200	–	0%	0%
Environmental Protection	–	–	–	–		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>212,431</b>	<b>166,812</b>	<b>173,393</b>	<b>200,065</b>	<b>16.62%</b>	<b>13.33%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

# APPENDICES

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

None

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

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	24,747	28,643		24,747	-	-	-
<b>Infrastructure: Road transport - Total</b>	-	-	-	-	-	-	-
Roads, Pavements & Bridges							
Storm water							
<b>Infrastructure: Electricity - Total</b>	9,012	14,200	15,700	9,012	-	-	-
Generation							
Transmission & Reticulation	9,012,131	14,200,000	15,700,000	9,012,131			
Street Lighting							
<b>Infrastructure: Water - Total</b>	-	-	-	-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
<b>Infrastructure: Sanitation - Total</b>	15,735	14,443	20,943	15,735	-	-	-
Reticulation							
Sewerage purification	15,734,764	14,443,000	20,943,000	15,734,764			
<b>Infrastructure: Other - Total</b>	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
<b>Community - Total</b>	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Table continued next page							

# APPENDICES

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

None

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

None

# APPENDICES

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2015/16

Capital Programme by Project: 2015/16					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
"Project C"				#DIV/0!	#DIV/0!
<b>Sanitation/Sewerage</b>					
"Project A"	14,443,000.00	20,943,000.00	9,012,131	-132%	-60%
"Project B"				#DIV/0!	#DIV/0!
<b>Electricity</b>					
"Project A"	14,200,000.00	15,700,000.00	15,734,764	0%	10%
"Project B"				#DIV/0!	#DIV/0!
<b>Housing</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Refuse removal</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Stormwater</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Economic development</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Sports, Arts &amp; Culture</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Environment</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Health</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Safety and Security</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>ICT and Other</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
T N					

# APPENDICES

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD2015/16

Capital Programme by Project by Ward: 2015/16			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
<b>Water</b>			
"Project A"			
"Project B"			
<b>Sanitation/Sewerage</b>			
provision of sewer reticulations	Ward 5	No	
Upgrading of Grootvlei waste water treatment plant	Ward 5	No	
<b>Electricity</b>			
Replacement of old feeder lines	Ward 3 and and 5	No	
<b>Housing</b>			
<b>Refuse removal</b>			
<b>Stormwater</b>			
<b>Economic development</b>			
<b>Sports, Arts &amp; Culture</b>			
<b>Environment</b>			
<b>Health</b>			
<b>Safety and Security</b>			
<b>ICT and Other</b>			
			T O

# APPENDICES

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

None

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

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
<b>Clinics:</b>		
	n/a	n/a
<b>Housing:</b>		
	35%	increase in informal dwellings
<b>Licencing and Testing Centre:</b>		
	n/a	n/a
<b>Reservoirs</b>		
	n/a	n/a
<b>Schools (Primary and High):</b>		
	n/a	n/a
<b>Sports Fields:</b>		
	n/a	n/a
		T Q

# APPENDICES

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

None

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

None

## APPENDIX T – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT

None

# ANNUAL PERFORMANCE REPORT 2015/2016

## Table of Contents

Acronyms.....	3
Executive Summary.....	5
1. Introduction .....	6
1.1 Background.....	6
1.2 Vision and Mission.....	6
2. Integrated Planning, Budgeting and Performance Management for the year	
2015/2016.....	7
2.1 Integrated Development Planning(IDP).....	7
2.2 Municipal Strategic Priorities.....	7
2.3 The Budget Process.....	7
2.4 Alignment of the Organisation with the Strategy.....	7
2.5 Service Delivery and Budget Implementation Plan (SDBIP).....	7
2.6 Adjustment Budget .....	8
3. Key Performance Areas, Goals and Outcomes.....	9
4. Performance Result for 2015/2016..... ( Annexure A)	

## LIST OF ACRONYMS

GSDM	-	Gert Sibande District Municipality
AG	-	Auditor General
ASGISA	-	Accelerated Shared Growth Initiative for South Africa
CBD	-	Central Business District
COGTA	-	Co-Operative Governance and Traditional Affairs
DBSA	-	Development Bank of South Africa
DHS	-	Department of Human Settlement
DLM	-	Dipaleseng Local Municipality
DOT	-	Department of Transport
EIA	-	Environmental Impact Assessment
EMF	-	Environmental Management Framework
FBS	-	Free Basic Services
GGP	-	Gross Geographical Product
GRAP	-	Generally Recognized Accounting Practice
GIS	-	Geographical Information System
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDP	-	Integrated Development Plan
IGR	-	Inter Governmental Relations
KPA	-	Key Performance Areas
LED	-	Local Economic Development
LUMF	-	Land Use Management Framework
LUMS	-	Land Use Management System
MEC	-	Member of the Executive Council
MFMA	-	Municipal Finance Management Act
MPAC	-	Municipal Public Accounts Committee
MIG	-	Municipal Infrastructure Grant
MTEF	-	Medium-term Expenditure Framework
NDBG	-	Neighbourhood Development Partnership Grant
NRW	-	Non-Revenue Water
NSDP	-	National Spatial Development Strategy
PGDS	-	Provincial Growth Development Strategy
PMS	-	Performance Management System

# APPENDICES

PTO	-	Permission to Occupy
RSC	-	Regional Service Centre
SCM	-	Supply Chain Management
SEA	-	Strategic Environmental Assessment
SDF	-	Spatial Development Framework
SDP	-	Site Development Plan
SMME	-	Small, Medium and Micro Enterprise
TLC	-	Transitional Local Council
WCDM	-	Water Conservation Demand Management
WSDP	-	Water Services Development Plan
WWTP	-	Waste Water Treatment Plant

## EXECUTIVE SUMMARY

This report reflects on the performance of Dipaleseng Local Municipality for the financial year 2015/2016 in terms of the implementation of its strategy.

The first section, being the introduction, gives an overview of the vision and mission of the Municipality and a brief reference to the legislative and policy framework in terms of which this report is compiled.

An overview of the processes which lead to the compilation of the strategy (the Integrated Development Plan), the allocation of financial resources for the implementation of thereof, the alignment of the organisation of the strategy, as well as the implementation plan (Service Delivery and Budget Implementation Plan) is provided in section 2.

Section 3 presents to the reader a sense of the contents of the strategy – the goals of the institution, the strategic objectives and organisational programmes in terms of each of these strategic objectives, indicators set for the measurement of the performance of each programme and targets set in terms of these indicators. It further reflects on the key performance Areas of local government and the outcome indicators identified for evaluation of the impact of the organisational programmes.

## 1. Introduction

### 1.1 Background

This report is prepared in compliance with Section 46 of the Municipal System Act, 2000 (Act 32 of 2000) herein referred as “the MSA” as well as Section 121 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) herein referred as “the MFMA” in terms of the requirements of an Annual Performance Report.

Although the report is known as the Annual Performance Report, it also forms an integral part of the Annual Report of the Municipality in terms of Section 121(2)(b) and (c) of the MFMA.

In the context of local government, service delivery can be defined as the implementation of the strategy of the organisation in an efficient and effective way. The monitoring of the implementation of the strategy becomes imperative to keep the focus of all employees in the organisation, as well as that of the stakeholders of the organisation, on the strategy and specifically the implementation thereof.

### 1.2 Vision and Mission

The following Vision and Mission statement for Dipaleseng Municipality were affirmed at a strategic planning session 2014 with active participation of both the political and administrative components of the municipality. The vision commits the municipality to sustainable, integrated, equitable and effective development.

The mission statement acknowledges the objects of local government as outlined in various local government legislation and given effect through the IDP and the associated sector plans. It also seeks to align the municipal strategic activities,

structure and resource allocation with the powers and functions as prescribed in the Constitution.

Dipaleseng Local Municipality is guided by the following values in conducting its business:

-

- Transparency
- High Quality Service Delivery
- Accountability
- Service Communities with Integrity
- Efficiency
- Professionalism

## **2. Integrated Planning, Budgeting and Performance Management of the Financial Year 2015/2016**

The strategic plan in local government is called the municipal Integrated Development Plan (IDP). The budgetary process is the provision of resource for the implementation of the strategy (IDP), whilst the Service Delivery and Budget Implementation Plan (SDBIP) is the implementation plan of the IDP. The alignment between the municipal Integrated Development Plan, the Budget, SDBIP and the performance management system is critical to ensure the strategic alignment within the municipality. The alignment of the Performance Agreement by the Municipal Manager and the Section 56 Manager constitutes a process of linking reward(s) to the achievement of the strategy (IDP).

### **2.1 Integrated Development Plan (IDP)**

The Integrated Development Planning (to be referred to as “the IDP”) process unfolded as per the Municipality Framework and Process Plan, coordinating all processes and structures on Municipality level. The IDP for the financial year 2015/2016 was approved by Council under item A167/2015, during a Council meeting held on 28 May 2015.

### **2.2. Municipality Strategic Priorities**

The strategic priorities of the municipality are based on the Integrated Development Plan financial year 2015/2016. These priorities form the basis of developing the municipal objectives and output/targets reflecting the overall district service delivery strategy. These priorities were equally informed by the policy and planning directives emanating from national and provincial government. Table 1 reflects the strategic objectives and programmes of the municipality aligned with the five key Performance Areas of local government.

### **2.3. The Budgeting Process**

The budget process unfolded simultaneously with the IDP process. The budget was approved by Council under item A168/2015 during a Council meeting held on May 2015.

### **2.4. Alignment of the Organisation with the Strategy**

After the approval of the IDP, the Performance Management Unit focused on the alignment of the objectives of the department with the strategy of the organisation. This was followed by a process of alignment of the programmes and projects of the business units within the department with the departmental objectives. Scorecards were drafted for the organisation as well as for each department, which have informed the SDBIP and the Performance Agreement, creating a situation where all the

activities and energy in the organisation were focused on achieving the organisation strategy. The performance agreement of the Municipal Manager and the Section 56 Manager have been duly signed with the required time frame

## **2.5. Service Delivery and Budget Implementation Plan (SDBIP)**

The Services Delivery and Budget Implementation plan (to be referred to as “the SDBIP”) is a key element in the process of service delivery, as it provides for the cascading of the strategic level (Integrated Development Plan and the Budget) to a level of implementation. It therefore provides the basis for measuring performance in service delivery and spending of the budget against specific targets. An SDBIP for the Municipality for the financial year 2015/2016 was compiled to guide the implementation of projects and the spending of funds and has been signed off by the Executive Mayor on June 2015. The strategic objectives of then institutions are indicated on the Strategy Map (Figure 1). The strategy map is used to test the strategy hypothesis of the municipality through the caused-and-effect relationships of the defined strategic objectives. This ensures organisational alignment and the achievement of a balanced strategy for the municipality.

## **2.6 Adjustment Budget**

In view of the Mid Term Performance Review, an Adjustment Budget was approved by Council under items A6/2016 during the meeting held 07 March 2016

## **2.7 SDBIP Review**

The SDBIP was adjusted to align with the changes in terms of the implementation plan of the strategy and the adjusted budget, based on the resolutions made during the Mid Term Budget

## **3. Key Performance Areas of Local Government, Goals and Outcomes**

**The five key performance areas of local government applicable to DLM are as follows: -**

### **1) Basic Service Delivery**

This focuses on the provision of and access to basic services by communities living in the Municipality. The municipality has a mandate to facilitate and promote bulk services which includes water, sanitation, electricity, roads and storm-water, refuse removal and waste management.

### **2) Municipal Institutional Development and Transformation**

This focuses on priority needs of the municipality in order to effectively render its services. It covers a range of issue which includes operational efficiency, skills development and training, performance management, risk management, communication and marketing, information technology support and employee wellness and motivation.

### **3) Local Economic Development**

This performance area entails the Municipality strategic approach to LED by exploiting its economic comparative advantage in order to contribute to the growth and development of the region, province and national economy. Economic sectors which offer the municipality a comparative advantage provide opportunities for economic growth which, if explored through

forms of direct and /or fixed investment, can result in job creation and poverty alleviation in the region. Facilitation, support and capacity building programmes to businesses is one of the most critical factors of this performance area.

#### **4) Municipal Financial Viability and Management**

This is focused on ensuring that Municipality use financial resources prudently, and according to the priorities and needs of their constituencies in order to assure all stakeholders and role players of the 'value for money' when rendering services. Municipality must have sound and effective systems in revenue enhancement, debt management, supply chain management, financial risk management, asset management and cash flow management.

#### **5) Good Governance and Public Participation**

This performance area is focused on matters of effective integrated development planning, functionality of stakeholder participation processes, inter-governmental and stakeholder relations including traditional authorities, communication system and a mechanism to promote feedback to communities, Batho Pele and Council stability.

DLM derives its mandate and goals from Section 83 (3) of the Municipal Structures Act of 1998 which states that a municipality must seek to achieve the integrated, sustainable and equitable social and economic development its area as a whole by: -

- a) Ensuring integrated development planning for the municipality as a whole by: -
- b) Promoting bulk infrastructural development and services for the municipality as a whole;
- c) Building the capacity of local municipality in its area to perform their functions and exercise their powers where such capacity is lacking; and
- d) Promoting the equitable distribution of resources between the municipality in its area to ensure appropriate levels of municipal services within the area.

# APPENDICES

1.1 DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER - COMMUNITY PARTICIPATION												
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	KPA Indicators	Outcome	Baseline 2014 /15	2015/16					
							Planned	Actual	Deviation (Target achieved/Not Achieved)	Corrective Measures/ Comments	Annual Target	
Good Governance and Public Participation	To ensure good governance and participation of Stakeholders	Ward Governance	Ops Funded	Number of Mayoral Imbizo facilitated.	Community Participation	New	4	none	Target not achieved	static appearance to defined schedule	4	
			Ops Funded	Reviewed of 2015/16 IDP		Reviewed 2015 /16 IDP	1	1	Target achieved	none	1	
			Ops Funded	Number of Budget Consultation meetings facilitated		10 Budget meeting convened in 2014 /15	10	10	Target achieved	none	10	
		Community Participation	Ops Funded	Number of ward committees meetings facilitated		66	72	72	Target achieved	none	72	

# APPENDICES

			Ops Funded	Number of Ward Committee reports submitted to Council and Province on a quarterly basis	4	4	4	Target achieved	none	4		
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1.2 DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER - GOVERNANCE												
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	KPA Indicators	Outcome	Base line 2014/ 15	2015/16					
							Planned	Actual	Deviation (Target achieved/Not Achieved)	Corrective Measures/ Comments		
Good Governance and Public Participation	Development and implementation of broader public participation /develop performance management system	Community Participation	Ops Funded	Number of municipal newsletter's published	Inform ed community	1	4	0	Target not achieved	To improve on cash flow constrains		

# APPENDICES

			Ops Funded	Percent age of website update request s complet ed within 7 working days		100 %	100%	0%	Target not Achiev ed	IT to expedite operasati onality of the website
			Ops Funded	Number of schedul ed Section 79 Portfoli o meeting s facilitat ed		5	12	12	Target achiev ed	none
			Ops Funded	Number of schedul ed 80 Portfoli o meeting s facilitat ed		3	Conv ene sched uled sectio n 80 Portfo lio meeti ngs	45	Target not achiev ed	Strict adherenc e to schedule s schedule
		Perfor mance Manag ement	Ops Funded	Number of organis ational perform ance report (Annual )	Improv ed Servic e Deliver y	50%	1	1	Target Achiev ed	none
			Ops Funded	Number of Audit reports submitt ed	Transp arent Admini stratio n	1	4	4	Target Achiev ed	none
Financia l viability and financial manage ment	To ensure managem ent excellence in Budget and Expenditure process controls	Financi al Liquidit y and Viabilit y	Ops Funded	Percent age of Employ ee costs of total operati ng budget (annual ).	Effecti ve financi al manag ement	31% Spent on Empl oyee	31%	31%	Target Achiev ed	none

# APPENDICES

			Ops Funded	Percent age (%) of total Operational Budget spend (annual )		<80	80%	80%	Target Achieved	none
	To ensure full compliance with MFMA and GRAP with regard to financial management reporting	Financial Accountability and Compliance	Ops Funded	Percent age(%) execution of approved Risk based Audit Plan		Audit Register 2014/15	100%	85%	Target not Achieved	To employer more internal auditors make sure that time productively
			Ops Funded	Number of Quarterly SDBIP Evaluations conducted within 30 days after each quarter.		4	4	0	Target not Achieved	MM to conduct evaluation for all Directorates for 2015/16 financial year.
			Ops Funded	Compilation and tabling of Annual Report before Council		1	1	1	Target Achieved	none
			Ops Funded	Percent age (%) mitigation of Strategic risk register		Risk register 2014/15	60%	0%	Target not Achieved	Establishment of relevant committees

# APPENDICES

			Ops Funded	Bi- annual conduct formal evaluati on of the perform ance for section 56/57 employ ees in terms of their signed agreem ents		0	4	0	Target not Achiev ed	MM to conduct evaluatio n for all section 56 for 2015/16 financial year.
			Ops Funded	Draft Annual report and oversig ht report submitt ed to Council in January and final in March		1	1	1	Target Achiev ed	none
			Ops Funded	Auditor- General Opinion express ed on laws and regulati ons	1	Unqu alifie d Audit opini on on AFS 2013/ 14	1	1	Target Achiev ed	none
			Ops Funded	Annual Section 72-mid- year report submitt ed to Council	1	Com pilati on of data for mid- year repor t	1	1	Target Achiev ed	none

# APPENDICES

			Ops Funded	Signed Performance agreement 2015/16 for section 56 managers	5	6 Signed Performance agreements of S56 managers 2014/15	1	1	Target Achieved	none
			Ops Funded	Number of performance review conducted		4 performance reviewed	4	4	Target not achieved	MM to ensure performance review are conducted
			Ops Funded	Top layer of SDBIP approved by the Executive Mayor within 28 days after the budget approval		Approved Top layer SDBIP 2015/16 by the Executive Mayor	1	1	Target Achieved	none
			Ops Funded	Number of Management meeting held		10 Management Meetings Convened	24	16	Target not achieved	Strict adherence to define schedules
			Ops Funded	Establishment of Risk Committee		Ad hoc meetings	1	0	Target not Achieved	Inauguration of Risk Committee be expedited for 2016

# APPENDICES

1.3 DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER - YOUTH AND TRANSVERSAL ISSUES											
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	KPA Indicators	Outcome	Base line 2014/15	2015/16				
							Planned	Actual Performance	Deviation (Target achieved/Not Achieved)	Corrective Measures/ Comments	Annual Target
Good Governance and Public Participation	To ensure effective oversight and good governance	Sports, Arts and Culture	Ops Funded	Number of sports development programmes conducted	Youth engagement	4	12	12	Target Achieved	none	12
			Ops Funded	Number of Local Youth Committee meetings facilitated		16	16	16	Target Achieved	none	16
		Transversal issues	Ops Funded	Number of Special Programmes facilitated in respect of Elderly and Disabled.		3	12	0	Target not achieved	Formalisation of proper coordination	12

# APPENDICES

		Governance and Administration	Ops Funded	Number of HIV/AIDS programmes facilitated	Governance and Administration	10	16		Target Achieved	none	16
								16			

1.4 DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER - PROJECTS											
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	Project	Outcome	Dates		2015/16			
						Start	End	Planned .	Actual	Deviation (Target achieved/Not Achieved)	Corrective Measures /Comments
Municipal transformation and Institutional development	Development and implementation PMS Framework	Performance Management		Implement a Performance Management System (PMS)	Organisational Excellence	Jul-15	Dec-16	Review and submission of the PMS framework and policy to By-Law & Ethics Committee	Draft policy under consideration by By-Law Ethics Committee	Target not Achieved	Expend the activation of electronic PMS application

# APPENDICES

3.1 LEGAL AND ADMINISTRATION										
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	Key Performance Indicators	Outcome	Baseline 2014/15	2015/16			
							Annual Target	Actual Achievement	Comment	Corrective measures
To ensure Institutional Transformation	Review and streamline policies and procedures	Policies	OPE X	Maintain an updated Policy Register approved by Municipal Manager	reviewed and Approved Delegation Register	new	updated policy register	updated and approved policy register	The policy register is in the process of review	The process is ongoing
To ensure good governance and participation of stakeholders	Promote sound and sustainable governance	Institutional capacity and development	OPE X	Number of Section 79 Committees meeting	24 section 79 meeting held	8 meetings were held in 2014/15	12	8	Other committees were not meeting	The Office of the Speaker will develop a schedule of meeting to ensure committees meets
To ensure good governance and participation of stakeholders	Promote sound and sustainable governance	Institutional capacity and development	OPE X	Number of Mayoral Committees Agenda compiled	Properly coordinated and managed agendas	12 meetings were held	12	12 set of Mayoral Committee agendas efficiently and properly coordinated and signed	N/A	N/A
To ensure good governance and participation of stakeholders	Promote sound and sustainable governance	Legal Support and Administration	OPE X	review delegation register	Reviewed and Approved Delegation Register	New	The delegation register was reviewed	Reviewed and Approved Delegation Register	The draft is available and will serve before the council	The draft will be approved by Council

# APPENDICES

To ensure good governance and participation of stakeholders	Promote sound and sustainable governance	Institutional capacity and development	OPE X	Number of Council meeting agenda compiled	number of Council compiled agenda	13	4	16 Efficiently coordinated and managed Agenda	N/A	N/A
To ensure Institutional development	To ensure compliance with the National Archives and Records Management Act	Institutional capacity and development	OPE X	Implementation of File Plan	Reviewed, Approved & implementation of File Plan	Implementation of File Plan in 2014/15	Reviewed & approved file plan	Reviewed, Approved & implementation of File Plan	The plan is implemented	Implement comment s from the Provincial Achieves
To ensure good governance and participation of stakeholders	Promote sound and sustainable governance	Legal Support and Administration	OPE X	Number of labour cases defended	Number of labour cases defended	New	N/A	Consolidated report of cases defended with court doc or verdict	N/A	N/A
To ensure good governance and participation of stakeholders	Promote sound and sustainable governance	Legal Support and Administration	OPE X	Number of DC held	Number of DC cases prosecuted or adjudicated	New	4 quarterly reports to be submitted to council	4 reports were submitted to council	N/A	N/A
To ensure good governance and participation of stakeholders	Promote sound and sustainable governance	Legal Support and Administration	OPE X	Create and maintain an updated contracts register	Effective contracts administration	2014/15 Contract Register	reviewed & approved contract register	Updated Contract Register	N/A	N/A
To ensure good governance and participation of stakeholders	Promote sound and sustainable governance	Legal Support and Administration	OPE X	Number of litigation cases	Number of litigation cases	New	4 quarterly reports to be submitted to council	4 reports were submitted	N/A	N/A

# APPENDICES

To ensure good governance and participation of stakeholders	Promote sound and sustainable governance	Legal Support and Administration	OPEX	Development of resolution tracking system	Resolution tracking system	new	Report on implemented resolutions	Report on implemented resolutions	The resolution tracking system is developed	the system will be operational in 2016/17
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3.2 HUMAN RESOURCES & MANAGEMENT										
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	Key Performance Indicators	Outcome	Baseline	2015/16			
							Annual Target	Actual Target	Comments	Corrective Measures
To ensure Institutional transformation	To ensure availability of staff is maximised and working time is not lost	Access and Attendance system	350 000	installation of time and attendance system	Installation of Time and Attendance Management System	New	Installation of Time and Attendance Management System	The tender is issued and awaiting adjudication by SCM	Service Providers will be procured again	Issue tenders on time and speed up adjudication
To ensure Institutional transformation	To ensure that the workplace is representative of the demographics	Ensure demographic representative in the workplace in line with Dipaleseng population	OPEX	Submission of an Employment Equity Report	Employment Equity Report	Employment Equity Report 2014/15	Employment Equity (EE) report to DoL	Employment Equity Report was submitted in November 2015	N/A	N/A

# APPENDICES

To ensure Institutional transformation	Build Capacity within the employee in the municipality	To audit skills needs of the employees	OPEX	Submission of WSP on time	Reviewed Workplace Skills Plan	2014/15 Workplace Skills plan	WSP and ATR submitted to LGSETA	WSP and WSP were submitted on the 28 April 2016	N/A	N/A
To ensure Institutional transformation	Build Capacity within the employee in the municipality	Skills Development and Training of Employees	OPEX	Number of Employees trained	reports on training of employees	Quarterly reports	Trained staff and Councillors	Quarterly report submitted	N/A	N/A
To ensure Institutional transformation	To strengthen the communication within the Dept	Convene Departmental meetings	OPEX	Number of employees Departmental meetings held	Minutes of Department meetings held	NEW	4 Departmental meetings held	1 Departmental meeting held	scheduled of meetings will be adhered to	Develop a schedule of meetings
To ensure Institutional transformation	To maintain a healthy and sound labour relations with the municipality	Convene Local Labour Forum meetings	training on 4 -6 Aug 2015 and internal workshop planned for the 3 Sept 2015	Number of LLF meeting held	minutes of the meeting of LLF	12 LLF meeting 2014/15	12 LLF meetings	10 LLF meeting were held successfully	There were labour issues that need to be solved	The issues of employees is receiving attention
To ensure Institutional transformation		Convene Safety Committee Meeting	OPEX	Number of Safety Committee meetings	Minutes and reports of Safety Committee meetings	10 meeting held	12 Safety Committee meeting held	10 meeting were held	Employees were on leave in December and January	The schedule planned will provide for leaves
To ensure Institutional transformation		Conduct Safety inspections	OPEX	Number of safety inspections conducted	Reports of inspections conducted	NEW	12 reports of inspection conducted	10 inspections were done	Employees were on leave in December and January	The schedule planned will provide for leaves

# APPENDICES

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To ensure Institutional transformation	Assess, review and address the Human Capital and Skills	Review existing and develop new HR policies	OPEX	Number of existing HR policy reviewed and new developed	Approval of reviewed and new HR policies	6 HR policies reviewed	Approved HR policies	8 policies are under review	The policies and by laws will convene to deal with policies	The policies and by laws will convene to deal with policies
To ensure Institutional transformation		Installation of ESS system	OPEX	Installation of ESS System	Improved management of leaves	New	Installation of ESS and improved leave management	The system hasn't been installed due to outstanding leave matter	The leave matter is receiving attention at Province	The report is awaited from the province

3.4 INFORMATION & COMMUNICATION TECHNOLOGY											
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	Key Performance Indicators	Outcome	Baseline 2014/15	2015/16				
							Annual Target	Actual Achievement	Comments	Corrective measures	Annual Target
Municipal transformation and Institutional development	ICT Governance	Establish and maintain a functional ICT Steering Committee	OP EX	Number of the steering Committee meeting	Compliance with King III (ICT Governance)	1	4 ICT Steering Committee meetings held	2 meetings	Induction of the committee was not done on time	The Province will be assisting in inducting the committee	

# APPENDICES

Municipal transformation and Institutional development	ICT as a strategic enabler	Upgrading of the ICT Server	SMIG	Upgraded Server (file server)	Provision of ICT support services (end - user support )	NEW	Upgraded server	The server was not upgraded	The qualified service provider couldn't be secured on time	the provincial SITA will be used	
Municipal transformation and Institutional development	ICT Customer Support Services	Establish and maintain Log Book	OP EX	Number of queries received and attended	Number of queries received and attended	New	Number of queries received and attended	Report will be submitted	Target not Achieved	The system of recording has been developed and is in place	

2.1 DIRECTORATE: BUDGET & TREASURY - REVENUE										
PRIORIT Y AREA/ PROGRA MME	STRATEGI C OBJECTIV E	PROGRA MME	BU DG ET	KPI	OUTCO ME	BASEL INE	ANN UAL TARG ET	ACTUA L TARGE T	COMME NT	CORRECT IVE MEASURE
Financial Viability and Financial Managem ent	To expand and improve the revenue base of the municipali ty through the implement ation of the revenue enhancem ent strategy and credit control policy	Revenue Manage ment	OP EX	% service payme nt level (annual)	Sustaina ble revenue collection	53%	60%	60%	Target achieve d	none
			OP EX	% Debt covera ge ratio (NKPI) annual		171.8	171.8	318%	Target achieve d	none
			OP EX	% outstan ding service debtor s to revenu e (NKPI) annual	% outstand ing service debtors to revenue (NKPI) annual	75%	75%	156%	Target achieve d	none

# APPENDICES

2.2 DIRECTORATE: BUDGET & TREASURY - EXPENDITURE										
PRIORITY AREA/ PROGRAMME	STRATEGIC OBJECTIVE	PROGRAMME	BUDGET	KPI	OUTCOME	BAS ELINE	ANNUAL TARGET	ACTUAL TARGET	COMMENT	CORRECTIVE MEASURE
Financial viability and financial management (Legislative Compliance)	To ensure effective management of the Budget and Expenditure process controls	Financial Liquidity and Viability	OP EX	100 % payment of creditors within 30 days	Enhance Cash flow management process and payment of creditors within 30 days	90% of creditors are paid within 30 days	100% payment of creditors within 30 days	60%	Target not achieved	Continuous implementation of revenue enhancement strategy
	Poverty alliviation		OP EX	No of all eligible Indigents registered on the Financial system	No of all eligible Indigents registered	408 Indigents Registered	1500 Registered	1857	Target exceeded	none
Financial Sustainability	To ensure effective management of the Budget and Expenditure process controls		930	100 % Municipal Systems Improvement Grant (MSG) utilisation (annual)	Effective Institutional Administration	100 %	100%	100%	Target achieved	none
		OP EX	Cost coverage ratio of (2.0)	Financial Liquidity	75	75	76	Target achieved	none	

# APPENDICES

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2.3 DIRECTORATE: BUDGET & TREASURY - COMPLIANCE										
PRIORIT Y AREA/ PROGRA MME	STRATEGIC OBJECTIVE	PROGR AMME	BUD GET	KPI	OUT COM E	BAS ELIN E	ANNUA L TARGE T	ACTUAL TARGET	COMME NT	CORRECTIV E MEASURE
Financial Sustainab ility	To ensure full compliance with MFMA and GRAP with regard to Financial management reporting	Financia l Sustain ability and Supply Chain & Asset Management	OPE X	No of S 71 repo rts sub mitte d	Ensue e effecti ve Finan cial mana geme nt and compl iance with legis lation.	100 % sub missi on of secti on 71 Repo rts	12	100%	Target achieved	none
	To implement an effective, efficient and economical management (SCM) system that is 100% compliant with MFMA and Treasury regulations		OPE X	No of SCM repo rts sub mitte d	Ensue e effecti ve Finan cial mana geme nt and compl iance with legis lation.	4 Repo rts sub mitte d	4	4	Target achieved	none
			OPE X	No of Devi ation s repo rts sub mitte d	Ensue e effecti ve, efficie nt and compl iance with SCM legisl ation and Proce sses	4 Repo rts sub mitte d	4	4	Target achieved	none

# APPENDICES

			OPE X	% redu ction of inter nal and exter nal audit queri es on the SCM proc esse s.	Ensue effecti ve, efficie nt and compl iance with SCM legisl ation and Proce sses	60% redu ction of inter nal and exter nal audit queri es on the SCM proc esse s.	100% redu ction of inter nal and exter nal audit queries on the SCM process es.	60%	Target not achieved	All Supply Chain findings to be resolved on Quarterly basis.
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2.3 DIRECTORATE: BUDGET & TREASURY - GOOD GOVERNANCE										
PRIORIT Y AREA/ PROGRA MME	STRATEGIC OBJECTIVE	PROGRAMM E	BUD GET	KPI	OUT COM E	BAS ELIN E	ANNUA L TARGE T	ACTUAL TARGET	COMME NT	CORRECT IVE MEASUR E
Financial Sustainab ility	To ensure full compliance with MFMA and GRAP with regard to Financial management reporting	Good Governance and Stakeholder Participation	OPE X	Bud get prep ared (Dra ft and Fina l) and sub mitt ed to Cou ncil for appr oval	Comp liance with MFM A with regar d to financ ial mana geme nt report ing	2015 /16 Appr oved budg et in plac e.	Budget prepare d and submitt ed to Council for approva l	2016/17 approved by Council	Target achieve d	none
			OPE X	Revi ewe d and appr ove d Tar iff poli cy.	Comp liance with MFM A with regar d to financ ial mana geme nt report ing	Tariff poli cy in plac e	Review ed and approve d Tariff policy Council	2016/17 Tarriff policy approved by council	Target achieve d	none

# APPENDICES

			OPE X	Revi ewe d and appr ove d SC M poli cy.	To imple ment an effecti ve, efficie nt and econ omica l mana geme nt (SCM ) syste m that is 100% compl iant with MFM A and Treas ury regul ations	SCM poli cy in plac e	Review al and approva l of SCM policy by Council	2016/17 SCM policy approved by council	Target achieve d	none
			OPE X	AFS prep ared and sub mitt ed to Cou ncil and AG	Comp liance with MFM A with regar d to financ ial mana geme nt report ing	2013 /14 AFS sub mitte d to Cou ncil and AG on time	AFS prepare d and submitt ed to Council and AG	2014/15 submitted to Council and AG on time	Target achieve d	none
			OPE X	No of Bud get vari anc e repo rts sub mitt ed to eac h HO	Mont hly report s to made availa ble to HOD s with regar d to budg et versu s actual	new	12	6	Target not achieve d	Monthly Budget statement to be made available to the HOD's

# APPENDICES

				D by the 10th working day of each month	spending.						
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4.1 DIRECTORATE: COMMUNITY SERVICES AND PUBLIC SAFETY - SAFETY													
Key Performance Area (KPA)	Strategic Objective	Programme	2014/15 Budget R 000	KPI	Source	Outcome	Baseline 2014/15	2015/2016					
								Planned Performance	Actual performance	Target achieved/not achieved	Deviation	Remedial action	Annual Target
Provision of quality basic services delivery and infrastructure	To ensure the safety of all road users	Safety and Security	Ops Funded	Number of road signs to be maintained	OPS Funded	Safer communities	New	20	0	Target not achieved	Cash Flow Problem	Road signs to be maintained in the Quarter three	20
				Number of new road signs installed in all towns	OPS Funded		New	10	2	Target not achieved	Cash Flow Problem	Road signs to be installed in Quarter three	10
				Number of kms of road markings in all major roads in the Municipality	OPS Funded		new	30km	7.5km	Target not achieved	None	None	30km

# APPENDICES

				No. of Municipal vehicles drivers who passed proficiency test	OPS Funded	To promote Road Safety	0	30	0	Target not achieved	The Item was referred to LLF for further deliberation	The Drivers to undergo this proficiency test in the next 3rd quarter	30
		Road Safety awareness campaigns		Number of Prevention Campaigns such as "arrive alive"	OPS Funded		0	4	1	Target not achieved	The campaigns are to be conducted in the 3rd Quarter in collaboration with SAPS	The Campaign will be conducted in 3rd quarter	4
		Maintain order in the legality of Vehicles	Ops Funded	Number of Reports of attendance of Vehicle registration	OPS Funded		New	12x reports	12x reports	Target Achieved	None	None	12 x reports
			Ops Funded	Number of Reports of vehicle tested	OPS Funded		New	12x reports	3x reports	Target achieved	None	None	12 x reports
			Ops Funded	Number of Reports of applicants tested	OPS Funded		New	12x reports	12x reports	Target achieved	None	None	12 x reports
			Ops Funded	Number of Reports of applicants	OPS Funded		New	12x reports	12x reports	Target achieved	None	None	12 x reports

# APPENDICES

				tested									
			Ops Funded	Number of Reports of applicants tested for driving licence	OPS Funded		New	12x reports	12x reports	Target achieved	None	None	12 x reports

4.2 DIRECTORATE: COMMUNITY SERVICES AND PUBLIC SAFETY - REFUSE REMOVAL / ENVIRONMENT													
Key Performance Area (KPA)	Strategic Objective	Programme	Budget	KPI	Source	dates	2015/16					Annual Target	
							Baseline2014/2015	Planned Milestone	Actual Performance	Target achieved /Not achieved	Remedial action		
To promote a clean and healthy environment by conducting intensive awareness and cleaning campaigns to discourage illegal dumping	To promote a clean and healthy environment by conducting intensive awareness and cleaning campaigns to discourage illegal dumping	Environmental Management	EP WP 1.4 m	Number of reports on Keep Dipaleseng Clean	EP WP		new	12	9	Target not Achieved		12	
			EP WP	Number of reports for Grass cutting in open spaces	CWP		new	12	10	Target not Achieved		12	
			EP WP	Number of parks to be upgraded	EP WP		new	7	5	Target not Achieved		7	

# APPENDICES

			EP WP	Numb er of reports on Mainte nance of Cemet eries	EP WP		new	4x progr ess repor t	4x progres s report	Targ et Achi eved	None	4	
				No of house holds receivi ng a weekly refuse remov al service s	Ops fun ded		12365	1319 0	12365	Targ et not Achi eved	It was projec ted that their will be popul ation growt h in Dipal eseng	1319 0	

4.3 DIRECTORATE: COMMUNITY SERVICES AND PUBLIC SAFETY - FIREFIGHTING & DISASTER MANAGEMENT												
Key Perfor mance Area (KPA)	Strategi c Objectiv e	Progra mme	Bud get R 000	KPI		Outco me	Base line 2014/ 15	2015/16				
					Sou rce			Planne d Perfom ance QTR 3	Actual Perfom ance QTR 3	Target achieve d/not achieve d	Reme dial actio n	Ann ual Tar get

# APPENDICES

Provision of quality basic services and infrastructure	To develop and implement a comprehensive Disaster Management program and system that will be able to effectively respond to possible emergencies and disasters	Disaster Management	Ops Funded	Number of reports on emergency incidents attended	Ops funded	Safer Communities	NEW	12	12	Target achieved	None	12
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4.4 DIRECTORATE: COMMUNITY SERVICES AND PUBLIC SAFETY - SPORTS, ARTS & CULTURE													
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	KPI		Outcome	Baseline 2014/15	2015/16					
					Source			Planned Performance	Actual Performance	Target achieved /not achieved	Deviation	Remedial Action	Annual Target

# APPENDICES

Provision of quality basic services and infrastructure	To ensure that all communities have access to well-equipped and managed library facilities to encourage greater interest in reading and literature in communities.	Education	Operational	Number of Outreach programmes held to attract members to the libraries	DC SR	Improved literacy levels	0	12	0	Target not achieved	Awaiting for the funding from the Regional Office	The outreach programme will commence in the Q3	12
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4.5 DIRECTORATE: COMMUNITY SERVICES AND PUBLIC SAFETY - PROJECTS													
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	KPI	Outcome	2015/16		Planned Miles tone	Actual Miles tone	Target Achieved/not achieved	Deviation	Remedial Action	Annual Target
						Start	End						
Basic service delivery	To ensure maintenance of Municipal buildings	Maintenance of Municipal buildings	Operational	Number of reports on maintenance of Municipal buildings		Jan-15	Jan-16	8	3	Target not Achieved	Cash flow problem	The maintenance of municipal building will proceed in Quarter three	8

# APPENDICES

		To ensure maintenance of Sporting Facilities	Ops funded	Number of reports on maintenance Sporting Facilities		15 - Jan	16 - Jan	21	12	Target not Achieved	There were few snags left from Siyath emba sporting facility that need to be budgeted for in the adjustment budget	The maintenance of sporting facility to be carried over the 3rd Quarter and be budgeted in the adjustment budget	21
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5.1 DIRECTORATE: PLANNING & DEVELOPMENT - LED											
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	KPA Indicators	Outcome	Baseline 2014 /15	MAY/JUNE'16				
							Planned	Actual	DeviationTarget Not Achieved/ Target Exceeded	Corrective Measure	Annual Target
Local Economic Development	To enhance Local Economic Development through promotion and development of SMMEs	Facilitate and coordinate economic related workshops with other departments (e.g DEDET) to empower local SMME's	OP EX	Number of SMME's refresh er skills development programmes / worksh ops conducted	Economic Growth and improved livelihoods	2	4	3	Target not achieved	liaise with various departments & institutions on development of smme's	4

# APPENDICES

		Strengthen partnership with local businesses and parastatals through facilitation of LEDF.	OP EX	Number of monthly LED Forum meetings held		2	4	4	Target achieved	ensure consistent sitting of LEDF (quarterly activity)	4
		facilitate Creation of job opportunities and promotion of poverty alleviation strategies to ensure sustainable livelihoods, and Compilation of register for job opportunities created	OP EX	Number of job opportunities created		1693	200	No collection and update of job opportunities database	target not achieved	Ensure regular collection and update of database on job opportunities created	600

5.2 DIRECTORATE: PLANNING & ECONOMIC DEVELOPMENT - DEVELOPMENT CONTROL											
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	KPA Indicators	Outcome	Baseline 2014/15	2015/16				
							Planned	Actual	Deviation Target Not Achieved / Target Exceeded	Corrective Measure	Annual Target
Spatial Rationalisation	To monitor and regulate building activities To promote orderly and Sustainable development	Spatial Planning and implementation	Ops Funded	Number of new building plans received for consideration and approved within (30) days of receipt	Compliance to Legislative Building Regulations	18	16	41	N/A	Any number of various applications is assessed as and when received.	16

# APPENDICES

	pment		Ops Fun ded	Numbe r of approv ed building plans		18	16	41	N/A	Any number of various applicatio ns is assessed as and when received.	16
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Key Perfor mance Area (KPA)	Strate gic Objec tive	Progra mme	Bu dget R 000	KPA Indica tors	Outc ome	Bas elin e 201 4/15	2015/16					Annu al Targe t
							Plan ned	Actual	Deviation get Achieved/ Target Exceeded	Not Target	Corrective Measure	
Spatial e Ration ale	To promo te orderly and Sustai nable develo pment	Spatial Plannin g and implem entation	Ops Fun ded	Numb er of land develo pment applic ations receiv ed (re- zoning s, sub- divisio ns and consoli dation etc)	Plan ned & order ly settle ment patte rns	12	12	13	target exceeded		Any number of various applications is assessed as and when received.	12
			Ops Fun ded	Numb er of land develo pment applic ations evalua ted and proces sed (re- zoning s, sub- divisio ns and consoli dation etc) within 3 month s		12	12	13	quarterly activity (to be reported at the end of the quarter)		Any number of various applications is assessed as and when received.	12

# APPENDICES

5.4 DIRECTORATE: PLANNING & ECONOMIC DEVELOPMENT - HUMAN SETTLEMENTS											
Key Performance Area (KPA)	Strategic Objective	Programme	Budget R 000	KPA Indicators	Outcome	Base line 2014/15	2015/16				
							Planned	Actual	Deviation Target Not Achieved/ Target Exceeded	Corrective Measure	Annual Target
Basic Service Delivery and Infrastructure Investment	Co-ordinate and facilitate access to various housing typologies. with access to basic services and security of tenure	Integrated Human Settlements	OP EX	No. of steering committee meetings held and reports to Mayoral Committee /Council	Provision of Basic Housing	8	2 per quarter	1	target not achieved	ensure consistent sitting of steering committees	8
			OP EX	Review and submission of Human Settlement Chapter to Mayoral Committee / Council		1	Review of the human settlements /housing chapter	draft in place	target not achieved	Draft on halt due to appointment of a consortium of expertise to assist with the Municipality with various projects-the project to be resuscitated as there is no progress from DHS	1

# APPENDICES

			DH S	Registratio n of title deeds	Acce ss to secur ity of tenur e	325	registration of title deeds in ward 1,2,3,4,5 and 6, and confirmatio n of beneficiarie s and issuing of deeds of sales	512 title deeds delivere d to the DLM and confirm ation of applican ts in progres s	Target achieved	ensure distribu tion of title deeds to rightful owners	Delivery of title deeds
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Key Performa nce Area (KPA)	Strategic Objective	Progra mme	Budge t R 000	Project			Planned	Actual	Deviati on Target Not Achieve d/ Target Exceed ed	Correcti ve Measur e
					Start	End				
Acquis ion of land for integrated human settlement s	To acquire land to ensure promotion and developm ent of integrated human settlement s	Land Availabil ity	DHS/H DA	Acquis ion of Portion 28 (Portion of Portion 20) of the farm Vlakfontein 556IR, for development of integrated human settlements (Dr..Meyer)	Jul- 15	Mar- 16	facilitate investigat ions by HDA/DH S whether the identified land unsuitabl e for develop ment of integrate d human settleme nts	Proposal sent to DHS/HD A requestin g funds for acquisitio n of the property	in progres s	regular follow ups with HDA/DH S (Interve ntion by province )
			DPW	acquisition of Portion 27 of the Farm Vlakfontein 558IR and enter into a swap deal with Portion 29 of the Farm Doornhoek 557IR (Sizanani)	Jul- 15	Mar- 16	Facilitate investigat ions by HDA/DH S whether Sizanani CPA land is suitable for develop ment of integrate d human	draft MOU between DLM & Sizanana i CPA forwarde d to the CPA attorney for advice and comment s-SITE	in progres s	MOU drafted and awaiting all signatori es

# APPENDICES

							settleme nts.	VISIT WITH DPW AND VALUATI ON OF THE PROPER TY. AWAITIN G REPORT FROM DPW		
Spatial Rationale	To promote orderly and desirable settlement patterns	orderly and desirabl e settleme nt patterns	OPEX (2M)	Township establishment for Portion 5 (Portion of Portion 20) of the farm Vlakfontein 556IR for development of integrated human settlements (Mr. Egelbrecht,	15- Jul		Develop specificat ions for township establish ment and arrange for a compuls ory briefing meeting with regards to the project	DRAFT specificat ion in place but on halt due to DHS's initiative to fund township establish ment processe s	in progres s, AWAITI NG RESPO NSE FROM DHS	DHS has appointe d a consorti um of expertis e to assist the Municip ality with various projects .

DIRECTORATE: INFRASTRUCTURE SERVICES - WATER											
Key Perform ance Area (KPA)	Strategi c Objectiv e	Progr amme	Budg et	Key Perfor mance Indicat ors	Outco me	Baseli ne 2014/1 5	2015/16				
							Planne d	Actual	Target Achieved /Target Not Achieved	Correct ive measur es	Annu al Targe t

# APPENDICES

Provision of quality basic services and infrastructure	x	Water	MIG (R5m)	No. of households provided with at least a basic or higher level of water service to eradicate backlogs NKPI (annual)	Provision of minimum legislated sustainable potable water standards	12 249	764	None	Target not achieved.	GSDM is currently implementing a project for the improvement of water pressure in Siyathe mba.	764 of households provided with at least a basic or higher level of water service to eradicate backlogs NKPI (annual)
			MIG (R9,9m)	Percentage Blue Drop Status achieved	Increase in Blue drop requirements	40,70	60%	None	Target not achieved.	SCM is in the process to appoint a Service provider to supply apparatus for Blue and Green Drop for Testing our purified water and the Effluent.	60% Blue Drop Status achieved
			R0,350m (GSDM)	Percentage decrease in water losses distributed from the waterworks to the consumers	Reduction in water loss	45%	30%	None	Target not achieved.	Frequent attending of pipe burst and replacement of ageing pipe infrastructure.	<30% decrease in water loss

# APPENDICES

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			Operational Budget	Average number of hours taken to restore water supply disruptions	Continuous water supply to the community	24 Average hours number taken to restore water supply disruptions	24 Average hours number taken to restore water supply disruptions	24 Average hours number taken to restore water supply disruptions	Target achieved	None	24 Average hours number taken to restore water supply disruptions

DIRECTORATE: INFRASTRUCTURE SERVICES - SANITATION											
Key Performance Area (KPA)	Strategic Objective	Programme	Budget	KPA Indicators	Outcome	Baseline 2014/15	2015/16				
							Planned	Actual	Target Achieved/Target Not Achieved	Corrective measures	Annual Target
Provision of quality basic services and infrastructure	To provide access to sanitation services to all households in Dipaleseng and provide bulk capacity upgrade of sewer	Sanitation	MIG (R5m)	Percentage completion of 540 households sewer reticulation	Provision of minimum legislated sustainable sanitation standards	9946 (80%)	100% progress on site	0% progress on site	Target not Achieved	Physical progress on site is about 50%. The Contractor was appointed late by Rand Water as the imple	100% completion of 540 households sewer reticulation

# APPENDICES

plants										menting agent.	
		MIG (R9,9m)	Percentage completion of Upgrading/Expansion of the Grootvlei Waste Water Treatment Works, (Phase 2)	Capacity increase to allow for future development	3 WWT W	100% progress on site	Progress on site at 0%	Target not Achieved	Phase 1&2 of civil works for Grootvlei WWT W is completed; The tender for appointment of Contractor for Mechanical & Electrical is on the BEC stage.	100% completion of Upgrading/Expansion of the Grootvlei Waste Water Treatment Works, (Phase 2)	
		R0,350 m (GSDM)	Percentage Green Drop Status achieved	Increase in Green drop requirements	35% Green Drop Status	60%	None	Target not Achieved	Part of the action plan submitted to DWS to address GDS	60% Green Drop Status achieved	
		Operational Budget	Average number of hours taken to unblock sewer spillage	Basic service delivery and health provision to	24 average number of hours taken to	24 average number of hours taken to unblock sewer spillage	24 average number of hours taken to	Target Achieved	None	24 average number of hours taken to unblock sewer spillage	

# APPENDICES

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DIRECTORATE: INFRASTRUCTURE SERVICES - ELECTRICITY											
Key Performance Area (KPA)	Strategic Objective	Programme	Budget	KPA Indicators	Outcome	Baseline 2014/15	2015/16				
							Planned	Actual	Target Achieved/Target Not Achieved	Corrective measures	Annual Target
Provision of quality basic services and infrastructure	To provide bulk electricity supply, network distribution and maintenance including Infrastructure Provision and Maintenance	Electricity Services	R0,540m	Number of households provided with basic electricity service to eradicate backlogs	Provision of minimum legislated sustainable electricity connection standards	10525	10670	145	Target not achieved	Number of backlogs in basic electricity services achieved.	10670
			OPEX	Percentage decrease in electricity losses distributed from the substations to the consumers supplied by DLM	reduction in electricity loss	45% electricity loss	35%	None	Target not achieved	Feeders Projects under way to address the losses.	35% reduction in electricity loss

# APPENDICES

			Operational Budget	No. of Pre-paid meters converted from conventional meters to prepaid meters	Revenue enhancement and reduction in electricity loss	3200	600	70	Target not achieved	This is as per application or replacement	600 Pre-paid meters converted from conventional meters to prepaid meters
			Operational Budget	Average hours taken to restore electricity outages	Sustainable and continuous electricity supply	24 Average hours taken to restore electricity outages	24 Average hours taken to restore electricity outages	More than 24 Average hours taken to restore electricity outages	Target Achieved	PSP assistance sought and procurement of material	24 Average hours taken to restore electricity outages

DIRECTORATE: ROADS											
Key Performance Area (KPA)	Strategic Objective	Programme	Budget	KPA Indicators	Outcome	Baseline 2014/15	2015/16				
							Planned	Actual	Target Achieved /Target Not Achieved	Corrective measures	Annual Target

# APPENDICES

Provision of quality basic services and infrastructure	To ensure sufficient roads and storm water networks to all communities in Dipaleseng by improving accessibility of roads and improvement in road safety and storm water drainages	Roads & Storm water	OP EX	0.4km <sup>2</sup> of potholes patched	Sustainable Basic service delivery to the community	2,5km <sup>2</sup> of potholes	0.4km <sup>2</sup> of potholes patched	0.2km <sup>2</sup> of potholes patched	Target not achieved	Procurement of enough materials cold asphalt to patch potholes	0.4km <sup>2</sup> of potholes patched
		Roads & Storm water	OP EX	20km of regravelling	Sustainable Basic service delivery to the community	88.4km of gravel roads	20km of roads regravelled	16.67km of roads regravelled	Target not achieved	To make sure that our plants and equipment for regravelling are in good conditions	20km of regravelling

# APPENDICES

DIRECTORATE: INFRASTRUCTURE SERVICES - PMU										
Key Performance Area (KPA)	Strategic Objective	Programme	Budget '000	KPA Indicators	Baseline 2014/15	2015/16				
						Planned	Actual	Target Achieved/Target Not Achieved	Corrective measures	Annual Target
Provision of quality basic services and infrastructure	Planning, coordination, implementation and monitoring of infrastructure Projects. Contracts Management.	Project Management	R 18 889	Number of MIG projects completed	6	6	1	Target not Achieved.	Expedite the SC Processes and increase resources for project currently under implementation	6
				Number of EPWP (FTE's) job opportunities created through MIG Capital projects	100	100	141	Target Achieved.	None	100
			R 18 889	Percentage of Municipal Infrastructure Grant (MIG) spend	100%	100%	52%	Target NOT Achieved.	Expedite the SC Processes and improve Project Management Capacity. Request Roll-over application	100%

# APPENDICES

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DIRECTORATE: INFRASTRUCTURE SERVICES - PROJECTS										
Key Performance Area (KPA)	Strategic Objective	Programme	Budget	Project	Dates		2015/16			
					Start	End	Planned	Actual	Target Achieved/ Target Not Achieved	Corrective measures
Provision of quality basic services and infrastructure	Increasing electricity distribution, accessibility and improve management of network	Electricity Services Provision	INEP	Upgrading of feeder lines in Balfour	Jul - 15	Jun -16	100% progress of feeder lines in Balfour	25% progress of feeder lines in Balfour	Target NOT Achieved	Expedite the SCM process for appointment of Contractors.
	Increasing electricity distribution, accessibility and improve management of network	Electricity Services Provision	INEP	Construction of 20MVA electricity substation in Siyathembu	Jul - 15	Jun -16	Procurement of the contractor	Non procurement of the contractor	Target not Achieved	Expedite the SCM process for appointment of Contractors.

# APPENDICES

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	To ensure sufficient roads and storm water networks to all communities in Dipaleseng by improving accessibility of roads and improvement in road safety and storm water drainages	Roads and Storm water Provision	R3, 0m (MIG)	Construction of roads in Siyathemba (mashinini str)	Jul - 15	Jun -16	25% completion of Mashinini roads construction	5% completion of Mashinini roads construction	Target not Achieved	Expedite the SCM process for appointment of Contractor s.	
	To ensure effective and efficient waste management services and systems by reviewing and extending the refuse removal	Waste management	R7. 5m (MIG)	Establishment of landfill site in Balfour/Siyathemba	Jul - 14	Jan -15	Commence with the construction of earth works (cell)	Construction ongoing and at 98% in progress	Target not achieved	Contractor terminated . The Supplier will be allowed to complete the remaining works.	

# APPENDICES

	progra mme to all areas.										
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# APPENDICES

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

See attached.